



**DUE TO THE COVID-19 STATE OF EMERGENCY AND PURSUANT TO WAIVERS TO CERTAIN BROWN ACT PROVISIONS UNDER THE GOVERNOR'S EXECUTIVE ORDERS, THIS MEETING IS BEING CONDUCTED VIA TELECONFERENCE AND**

**THERE WILL BE NO PHYSICAL LOCATION FROM WHICH MEMBERS OF THE PUBLIC MAY PARTICIPATE**

**MEMBERS OF THE PUBLIC ARE ENCOURAGED TO PARTICIPATE IN THE BOARD MEETING OPEN SESSION BY GOING TO <https://us02web.zoom.us/j/85254080829> OR BY CALLING 1-669-900-6833 or 1-346-248-7799 or 1-253-215-8782 or 1-301-715-8592 or 1-312-626- 6799 or 1-929-205-6099 (WEBINAR ID: 852 5408 0829) (CLOSED SESSION WILL NOT BE ACCESSIBLE TO MEMBERS OF THE PUBLIC; HOWEVER, INSTRUCTIONS FOR PUBLIC COMMENT ON CLOSED SESSION ITEMS ARE PROVIDED IN ITEM #4.)**

MEMBERS OF THE PUBLIC WISHING TO ADDRESS THE BOARD UNDER PUBLIC COMMENT OR ON A SPECIFIC AGENDA ITEM MAY SUBMIT WRITTEN COMMENTS TO OUR BOARD SECRETARY BY EMAIL AT [DWASHBURN@RAINBOWMWD.COM](mailto:DWASHBURN@RAINBOWMWD.COM) OR BY MAIL TO 3707 OLD HIGHWAY 395, FALLBROOK, CA 92028. ALL PUBLIC COMMENTS RECEIVED AT LEAST ONE HOUR IN ADVANCE OF THE MEETING WILL BE READ TO THE BOARD DURING THE APPROPRIATE PORTION OF THE MEETING. THESE PUBLIC COMMENT PROCEDURES SUPERSEDE THE DISTRICT'S STANDARD PUBLIC COMMENT POLICIES AND PROCEDURES TO THE CONTRARY.

**RAINBOW MUNICIPAL WATER DISTRICT BOARD MEETING**

**Tuesday, May 26, 2020**

**Closed Session 12:00 p.m.**

**Open Session 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 4<sup>th</sup> 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](http://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 12:00 p.m. and Open Session at 1:00 p.m. Tuesday, May 26, 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 email or mailing their comments to the Board Secretary one hour before the Closed Session scheduled start time. All written public comments will be read to the Board prior to their adjournment to Closed Session. Any person wishing to speak to the Board regarding Closed Session agenda items may do so by calling (760) 728-1178, listening for "Thank you for calling Rainbow Municipal Water District ...", dialing Extension 429, and entering pin 8607 at the Closed Session scheduled start time. Once all public comment is heard, this call will be disconnected, and the Board will adjourn to Closed Session. To participate in the Open Session portion of the meeting, please follow the instructions provided at the top of Page 1 of this agenda. Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board President.*
5. **CLOSED SESSION**
  - A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))  
\* Two Items
  - B. Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)  
\* Kessner et al., v. Rainbow Municipal Water District, et al.
  - C. Conference with Legal Counsel – Potential Initiation of Litigation (Government Code § 54956.9(d)(4))  
\* One Case
6. **REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**  
Time Certain: 1:00 p.m.
7. **REPEAT CALL TO ORDER**
8. **PLEDGE OF ALLEGIANCE**

(\*) - Asterisk indicates a report is attached.

- 9. REPEAT ROLL CALL
- 10. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION
- 11. REPEAT ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)
- 12. 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 or may email or mail their comments to the Board Secretary one hour before the Open Session scheduled start time. All written public comments received will be read to the Board during the appropriate portion of the meeting. 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.*

**\*13. APPROVAL OF MINUTES**

- A. April 28, 2020 - Regular Board Meeting

**\*14. 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 April 23, 2020
  - 2. CSDA
  - 3. LAFCO
  - 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: Claims Presentation Filing Requirements 150152-0005

**15. COMMITTEE REPORTS**

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

(\*) - Asterisk indicates a report is attached.

**\*16. PUBLIC HEARING**

- A. DISCUSSION AND POSSIBLE ACTION TO JOIN THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”) AND BECOME A PARTICIPATING MEMBER AGENCY, AND ADOPT A RESOLUTION “FORM OF RESOLUTION OF INTENTION TO BE ADOPTED BY CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (“CSCDA”)**

*(This is a statewide program for infrastructure financing on developer projects, reducing upfront costs for development. To participate in this state program, the Board must take action.)*

**CONSENT CALENDAR ITEMS**

- \*17. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 20-08 — 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 MAY 26, 2020 THROUGH JUNE 30, 2020**

*(The job classification for Water Systems Superintendent was reevaluated and updated. Staff recommends changing the title to Water Systems Supervisor to be consistent with other supervisory job titles. Approval of Resolution No. 20-08 will change the job title on the salary grade structure.)*

- 18. NOTICE OF COMPLETION AND ACCEPTANCE OF DENTRO DE LOMAS ROAD IMPROVEMENT PROJECT AS COMPLETE**

*(Request that the Board of Director accept the Dentro De Lomas Road Improvement project as complete and to approve filing the project Notice of Completion. Segments of Dentro De Lomas Road were damaged as result of a water main break. The District permanently repaired 9,008 square feet of road and 431 linear feet of AC curb.)*

**BOARD ACTION ITEMS**

- \*19. DISCUSSION AND POSSIBLE ACTION TO ADOPT A RESOLUTION OF NECESSITY, RESOLUTION NO. 20-05, AUTHORIZING THE ACQUISITION OF EASEMENT BY EMINENT DOMAIN FOR A PORTION OF THE PROPERTY AT 7650 CAMINO DEL REY, BONSALL, CA 92003**

*(Request that the Board of Director adopt a Resolution of Necessity to acquire a 15,000 square foot permanent easement from EWM Investments, LLC. at 7650 Camino Del Rey, Bonsall, CA 92003 through the eminent domain process. To date, the District and EWM Investments, LLC have not come to an agreement on an easement document. The easement is needed for the installation of a permanent pump station and associated appurtenances in order for the District to continue to provide reliable water services to its customers.)*

- 20. DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE THE AWARD OF THE CONSTRUCTION CONTRACT FOR THE RAINBOW HEIGHTS PUMP STATION REHABILITATION PROJECT**

*(The Rainbow Heights Pump Station Rehabilitation Project consists of demolishing the existing pump station and installing a pre-manufactured pump station. The bid opening for the construction contract was held at 2:30 pm on May 11, 2020. There were no irregularities with the lowest bidder, Orion Construction.)*

(\*) - Asterisk indicates a report is attached.

- \*21. 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 ANNEX THE PARDEE “MEADOWOOD” DEVELOPMENT FROM THE VALLEY CENTER MUNICIPAL WATER DISTRICT INTO THE RAINBOW MUNICIPAL WATER DISTRICT**  
*(This action item is to adopt a Resolution of Application for the Pardee “Meadowood” development and authorize the General Manager to prepare and submit an application to San Diego LAFCO for the proceedings.)*
- 22. DISCUSSION AND POSSIBLE ACTION REGARDING “AS NEEDED” LAND SURVEY SERVICES CHANGE ORDERS**  
*(Request that the Board of Directors approve change orders in the amount of \$50,000 each for KDM Meridian, Inc. and Right-Of-Way Engineering, Inc. for land survey professional services under their existing “As Needed” contracts. “As Needed” professional service contracts are utilized by District staff to effectively and efficiently complete projects.)*
- 22A. DISCUSSION AND POSSIBLE ACTION ON AGREEMENT TO APPROVE AND EXECUTE JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION COUNTY OF SAN DIEGO TRACT NO. 5354-1**  
*(This action item is to consider an agreement between Pardee Homes, the County of San Diego, and the District related to the public improvements that Pardee will be constructing as part of the Meadowood development. This is a County standard agreement and is similar to agreements we have with other developments.)*
- 23. BOARD MEMBER REQUESTS FOR AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

**BOARD INFORMATION ITEMS**

- 24. BUDGET PREVIEW**
- 25. COVID-19 EMERGENCY UPDATE**
- 26. NORTH RIVER ROAD EMERGENCY UPDATE**
- 27. WSUP UPDATE**
- 28. BOARD MEMBER INPUT ON ADMINISTRATIVE CODE TITLE 1 PROPOSED REVISIONS**
- \*29. HEADQUARTERS SITE DEVELOPMENT PROGRESS**  
*(Staff will provide an update as to the progress of the headquarters site development.)*
- \*30. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS**
  - A. General Manager Comments**
    - 1. Meetings, Conferences and Seminar Calendar
  - B. Communications**
    - 1. SB 1386 (Moorlach): Protecting Fire Hydrant System Funding- Support
    - 2. SB 1386 Senate Governance Finance Committee Analysis
  - C. Operations Comments**
    - 1. Operations Report
  - D. Engineering Comments**
    - 1. Engineering Report
    - 2. As-Needed Services Expenditures Summary

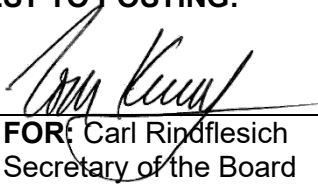
(\*) - Asterisk indicates a report is attached.

- 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. Budget vs. Actual Fund 1, 2, and 3
  - 3. Fund Balance Projections
  - 4. Treasury Report
  - 5. Five Year Demand
  - 6. Credit Card Breakdown
  - 7. Directors' Expense
  - 8. Check Register
  - 9. Water Sales Summary
  - 10. Developer Projections
  - 11. RMWD Properties

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

32. ADJOURNMENT - To Tuesday, June 23, 2020 at 1:00 p.m.

**ATTEST TO POSTING:**

  
 \_\_\_\_\_  
**FOR:** Carl Rindflesich  
 Secretary of the Board

5-22-2020 @ 12:30 p.m.  
 \_\_\_\_\_  
 Date and Time of Posting  
 Outside Display Cases

(\* ) - Asterisk indicates a report is attached.

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**MINUTES OF THE REGULAR BOARD MEETING  
OF THE BOARD OF DIRECTORS OF THE  
RAINBOW MUNICIPAL WATER DISTRICT  
APRIL 28, 2020**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on April 28, 2020 was called to order by Vice President Hamilton at 12:05 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Vice President Hamilton presiding.

2. **ROLL CALL**

**Present:** Director Gasca, Director Hamilton, Director Rindfleisch.

**Also Present:** General Manager Kennedy, Legal Counsel Smith (*via video teleconference*), Legal Counsel Duran-Brown (*via video conference*), Executive Assistant Washburn, Information and Technology Manager Khattab.

**Absent:** Director Brazier, Director Mack.

No members of the public were present for Closed Session.

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

Mr. Kennedy noted Item #22 has been resolved and can be removed from the agenda.

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

There were no oral comments. A written comment was submitted to Legal Counsel from EWM Investments, LLC regarding one of the Closed Session matters.

***The meeting adjourned to Closed Session at 12:07 p.m.***

*Mr. Kennedy informed the Board Director Brazier had notified the District she was unable to attend today's meeting and that Director Mack had an unavoidable medical procedure preventing him from attending.*

5. **CLOSED SESSION**

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

\* Four Items

(\*) - Asterisk indicates a report is attached.

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**B.** Conference with Legal Counsel-Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)

\* Otay Water District v. Rainbow Municipal Water District

**C.** Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)

\* Kessner et al., v. Rainbow Municipal Water District, et al.

**D.** Conference with Legal Counsel – Potential Initiation of Litigation (Government Code §54956.9 (d)(4))

\* Two Cases

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

This item was addressed under Item #10.

***The meeting reconvened at 1:01 p.m.***

Time Certain: 1:00 p.m.

**7. REPEAT CALL TO ORDER**

The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on April 28, 2020 was called to order again by Vice President Hamilton at 1:03 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Vice President Hamilton presiding.

**8. PLEDGE OF ALLEGIANCE**

**9. REPEAT ROLL CALL**

**Present:** Director Gasca, Director Hamilton, Director Rindfleisch.

**Also Present:** General Manager Kennedy, Executive Assistant Washburn, Information and Technology Manager Khattab.

**Absent:** Director Brazier, Director Mack

**Present via video teleconference:**

Legal Counsel Smith, Legal Counsel Duran-Brown, District Engineer Strapac, Operations Manager Gutierrez, Finance Manager Largent, Human Resources Manager Harp, Associate Engineer Powers, Customer Service and Communications Supervisor Gray, Engineering Technician Rubio, and Utility Worker Sjuneson.

Thirteen members of the public attended the Open Session via video teleconference.

(\* ) - Asterisk indicates a report is attached.



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**10. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION**

Legal Counsel reported the Board met in Closed Session to discuss six items. He noted there was no action on two items discussed under Item #5A, the items discussed under Item #5D, as well as on items #5B and #5C.

***The meeting adjourned to the Rainbow Public Facilities Corporation at 1:04 p.m.***

***The meeting reconvened at 1:09 p.m.***

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

Vice President Hamilton announced Item #22 was no longer applicable as the matter has been resolved and Item #23 has been deferred.

**12. 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).**

Vice President Hamilton read aloud instructions for making comments while joining the meeting via teleconference.

There were no comments.

**13. EMPLOYEE RECOGNITIONS**

**A. Thomas Sjuneson (20 Years)**

Mr. Kennedy noted Thomas Sjuneson started working at RMWD in the meters department and had since moved into the construction department. He noted due to his experience in both metering and construction, Mr. Sjuneson was leading the vacuum excavation efforts associated with the WSUP project. He mentioned Mr. Sjuneson has also done a great deal of work representing one of the employee bargaining units, REA, serving as their President. Mr. Kennedy noted he will present Mr. Sjuneson with his plaque and check after the conclusion of this meeting.

Mr. Sjuneson said it has been a great twenty years with things are positive and how he looks forward to continued improvements. He looks forward to continued improvements. Mr. Kennedy thanked him for his twenty years of dedication and service.

**\*14. APPROVAL OF MINUTES**

**A. March 24, 2020 - Regular Board Meeting**

***Motion:***

***To approve the minutes.***

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

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

(\*) - Asterisk indicates a report is attached.

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

**Absent: Director Brazier, Director Mack.**

*(\*After the March 24, 2020 minutes were approved, it was found the titles provided in the first roll call recorded were incorrect. The titles were corrected in the final and executed version.)*

**\*15. 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)**

Vice President Hamilton read President Brazier’s comments submitted in writing into the record.

“I’d like to say a few words to Rainbow’s employees:

There’s no need to remind you of the global Covid19 pandemic or its current and possible future consequences. You and Rainbow and our mission to provide our ratepayers with safe drinking water and reliable sewer services are vital to fighting the spread of this deadly virus. There can be no debate about the importance of frequent and thorough hand washing in that endeavor. You make that possible.

Your work lives have been disrupted. Your work times and places may not be what you are accustomed to and may change out of necessity. Those of you working remotely may have less than ideal workspaces, some difficulty with convenient real time consultations with colleagues or access to some information. There may be the distraction of other people in your workspace because of the California stay at home order. I am complying with that order, and there are times when I am glad to be alone so that I can finish a task without interruption...and that I don’t have the opportunity to annoy anyone to death. The board values what you do under these challenging circumstances. Keep up the good work.

I miss waving as our vehicles pass in the parking lot, smiling and saying hi in the hallway, or bantering about sports. You are all more than your job descriptions; you are members of a team. Part of the value of that team is its synergy, which helps us all do our best. All of us miss the feedback we get from each other. Until we can reassemble that team, please take care, stay safe, and be well.”

Mr. Kennedy appreciated the comments noting they were very nice.

**B. Representative Report (Appointed Representative)**

**1. SDCWA**

**A. Summary of Board Meeting March 26, 2020**

Mr. Kennedy reported there have been two different SDCWA Board meetings via Microsoft Teams since the RMWD Board met in March and how roll call votes for all thirty-six members were taken on all action items. He said one of the most interesting topics was when the market started to crash at the beginning of the pandemic, SDCWA added a last-minute item to their agenda regarding working on refinancing \$350M in commercial paper of which \$100M which was secured by SDCWA’s own books. He noted the action item requested approval for the General Manager

(\*) - Asterisk indicates a report is attached.

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and Finance Manager to issue up the \$350M in one-year notes at up to 12% interest. He said he asked questions a mutual agreement was reached not to approve this at any rate higher than the amount being paid now. Discussion ensued.

Mr. Kennedy pointed out at a meeting late last week, there was not too much on the SDCWA agenda, however, when the minutes were approved, they asked if anyone had an objection and took a voice vote. He asked Legal Counsel how this should have been addressed according to the spirit and intent of the Governor's Executive Order. Legal Counsel stated every vote is supposed to be done by roll call in light of the new Executive Order.

**2. CSDA**

Mr. Kennedy noted the Board met and cancelled the May 21, 2020 Quarterly Dinner Meeting and have replaced it with a short virtual happy hour with all SDCSDA members invited to attend.

**3. LAFCO**

Mr. Kennedy reported the next meeting will be on May 4, 2020 at which they will be considering the SDCWA request to be given exemption for Part 4 of CKH relating to their ability to conduct the reorganization pursuant to the Water Authority Act. He noted RMWD has sent a letter to LAFCO outlining the District's position related to this matter which has been shared with the RMWD Board and is posted on the LAFCO website. He added RMWD does object to any concept of a county-wide vote or a stay in the proceedings due to the COVID-19 situation.

**4. San Luis Rey Watershed Council**

There was no report given.

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

Delayed to July 2020.

**6. ACWA**

There was no report given.

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

**1. Board Seminar/Conference/Workshop Training Attendance Reports**

There were no reports provided.

**D. Directors Comments**

Director Gasca has been in contact with Jack Haggerty on Gird Road who has a meter that is reading high. He said although this has been resolved, he received another call from Mr. Haggerty requesting a meeting to discuss the possibility the meter may be reading higher than it should. Mr. Kennedy said staff would go to the property and assess the situation and conduct a test on the meter if necessary.

(\*) - Asterisk indicates a report is attached.

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Ms. Gray noted she spoke with Mr. Haggerty today and will provide more detail to Director Gasca after the conclusion of this meeting.

- E. Legal Counsel Comments
  - 1. Attorney Report: Dangerous Conditions of Public Property (501668-0002)

Vice President Hamilton inquired as to how this matter got to court. Legal Counsel explained it was due to an unfortunate fatality. He summarized the information provided in the report provided.

**16. COMMITTEE REPORTS**

Mr. Hamilton stated since committee meetings were no held in April, there was most likely nothing to report.

Ms. Washburn shared Mr. Flint's email stating he was unable to attend the Board meeting today and that since the Engineering and Operations and Budget and Finance committees have not met since early March, there was nothing to report except they were looking forward to getting back into operation in May.

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

**CONSENT CALENDAR ITEMS**

- 17. NOTICE OF COMPLETION AND ACCEPTANCE OF MINOR FACILITIES CONSTRUCTED BY DEVELOPERS
- \*18. DISCUSSION AND POSSIBLE ACTION TO CONSENT TO THE EXTENSION OF THE JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION COUNTY OF SAN DIEGO TRACT NO. 5498-1

*Motion:*

*To approve the Consent Calendar items.*

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

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

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

*Absent: Director Brazier, Director Mack*

**BOARD ACTION ITEMS**

- 19. DISCUSSION AND POSSIBLE ACTION TO APPROVE WAIVING OF LATE FEES THROUGH JUNE 1, 2020

Ms. Largent said nothing has changed. She said a few customers have called every day inquiring if RMWD was offering any relief on accounts and how the messaging being put out by RMWD was that staff would be going to the Board and asking to be waiving of late fees through June 1<sup>st</sup>.

(\*) - Asterisk indicates a report is attached.

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She added staff was also letting customers know RMWD would not be to doing shutoffs per the Executive Order through the end of May.

Mr. Kennedy stated customers would not be relieved of responsibility to pay for water, but the Executive Order does state water should not be shut off. He said as was started before the last Board meeting late fees were not being charged at this time; however, staff wanted to offer the Board the alternative to waive late fees through June 1<sup>st</sup> for consideration. Ms. Largent clarified this waiver would extend through the balances at the end of May that are due in June.

Mr. Kennedy asked Ms. Largent if she saw a distinct change in remittances. Ms. Largent confirmed she has and how calls have been received from customers who have lost their jobs and are concerned with having their water turned off. She pointed out staff was making sure to tell the customers they will still be responsible for the bill, but obviously people are still concerned. She said waiving the late fees would go a long way.

Mr. Kennedy said when he was participating in a Fallbrook local community group Zoom webinar, RMWD may want to consider relieving those customers who cannot pay of the RMWD fixed charges and only passing through the SDCWA; however, there were challenges involved that could be subject the District to potential risk. He suggested it would be best to wait to see how the current situation plays out in terms of the pandemic.

Vice President Hamilton asked Ms. Largent if she had any indication as to what level of exposure RMWD has in this situation. Ms. Largent said staff was in the process of compiling this data with the Accounts Receivable agent right now; however, she would not have enough data until next month's Board meeting. She recommended exercising caution with starting a program involving property tax revenue due to its limits as well as excess costs associated with this situation and unfunded mandates from the federal government.

Vice President Hamilton asked for confirmation, the Board was only considering finance charges being waived at this time. Ms. Largent stated this was correct.

***Motion:***

***To approve waive late fees through June 1, 2020.***

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

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

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

***Absent: Director Brazier, Director Mack.***

20. **CONSIDER RATIFICATION OF THE GENERAL MANAGER'S EMERGENCY DECLARATION OF APRIL 18, 2020 RELATED TO THE IMMEDIATE REPAIR OF A DAMAGE SEWER LINE ON NORTH RIVER ROAD, REVIEW INFORMATION RELATED TO THE EXTENT OF REPAIRS NEEDED, AND APPROPRIATE FUNDS REQUIRED TO COMPLETE REPAIR WORK**

Mr. Kennedy gave a presentation on the North River Road Emergency Repairs as he explained what transpired at the site as well as the next steps that need to be taken.

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Mr. Kennedy stated, as required in the Administrative Code, the Board will need to ratify the declaration of emergency he made on April 17, 2020 at today's meeting. He mentioned the costs involved with the emergency may vary from the \$150,000 original estimate he provided at the time of the emergency declaration; therefore, he was asking the Board to appropriate \$200,000 to make the necessary repairs.

Vice President Hamilton asked the age of the system. Mr. Gutierrez said it was 1974.

Director Gasca inquired if this pipeline was identified on the CIP list. Mr. Kennedy explained it was on the list as part of the RMWD overall manhole and pipeline rehabilitation in a lining situation; however, after discovering it was this bad, it cannot be lined. He noted originally this would have been part of the North River Farms project approved by the City of Oceanside. He mentioned since that time, a recall election was scheduled to take place that was cancelled due to the COVID-19 situation. He pointed out if the project is approved during the Fall elections, this entire line will be replaced by the City; therefore, part of spending a great deal of money on this now would not be feasible. Discussion followed.

***Motion:***

***To approve Option 1 – ratify the General Manager's Emergency Declaration of April 17, 2020.***

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

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

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

***Absent: Director Brazier, Director Mack.***

Mr. Kennedy pointed out the dollar amount to be appropriated should be included in the motion.

Director Rindfleisch offered an amended motion.

***Motion:***

***To approve Option 1 - ratify the General Manager's Emergency Declaration of April 17, 2020 for costs not to exceed \$200,000.***

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

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

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

***Absent: Director Brazier, Director Mack.***

**\*21. CONSIDER APPROVAL OF CONTRACT WITH LANCE, SOLL & LUNGHART, LLP (LSL) FOR AUDITING SERVICES**

Ms. Largent noted a Request for Proposal (RFP) was put out in March for auditing services to which five different firms replied. She pointed out the results are provided in Appendix B. She

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explained normally this would be reviewed with the Budget and Finance Committee, but since the committee did not meet in April, she prepared a review of the proposals received noting all the firms would be similar in how the audits are performed with the only difference being which ones would be willing to provide additional assistance in specific areas with which the past auditor was reluctant to do. She said the best firm appears to be LSL and how the cost for the three-year contract was not a significant increase over the contract currently in place; therefore, she was asking the Board to consider approve the contract for three years with two option years.

Vice President Hamilton asked if the existing contract was coming to an end. Ms. Largent answered the contract was coming to an end and when she reached out to the current firm to notify them RMWD would be putting out an RFP and how they were welcome to rebid, they did not submit a proposal.

Director Rindfleisch asked if the firm selected agrees to provide guidance on importing capital assets into the financial records that were not imported in years past, would that suggest what he recalls being capital assets totaling approximately \$88M-\$89M were not included in the asset calculations. Mr. Kennedy said along these lines, several years ago there was an appraisal conducted on the entire RMWD system to determine if it was undervalued. He stated the appraisal came back at \$440M total; however, the auditor did not want to use this value as a net asset value and was reluctant to assist with translating the new value into book value. He said RMWD was clear in the recent RFP, RMWD was the next auditor who works for the Board to go through and look at the appraised value and come up with better results.

Discussion ensued.

Director Gasca inquired as to the difference in the fiscal impacts provided in the action letter. Vice President Hamilton clarified this contract was for three years with options to extend. Mr. Kennedy stated should staff wish to extend the contract any extension would need to be brought to the Board for consideration.

Director Rindfleisch asked if RMWD would be utilizing the valuation projected from the past auditor or will the new firm conduct a fresh valuation. Mr. Kennedy clarified the appraisal was conducted by another firm, not the auditors. Ms. Largent stated the District should be able to utilize the established study. Mr. Kennedy offered to provide a copy of the appraisal to any interested Board members.

***Motion:***

***To accept Option 1 – Authorize the General Manager to execute the contract with Lance, Soll, Lunghart, LLP.***

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

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

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

***Absent: Director Brazier, Director Mack.***

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- \*22. DISCUSSION AND POSSIBLE ACTION TO ADOPT A RESOLUTION OF NECESSITY, RESOLUTION NO. 20-02, AUTHORIZING THE ACQUISITION OF EASEMENT BY EMINENT DOMAIN FOR A PORTION OF THE PROPERTY AT 3730 FIRE ROAD, FALLBROOK, CA 92028**

This item was removed from the discussion per Item #3.

- \*23. DISCUSSION AND POSSIBLE ACTION TO ADOPT A RESOLUTION OF NECESSITY, RESOLUTION NO. 20-05, AUTHORIZING THE ACQUISITION OF EASEMENT BY EMINENT DOMAIN FOR A PORTION OF THE PROPERTY AT 7650 CAMINO DEL REY, BONSALE, CA 92003**

This item was deferred to the next Board meeting per Item #11.

- \*24. DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE THE AWARD OF THE CONSTRUCTION CONTRACT FOR THE OLIVE HILL ESTATES TRANSMISSION LINE RECONNECTION PROJECT**

Mr. Strapac gave a presentation as he explained the project background, overview, and bid summary.

Director Gasca asked if there was a retention included in the contract. Mr. Strapac confirmed there was payment, performance, and warranty bonds for one year.

Vice President Hamilton recalled what had transpired back when he initially joined the Board of Directors where there was a line coming right through an easement. Mr. Kennedy said the easement did not serve any parcels; therefore, this time it will stay in the road.

Discussion ensued.

Director Gasca inquired as to whether this project was in the top five of the conditional assessment. Mr. Kennedy explained it was not in the condition assessment but rather part of the SDCWA detachment analysis and capacity expansion.

Vice President Hamilton asked if RMWD had to shut down one of the pressure stations, it will not be able to supply water from the other. Mr. Strapac stated this was not necessarily true and how water could be routed to other areas. Discussion ensued.

Director Gasca inquired about finding that the project is Statutorily and Categorically Exempt from CEQA was a separate action. Mr. Kennedy explained this can be made a part of the motion.

***Motion:***

***To approve Option 1 - Allocate funding and award the construction contract for the Olive Hill Estates Transmission Line Reconnection Project to T.E Roberts, Inc. in accordance with the California Public Contracting Code for a not to exceed amount of \$1,128,075, make a finding that the project is Statutorily and Categorically Exempt from CEQA, and authorize General Manager to execute contract for the construction of the Olive Hill Estates Transmission Line Reconnection Project to T.E Roberts, Inc.***

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

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

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

**Absent: Director Brazier, Director Mack.**

- \*25. DISCUSSION AND POSSIBLE ACTION TO JOIN THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”) AND BECOME A PARTICIPATING MEMBER AGENCY, AND ADOPT A RESOLUTION “FORM OF RESOLUTION OF INTENTION TO BE ADOPTED BY CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (“CSCDA”)**

Mr. Kennedy explained the Board would not be taking any action on this item today; however, discussion would be permissible. He explained the benefits of joining the SCIP. He noted this program allows property owners to assess themselves to do a project. He said these property owners could be a small developer who wants to build infrastructure for a small development or someone who wants to build raw water infrastructure. He clarified joining the SCIP program puts it out there as an alternate funding method should these things come to pass.

Vice President Hamilton asked if RMWD had to be a participating agency for a group or developer to even apply. Mr. Kennedy confirmed this was true. He pointed out SCIP was another financing vehicle for publicly owned infrastructure to be paid for through assessments. Vice President Hamilton asked if there would be downside for RMWD. Mr. Kennedy said this was a direct assessment and should someone purchase a property with SCIP assessments attached may question RMWD’s involvement.

Mr. Kennedy said he would bring this item back to the Board in May.

There was no action taken.

- \*26. REVIEW AND CONSIDER RESOLUTION 20-07 WHICH RELATES TO THE ENVIRONMENTAL IMPACT REPORT (AND 2020 ADDENDUM) FOR THE PARDEE “MEADOWOOD” DEVELOPMENT AND AUTHORIZE GENERAL MANAGER TO EXECUTE AN AGREEMENT FOR OUT OF AGENCY SERVICE TO TRANSFER WATER AND WASTEWATER SERVICE FUNCTIONS FOR THE PARDEE “MEADOWOOD” DEVELOPMENT FROM THE VALLEY CENTER MUNICIPAL WATER DISTRICT TO THE RAINBOW MUNICIPAL WATER DISTRICT AND AN ANNEXATION AGREEMENT BETWEEN PARDEE HOMES AND RAINBOW MUNICIPAL WATER DISTRICT FOR THE ULTIMATE ANNEXATION OF THE DEVELOPMENT INTO RAINBOW MUNICIPAL WATER DISTRICT**

Mr. Kennedy briefly summarized this item noting the Pardee Meadowood Development go into a Preannexation agreement in 2004 and how after a change on the Board, that agreement ended in 2008 when the parties mutually agreed to exit the Preannexation Agreement. He stated Pardee then contacted Valley Center Municipal Water District (VCMWD) who in turn agreed to annexation; however, after discovering SDCWA would not be able to provide them with small metering, it did not work out. He mentioned it was also found providing wastewater services was not feasible. He explained RMWD and VCMWD then researched ways RMWD could serve the property utilizing RMWD’s water conveyance and water systems and how those discussions continued for quite some time with studies being conducted. He stated the discussions were hung up on the capacity fees and how the RMWD Board reviewed this matter in 2016 at which time Pardee was presented with the proposed fees. He noted after quite some time, Pardee received final approval from the County including permits and was ready to start grading when he,

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VCMWD's general manager, and Jimmy Aryala started having a series of discussions regarding how it would be logical to return to the original proposal in 2004 with Meadowood being annexed into RMWD. He pointed out this action item was a culmination of these discussions.

Mr. Kennedy noted there were two specific actions to be considered for this item; the Out of Agency Service Agreement with VCMWD that allows RMWD to service this project, and an Annexation Agreement where RMWD will agree to annex the development into the RMWD service area. He explained the processes will include RMWD approving an application to LAFCO for annexation, going through the LAFCO process, and eventual transition of those parcels to RMWD sometime in the next eight or so months.

Mr. Kennedy pointed out this document also establishes the sewer capacity fees and that RMWD will form a CFD through which proceeds will be paid. He mentioned there was one challenge was there are some CEQA matters in that the Pardee development includes the Rice Canyon Pipeline; however, Pardee modified and produced an addendum to their EIR over the past month which has been reviewed by both Mr. Strapac and Legal Counsel. He explained part of this process will be for the Board to take action to certify that addendum. He noted the entire EIR approved by the County previously with some amendments were provided to the County.

He said it believes the key benefits are the \$10.5M wastewater capacity fees are sorely needed by RMWD to really improve its wastewater system, it will provide approximately \$800,000 in new customer revenue every year, and will make better operations on the water side being able to move water north and south.

Vice President Hamilton stated according to Mr. Strapac, RMWD will also get better utilization out of the asset as opposed to having stale water in the tank caused by not moving it around enough.

Jimmy Ayala with Pardee Homes noted he was pleased with Mr. Kennedy's overview on the project. He thanked Mr. Kennedy, Mr. Strapac, and the entire RMWD team members for their diligence in preparing this item before the RMWD Board today. He said he believes this will be a benefit for both parties as well as it serves as a good example of the provision of municipal services. He said Pardee looks forward to the RMWD's Board approval today.

Vice President Hamilton inquired about the water and sewer capacity revenue reported in the action letter differing from that in the agenda item. Mr. Kennedy said this was a typographical error and the \$16M was the correct forecast.

***Motion:***

***To approve Option 1A, 1B, and 1C - Adopt Resolution 20-07 which ratifies the CEQA findings included in the resolution as well as the 2020 Addendum to the Pardee Final Environmental Impact Report; a Notice of Determination will be filed within five days of the Board's actions; approve the Agreement for Out of Agency Service between the Rainbow Municipal Water District and the Valley Center Municipal Water District and authorize the General Manager to execute the agreement; approve the Annexation Agreement among Rainbow Municipal Water District, a California Municipal Water District, and Pardee Homes and authorize the General Manager to execute said agreement.***

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

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

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

***Absent: Director Brazier, Director Mack.***

Mr. Kennedy directed Mr. Strapac to get the Notice of Determination completed.

**27. DISCUSSION AND POSSIBLE ACTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO PROVIDE DESIGN SERVICES FOR THE RICE CANYON TANK TRANSMISSION PL TO I-15 - SR76 CORRIDOR DESIGN PROJECT**

***Vice President Hamilton called for a break at 2:46 p.m.***

***The meeting reconvened at 3:02 p.m.***

Mr. Kennedy pointed out this item was related to the Pardee item. He noted in talking to the design engineer, a proposal was provided at much lower costs by the contractor who will be working on the Pardee project simultaneously.

Mr. Strapac pointed out Dexter Wilson is very familiar with the project having studied it for the Pardee Annexation Agreement. Vice President Hamilton asked if RMWD would benefit from this pipeline serving the areas noted in the original plan. Mr. Strapac confirmed this would be the case.

***Motion:***

***To approve Option 1: Award a Professional services contract to Dexter Wilson Engineering, Inc. to provide design services for the Rice Canyon Tank Transmission PI to I-15 - SR76 Corridor Design Project not to exceed \$190,880, rename the project to the "Rice Canyon Transmission Pipeline Project", authorize the General Manager to execute a Professional Services Agreement with Dexter Wilson Engineering Inc., of Carlsbad, California 92008, and make a determination that the action identified herein does not constitute a "project" as defined by CEQA.***

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

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

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

***Absent: Director Brazier, Director Mack.***

**\*28. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 20-06 AMENDING AND UPDATING ADMINISTRATIVE CODE TITLE 1 – GENERAL PROVISIONS**

Vice President Hamilton asked if the staff was allowed to provide the Board with drafts of the Administrative Code policy changes in advance to allow for an opportunity to review the policies and provide their input which in turn could be incorporated into final drafts for Board consideration at a Board meeting.

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Legal Counsel confirmed the Board can be provided with drafts Administrative Code changes unilaterally via email for their input as long as the Board only responds directly to staff and do not discuss the items among each other.

It was noted once a final redline and clean draft are ready, they can be brought to the Board for consideration and possible approval.

This item was continued until the next Board meeting for continued review.

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

Director Gasca confirmed he would be attending the CSDA Legislative Days in May via teleconference and Ms. Washburn updated the Board that she will need to confirm Director Mack's flight arrangements to the ACWA conference rescheduled to July.

**BOARD INFORMATION ITEMS**

**30. COVID-19 EMERGENCY UPDATE**

Mr. Kennedy reported all operational things were still in working order. He noted field operation crew members were originally transitioned to an A/B shift to keep from overlapping; however, they have since been brought back into daily operations with staggered start times with reinforced physical distancing. He mentioned a daily contact tracing program has been implemented and all staff were utilizing masks and remaining 6' apart whenever possible as the District tries to continue business as usual as much as possible. He pointed out the WSUP project will start up again next week. He explained although some planned maintenance projects have been postponed to avoid have to perform shutdowns, some cannot be postponed for too long and may need to start in the near future.

Mr. Kennedy complimented Mr. Khattab for having RMWD up and ready to go during this situation. He mentioned Infor would be doing a webinar on RMWD's experience on June 11, 2020 after seeing a post on Twitter about how the District was ready to go fully remote within 48 hours of the decision to go remote.

Mr. Kennedy said the economic impact remains unknown. He stated the revenues were currently low; however, there have been a wet series of months. He mentioned SDCWA put out a newsletter saying this pandemic was reducing revenue; however, this situation was only in affect for six weeks and there has been six months of wet weather which has more impact on revenue than the pandemic. He stated there is a slight increase in the District's sewer flows with so many people at home and how it was undetermined how many customers will not be able to pay their bills.

Mr. Kennedy concluded with reiterating the District was doing the best it can under the current circumstances.

**31. STRATEGIC PLAN WORKSHOP UPDATE**

Mr. Kennedy asked if the Board would prefer to hold a Zoom type workshop or postpone the workshop until a later date. Discussion ensued.

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It was decided these types of strategy planning are better achieved in person as opposed to video conference; therefore, it should be postponed at this time.

**32. SOCIAL MEDIA RESPONSE**

Vice President Hamilton referenced the handout provided with a standard reply for social media response while engaging the RMWD ratepayers.

Ms. Gray noted she submitted RMWD's application with Nextdoor; however, there were questions about whether RMWD wanted to do more specific messaging. Mr. Kennedy deferred to Legal Counsel.

Vice President Hamilton asked if there was a way implement a neighborhood distribution. Ms. Gray confirmed RMWD has provided the District boundaries; however, in order to break it down into neighborhoods, RMWD would need to provide them with additional information. Discussion ensued.

Ms. Gray offered to schedule a conference call with Nextdoor to see if they can accommodate RMWD's needs. She noted they are emergency response only and not informational without an additional cost.

**\*33. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS**

**A. General Manager Comments**

1. Meetings, Conferences and Seminar Calendar

**B. Operations Comments**

1. Operations Report

**C. Engineering Comments**

1. Engineering Report
2. As-Needed Services Expenditures Summary
3. RMWD Sewer Equivalent Dwelling Units (EDU's) Status

**D. Human Resource & Safety Comments**

1. Human Resources Report
2. Organizational Chart

**E. Finance Comments**

1. Information Report
2. Budget vs. Actual Fund 1, 2, and 3
3. Fund Balance Projections
4. Treasury Report
5. Five Year Demand
6. Credit Card Breakdown
7. Directors' Expense
8. Check Register
9. Water Sales Summary
10. Developer Projections
11. RMWD Properties

**Motion:**

**To receive and file information and financial items.**

**Action:**

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***Approve, Moved by Director Rindfleisch, Seconded by Director Gasca.***

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

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

***Absent: Director Brazier, Director Mack.***

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

It was noted the easement by eminent domain for the property at 7650 Camino Del Rey, SCIP program, Administrative Code Title 1 updates, emergency declaration updates, WSUP update, and budget review should be on the next Board meeting agenda.

**35. ADJOURNMENT**

***The meeting was adjourned by Vice President Hamilton to a regular meeting on May 26, 2020 at 1:00 p.m.***

The meeting was adjourned at 3:36 p.m.

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**Hayden Hamilton, Board Vice President**

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**Dawn M. Washburn, Board Secretary**

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**SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING**  
**April 23, 2020**

1. Resolution approving Rincon del Diablo Municipal Water District's Proposed Sringeri Vidya Bharati Foundation Temple Annexation.  
The Board adopted Resolution No. 2020-04 that: a) resolves that the Extended Initial Study and Mitigated Negative Declaration adopted by the County of San Diego as Lead Agency complies with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines, and no further environmental analysis is required for the action of the Water Authority; and b) approves the concurrent annexation of Rincon del Diablo Municipal Water District's (Rincon del Diablo MWD) proposed Sringeri Vidya Bharati Foundation (SVBF) Temple Annexation to the Water Authority and the Metropolitan Water District of Southern California (Metropolitan), verifying that all policies have been met, and conditioned upon the fulfillment of all conditions and final approval by the San Diego Local Agency Formation Commission (LAFCO).
2. Monthly Treasurer's Report on Investments and Cash Flow.  
The Board noted and filed the Treasurer's report.
3. Adopt positions on various state bills.  
The Board adopted the following positions:
  - A) Support on AB 2089 (Rivas), relating to climate change resiliency
  - B) Support on AB 2619 (Stone), relating to sea level rise and coastal climate change
  - C) Support if Amended on AB 2789 (Kamlager), relating to distributed energy resources and the electric transmission and distribution systems
  - D) Support on AB 2839 (E. Garcia), relating to creation of the California Deserts Conservancy
  - E) Oppose on AB 3147 (Gabriel), relating to connection fees and capacity charges
  - F) Support if Amended on AB 3256 (E. Garcia), relating to the Wildfire Prevention, Safe Drinking Water, Climate Resilience, Drought Preparation, and Flood Protection Bond Act of 2020
  - G) Support on ACR 179 (Voepel), relating to Special Districts Week
  - H) Support and Seek Amendments on SB 1188 (Stern), relating to the California Water Plan
  - I) Support if Amended on SB 1215 (Stern), relating to electricity microgrids
  - J) Support on the Desalination Development Act (Levin), relating to federal funding for eligible desalination projects
4. Change Orders to Kiewit Infrastructure West, Inc. for the Northern First Aqueduct Structures and Lining Rehabilitation Project.  
The Board accepted staff executed change orders 1 through 5 for a credit of \$69,888; and authorized the General Manager to execute pending change orders for up to \$400,000 for the Valley Center 2 leak repair, and a pending change order for up to \$160,000 for the Portal 2 and 5 groundwater differing site condition.

5. Approval of Minutes.  
The Board approved the minutes of the Special Imported Water Committee meeting of March 12, 2020 and the Formal Board of Directors meeting of March 26, 2020.
  
6. Director Appointment.  
The Board approved the appointment of Amy Reeh, representing Yuima Municipal Water District, to the SDCWA Board of Directors; term ending January 13, 2022.





**TO:** Rainbow Municipal Water District  
**FROM:** Alfred Smith  
**DATE:** May 26, 2020  
**RE:** Attorney Report: Claims Presentation Filing Requirements  
150152-0005

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**I. INTRODUCTION.**

This attorney report provides an update on a recent appellate court decision addressing the requirements a claimant must follow before filing a lawsuit against a local public agency. In *Lincoln Unified School District v. Superior Court of San Joaquin County* (Case Number C088857, March 30, 2020), the California Court of Appeal rejected a claim where the claimant based its lawsuit on different facts and legal theories than stated in the original claim. The decision provides important protections for agencies from claimants who file lawsuits on different grounds than set forth in their original claim.

**II. BACKGROUND.**

The Government Claims Act, also referred to as the Tort Claims Act, requires that a claimant provide local agencies with prior written notice of injury or damage before filing an actual lawsuit in a California superior court. (Government Code §§ 810 *et seq.*) Depending on the type of injury or claim, written notice must be given within 6 months to a year of the date of injury, or the discovery of the injury, before filing an actual lawsuit. The stated purpose of the Claims Act is to provide local governments with notice and a reasonable opportunity to respond to or settle claims before the initiation of litigation.

The *Lincoln Unified* lawsuit stemmed from a minor's collapse during football try-outs at Lincoln High School in Stockton, California. On August 1, 2017, minor Jayden Jones collapsed due to extreme exhaustion and dehydration after being denied water at the annual football try-outs. Jayden suffered permanent injuries. His mother, Shynelle Jones ("Jones"), presented a claim on Jayden's behalf to the District under the Government Claims Act.

About four months later, Jones submitted an application to the District for leave to present a late claim on her own behalf based on her allegedly newfound realization of the severity of her son's injuries, their impact on her own life, and her right to file her

own claim. She declared that up until that point she had not been able to attend to her own interests. The District denied the application.

After the application was denied, Jones filed a petition for relief from the claim presentation requirement in the Stockton trial court. At the hearing on Jones' petition, Jones presented a new explanation for the delay in submitting her claim. Jones stated that the day after she presented a claim on her son's behalf, she retained an attorney on her own behalf. Jones argued that the transition resulted in the discovery of new information and prevented the earlier preparation of her claim.

The trial court granted Jones' petition, despite noting "legitimate concerns regarding her credibility." The trial court also expressed concerns regarding whether Jones met her burden of proof to demonstrate that her late filing was justifiable and not the result of her own neglect. Notwithstanding these concerns, the trial court granted Jones' petition. The District disagreed and filed a petition for writ of mandate challenging the trial court's ruling.

### **III. COURT'S ANALYSIS.**

The Third District Court of Appeal granted the District's appeal, holding that the trial court abused its discretion in granting Jones' petition for relief. The appellate court held that Jones' contradictory explanations for her delay in filing a government claim undermined her claim for relief. Citing case law under the Government Claims Act, the appellate court stated that the reason a claimant seeks to justify relief from the claim presentation requirement must be the same as the reason advanced in the underlying application to the local agency.

In this case, Jones asserted one reason in her application to the District and an entirely different reason in her petition for relief. In her application, Jones declared under penalty of perjury that she "was unaware of her right to even file a claim until recently because she was so involved in Jayden's care." Only after the court indicated its intent to reject Jones' explanation based on the District's submission of contradictory evidence did Jones seek to offer a different explanation.

The appellate court concluded by holding the general due process policy favoring trial on the merits cannot justify the approval of a petition that is not credible and that does not demonstrate a right to relief by a preponderance of the evidence. In this case, the contradictory and differing explanations for Jones' delay were cause for legitimate concern as to her credibility, warranting denial of her petition. The appellate court concluded:

"The public entity has no opportunity to examine a petitioner's reasons if they are not provided or if they are subsequently changed. We may not

adopt a construction of the statutes that violates their plain language and the specific purpose of creating a procedure that shifts the burden of deciding whether leave to present a late claim should be granted to public entities. The superior court stated it is clear that the theory presented to the Court for the ‘excusable neglect’ has changed dramatically from the initial moving documents and was not set forth in Jones’ Application for Leave to Present Late Claim. What is unique about this proceeding is that she introduced additional evidence—which is itself permissible—but that evidence pertained to a reason that was not contained in—and contradicted—her moving papers in the superior court and her underlying application to the public entity.

It was only after the court indicated its intent to reject Jones’ explanation based on the District’s submission of contradictory evidence that she offered a different explanation. The trial court appears to have not evaluated the evidence because it believed public policy favored relief. That was an abuse of discretion. The general policy favoring trial on the merits cannot be applied indiscriminately so as to render ineffective the statutory time limits.

Jones may not advance a factual theory of excusable neglect that was entirely different from the one she previously presented to the public entity, and she did not demonstrate the truth of her original theory by a preponderance of the evidence. The trial court’s decision to grant Jones relief from the claim presentation requirement under these circumstances was error.”

#### **IV. CONCLUSION.**

The appellate court’s decision is a significant precedent protecting local agencies. In many situations where a claimant files an unsuccessful or late claim with an agency, and the claimant later proceeds to court, the claimant often seeks to assert new or different factual or legal theories. This places agencies in a difficult position, as the agencies are then faced with defending a lawsuit that presents new or different information never presented to or considered by the agency’s board of directors.

The appellate court’s decision confirms that the reasons a petitioner submits to justify relief from the Government Code’s claim presentation requirement must be the same as the reasons advanced in the underlying application to the local agency. The decision further clarifies that the general due process policy favoring trial on the merits cannot justify the approval of a claim that is not credible, contradictory and that does not demonstrate a right to relief by a preponderance of the evidence.

The appellate court’s ruling provides an important precedent allowing agencies to demurrer or file a summary judgment motion to dismiss lawsuits filed on different

grounds than asserted in the claim originally filed with the agency.

AES/AES

### BOARD OF DIRECTORS

May 26, 2020

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#### **SUBJECT**

DISCUSSION AND POSSIBLE ACTION TO JOIN THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”) AND BECOME A PARTICIPATING MEMBER AGENCY, AND ADOPT A RESOLUTION “FORM OF RESOLUTION OF INTENTION TO BE ADOPTED BY CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (“CSCDA”)

#### **BACKGROUND**

CSCDA is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. The member agencies of CSCDA include approximately 391 cities and 56 counties throughout California, including the Rainbow Municipal Water District (the “District”).

SCIP was initially created by CSCDA in 2002 to allow owners of property in participating CSCDA member agencies to finance the development impact fees that would be payable by property owners upon receiving development entitlements or building permits. The program has since been expanded to include financing of public capital improvements directly. If a property owner chooses to participate, the selected public capital improvements and/or the development impact fees owed to the District will be financed by the issuance of tax-exempt bonds by CSCDA. CSCDA will impose a special assessment on the owner’s property to repay the portion of the bonds issued to finance the fees paid with respect to the property. With respect to impact fees, the property owner will either pay the impact fees at the time of permit issuance and will be reimbursed from the SCIP bond proceeds when the SCIP bonds are issued; or the fees will be funded directly from the proceeds of the SCIP bonds. Since its inception, SCIP has financed approximately \$600 million of bonds for local projects.

The benefits to the property owner include:

- Only property owners who choose to participate in the program will have assessments imposed on their property.
- Instead of paying cash for public capital improvements and/or development impact fees, the property owner receives low-cost, long-term tax-exempt financing of those fees, freeing up capital for other purposes.
- The property owner can choose to pay off the special assessments at any time. Because SCIP is a fixed lien, assessment payments will not escalate over time and no property owner is in any way responsible for another properties assessment.
- Owners of smaller projects, both residential and commercial, can have access to tax-exempt financing of infrastructure. Before the inception of SCIP, only projects large enough to justify the formation of an assessment or communities facilities district had access to tax-exempt financing. SCIP can finance project amounts as low as \$500,000.

The benefits to the District include:

- As in conventional assessment financing, the District is not liable to repay the bonds issued by CSCDA or the assessments imposed on the participating properties.
- CSCDA handles all district formation, district administration, bond issuance and bond administration functions. As a participating member of SCIP, the District can provide tax-exempt financing to property owners through SCIP while committing very little staff time to administer the program. At its discretion, the District can charge an administrative fee to cover staff time taken to review the SCIP application and request for funding.
- The availability of financing can encourage developers to pull permits and pay fees in larger blocks, giving the participating district immediate access to revenues for public infrastructure, rather than receiving a trickle of revenues stretched out over time. As part of the entitlement negotiation process, the possibility of tax-exempt financing of fees can be used to encourage a developer to pay fees up front.
- In some cases, the special assessments on successful projects can be refinanced through refunding bonds. Savings achieved through refinancing will be directed back to the participating county for use on public infrastructure, or credits to property owners, subject to applicable federal tax limitations.
- SCIP is an important tool for developers in determining the overall feasibility of a project and in certain instances the decision to purchase land.

The proposed resolution (Attachment 1) authorizes CSCDA to accept applications from owners of property to apply for tax-exempt financing of public capital improvements and development impact fees through SCIP. It also authorizes CSCDA to form assessment districts within the District's boundaries, conduct assessment proceedings and levy assessments against the property of participating owners. It approves the form of an Acquisition Agreement, attached to the resolution as Exhibit B, to be entered into between the District and the participating property owner/developer, if applicable, to provide the terms and conditions under which financing for public capital improvements will be provided and to establish the procedure for disbursement of bond proceeds to pay for completed facilities. It also authorizes miscellaneous related actions and makes certain findings and determinations required by law. Attachment 2 is the CSCDA SCIP manual.

One developer project has expressed an interest in this – a small (78 units) DR Horton project “Fairview” located in Bonsall near the elementary school. We have also been discussing the formation of an assessment district for a raw water distribution system to serve agricultural properties south of Gopher Canyon Road. An engineering feasibility study was performed for this project a few years ago and at least one of the property owners, Rick Carey, has expressed continuing interest in getting an assessment district established for the project. Whether there are enough property owners in that area who would be open to an assessment remains to be seen, but by joining the SCIP program we will be able to easily form such an assessment district should the property owners decide to move forward.

Attached to the resolution as Exhibit A is a “Form of Resolution of Intention to be Adopted by CSCDA”. This is for informational purposes and does not require action by this Board.

## **DESCRIPTION**

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This item includes a brief staff presentation regarding participation in the Statewide Community Infrastructure Program (“SCIP”), which is sponsored by the California Statewide Communities Development Authority (“CSCDA”), followed by Board discussion, a public hearing to take public testimony on SCIP and bonds to be issued by CSCDA, and consideration of a resolution making certain findings and authorizing certain matters necessary to participate in SCIP.

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

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**Strategic Focus Area Two:** Asset Management. By taking this action, the SCIP program will provide another financing mechanism for facilitating new projects. This will allow the District more flexibility in addressing the pipe rehabilitation and pressure reduction programs.

**Strategic Focus Area Four:** Fiscal Responsibility. This action will help bring additional water and sewer customers to the District, increasing revenue needed for maintenance and CIP.

**Strategic Focus Area Five:** Customer Service. This action will ease impacts on developers or groups of property owners constructing projects in the District. Additional water and sewer accounts will benefit all RMWD ratepayers by increasing District revenues from fixed charges.

## **ENVIRONMENTAL**

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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**

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Joining SCIP will have minimal direct costs to the District, mainly the costs associated with preparing this action item. Should a group of customers or a developer wish to engage the program they would pay the staff costs related to that action.

Option 1:

- Make a determination that becoming a participant in SCIP does not constitute a project that is subject to CEQA guidelines
- Adopt a Resolution of Intention , Resolution No. 20-06, by a simple majority vote for the membership in SCIP
- Authorize the General Manager to proceed with all documentation and filings to authorize membership in SCIP

Option 2:

- Provide other direction to staff

## **STAFF RECOMMENDATION**

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Staff recommends Option 1.



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

May 26, 2020





**RESOLUTION NO. 20-06**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE RAINBOW MUNICIPAL WATER DISTRICT  
AUTHORIZING THE DISTRICT TO JOIN THE STATEWIDE COMMUNITY  
INFRASTRUCTURE PROGRAM; AUTHORIZING THE CALIFORNIA  
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT  
APPLICATIONS FROM PROPERTY OWNERS, CONDUCT SPECIAL  
ASSESSMENT PROCEEDINGS AND LEVY ASSESSMENTS WITHIN THE TERRITORY  
OF THE RAINBOW MUNICIPAL WATER DISTRICT; APPROVING FORM OF  
ACQUISITION AGREEMENT FOR USE WHEN APPLICABLE;  
AND AUTHORIZING RELATED ACTIONS**

**WHEREAS**, the California Statewide Communities Development Authority (the "Authority") is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California, including the Rainbow Municipal Water District (the "District"); and

**WHEREAS**, the Authority has established the Statewide Community Infrastructure Program ("SCIP") to allow the financing of certain development impact fees (the "Fees") levied in accordance with the Mitigation Fee Act (California Government Code Sections 66000 and following) and other authority providing for the levy of fees on new development to pay for public capital improvements (collectively, the "Fee Act") through the levy of special assessments pursuant to the Municipal Improvement Act of 1913 (Streets and Highways Code Sections 10000 and following) (the "1913 Act") and the issuance of improvement bonds (the "Local Obligations") under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid special assessments; and

**WHEREAS**, SCIP will also allow the financing of certain public capital improvements to be constructed by or on behalf of property owners for acquisition by the District or another public agency (the "Improvements"); and

**WHEREAS**, the District desires to allow the owners of property being developed within its jurisdiction ("Participating Developers") to participate in SCIP and to allow the Authority to conduct assessment proceedings under the 1913 Act and to issue Local Obligations under the 1915 Act to finance Fees levied on such properties and Improvements, provided that such Participating Developers voluntarily agree to participate and consent to the levy of such assessments; and

**WHEREAS**, in each year in which eligible property owners within the jurisdiction of the District elect to be Participating Developers, the Authority will conduct assessment proceedings under the 1913 Act and issue Local Obligations under the 1915 Act to finance Fees payable by such property owners and Improvements and, at the conclusion of such proceedings, will levy special assessments on such property within the territory of the District;

**WHEREAS**, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by the Authority in connection with such assessment proceedings (the "ROI"), a copy of which is attached hereto as Exhibit A, and the territory within which assessments may be levied for SCIP (provided that each Participating Developer consents to such assessment) shall be coterminous with the District's official boundaries of record at the time of adoption of each such ROI (the "Proposed Boundaries"), and reference is hereby made to such boundaries for the plat or map required to be included in this Resolution pursuant to Section 10104 of the Streets and Highways Code; and

**WHEREAS**, there has also been presented to this meeting a proposed form of Acquisition Agreement (the "Acquisition Agreement"), a copy of which is attached hereto as Exhibit B, to be approved as to form for use with respect to any Improvements to be constructed and installed by a Participating Developer and for which the Participating Developer requests acquisition financing as part of its SCIP application; and

**WHEREAS**, the District will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Local Obligations or any other bonds issued in connection with SCIP; and

**WHEREAS**, pursuant to Government Code Section 6586.5, notice was published at least five days prior to the adoption of this resolution at a public hearing, which was duly conducted by this Board concerning the significant public benefits of SCIP and the financing of the Improvements and the public capital improvements to be paid for with the proceeds of the Fees;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Rainbow Municipal Water District as follows:

Section 1. The District hereby consents to the conduct of special assessment proceedings by the Authority in connection with SCIP pursuant to the 1913 Act and the issuance of Local Obligations under the 1915 Act on any property within the Proposed Boundaries; provided, that

(1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI; and

(2) The Participating Developers, who shall be the legal owners of such property, execute a written consent to the levy of assessment in connection with SCIP by the Authority and execute an assessment ballot in favor of such assessment in compliance with the requirements of Section 4 of Article XIID of the State Constitution.

Section 2. The District hereby finds and declares that the issuance of bonds by the Authority in connection with SCIP will provide significant public benefits, including without limitation, savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs and the more efficient delivery of local agency services to residential and commercial development within the District.

Section 3. The Authority has prepared and will update from time to time the "SCIP Manual of Procedures" (the "Manual"), and the District will handle Fee revenues and funds for Improvements for properties participating in SCIP in accordance with the procedures set forth in the Manual.

Section 4. The form of Acquisition Agreement presented to this meeting is hereby approved, and the [Board President] is authorized to execute and the Board Secretary is authorized to attest the execution of a completed Acquisition Agreement in substantially said form and pertaining to the Improvements being financed on behalf of the applicable Participating Developer.

Section 5. The appropriate officials and staff of the District are hereby authorized and directed to make SCIP applications available to all property owners who are subject to Fees for new development within the District and/or who are conditioned to install Improvements and to inform such owners of their option to participate in SCIP; provided, that the Authority shall be responsible for providing such applications and related materials at its own expense. The staff persons listed on the attached Exhibit C, together with any other staff persons chosen by the [Board President] from time to time, are hereby designated as the contact persons for the Authority in connection with the SCIP program.

Section 6. The appropriate officials and staff of the District are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents, including but not limited to such documents as may be required by Bond Counsel in connection with the participation in SCIP of any districts, authorities or other third-party entities entitled to own Improvements and/or to levy and collect fees on new development to pay for public capital improvements within the jurisdiction of the District, as are reasonably required by the Authority in accordance with the Manual to implement SCIP for Participating Developers and to evidence compliance with the requirements of federal and state law in connection with the issuance by the Authority of the Local Obligations and any other bonds for SCIP. To that end, and pursuant to Treasury Regulations Section 1.150-2, the staff persons listed on Exhibit C, or other staff person acting in the same capacity for the District with respect to SCIP, are hereby authorized and designated to declare the official intent of the District with respect to the public capital improvements to be paid or reimbursed through participation in SCIP.

Section 7. This Resolution shall take effect immediately upon its adoption. The Board Secretary is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of the Authority.

**PASSED AND ADOPTED** at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 26th day of May 2020 by the following vote, to wit:

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

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Helene Brazier, Board President

**ATTEST:**

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Dawn Washburn, Board Secretary



**EXHIBIT A TO THE RESOLUTION**

FORM OF RESOLUTION OF INTENTION  
TO BE ADOPTED BY CSCDA

**RESOLUTION NO. \_\_ SCIP-**

**RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE CAPITAL  
IMPROVEMENTS AND/OR THE PAYMENT OF DEVELOPMENT IMPACT  
FEES FOR PUBLIC CAPITAL IMPROVEMENTS IN THE PROPOSED  
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT  
DISTRICT NO. \_\_ (RAINBOW MUNICIPAL WATER DISTRICT, COUNTY OF  
SAN DIEGO, CALIFORNIA), APPROVING A PROPOSED BOUNDARY MAP,  
MAKING CERTAIN DECLARATIONS, FINDINGS AND DETERMINATIONS  
CONCERNING RELATED MATTERS, AND AUTHORIZING RELATED  
ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, the payment of certain development impact fees for public improvements (the “Improvement Fees”) and/or to finance certain public capital improvements to be constructed by or on behalf of the property owner(s) and to be acquired by the Rainbow Municipal Water District or another local agency (the “Improvements”) as described in Exhibit A attached hereto and by this reference incorporated herein, all of which are of benefit to the property within the proposed Statewide Community Infrastructure Program Assessment District No. \_\_ (Rainbow Municipal Water District, County of San Diego, California) (the “Assessment District”);

**WHEREAS**, the Commission finds that the land specially benefited by the Improvements and/or the Improvement Fees is shown within the boundaries of the map entitled “Proposed Boundaries of California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. \_\_ (Rainbow Municipal Water District, County of San Diego,) State of California,” a copy of which map is on file with the Secretary and presented to this Commission meeting, and determines that the land within the exterior boundaries shown on the map shall be designated “Statewide Community Infrastructure Program Assessment District No. \_\_ (Rainbow Municipal Water District, County of San Diego,) State of California”;

**WHEREAS**, the District is a member of the Authority and has approved the adoption on its behalf of this Resolution of Intention and has consented to the levy of the assessments in the Assessment District;

**NOW, THEREFORE, BE IT RESOLVED** that the Commission of the California Statewide Communities Development Authority hereby finds, determines and resolves as follows:

Section 1.       The above recitals are true and correct.

Section 2.       Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section 2800) of the Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.

Section 3. The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIII D of the California Constitution.

Section 4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of San Diego within fifteen (15) days of the adoption of this resolution.

Section 5. The Commission determines that the cost of financing the Improvements and/or the payment of the Improvement Fees shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the financing of the Improvements and/or the payment of the Improvement Fees. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the financing of the Improvements and/or the payment of the Improvement Fees.

Section 6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the Code, to provide for an annual assessment upon each of the parcels of land in the proposed Assessment District to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

Section 7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10 of the Code), and the last installment of the bonds shall mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

Section 8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1 thereof.

Section 9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

Section 10. The amount of any surplus remaining in the improvement fund after acquisition of the Improvements and/or payment of Improvement Fees and all other claims shall be distributed in accordance with the provisions of Section 10427.1 of the Code.

Section 11. To the extent any Improvement Fees are paid to the Authority in cash with respect to property within the proposed Assessment District prior to the date of issuance of the bonds, the amounts so paid shall be reimbursed from the proceeds of the bonds to the property owner or developer that made the payment.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this \_\_\_ day of \_\_\_\_\_, 20\_\_.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on \_\_\_\_\_, 20\_\_.

By \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority

EXHIBIT A TO THE RESOLUTION OF INTENTION

DESCRIPTION OF WORK

The payment of development impact fees levied within the Assessment District and/or public capital improvements to be acquired and owned by the Rainbow Municipal Water District or another local agency upon or for the benefit of parcels within the Assessment District, for the project known as [Project Name], which are authorized to be financed pursuant to the Municipal Improvement Act of 1913 and as to which the owners of the applicable parcels within the Assessment District have applied for participation in SCIP, as more particularly described below.

PAYMENT OF IMPACT FEES

CAPITAL IMPROVEMENTS\*

*\*Capital improvements includes funding for incidental costs associated with the capital improvements, including but not limited to, contingency, design, engineering, and construction management*

[End of Form of Resolution of Intention]



**EXHIBIT B TO THE RESOLUTION**  
FORM OF ACQUISITION AGREEMENT

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CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM

**ACQUISITION AGREEMENT**

BY AND BETWEEN  
RAINBOW MUNICIPAL WATER DISTRICT  
AND  
[DEVELOPER]

Dated as of \_\_\_\_\_, 20\_\_

## ACQUISITION AGREEMENT

### Recitals

A. The parties to this Acquisition Agreement (the “Agreement”) are the RAINBOW MUNICIPAL WATER DISTRICT, (the “Local Agency”), and [DEVELOPER], a [here indicate type of legal entity] (the “Developer”).

B. The effective date of this Agreement is \_\_\_\_\_, 20\_\_.

C. The Developer has applied for financing of certain public capital improvements (the “Acquisition Improvements”) and capital facilities fees through the Statewide Community Infrastructure Program (“SCIP”) administered by the California Statewide Communities Development Authority (the “Authority”) and such application has been approved by the Local Agency.

D. The administration, payment and reimbursement of the capital facilities fees is agreed to be governed by the provisions of the SCIP Manual of Procedures as it may be amended from time to time. The administration, payment and reimbursement of the Acquisition Improvements shall be as provided herein.

E. Under SCIP, the Authority intends to issue bonds to fund, among other things, all or a portion of the costs of the Acquisition Improvements, and the portion of the proceeds of such bonds allocable to the cost of the Acquisition Improvements to be constructed and installed by the Developer, together with interest earned thereon prior to such acquisition, is referred to herein as the “Available Amount”.

F. SCIP will provide financing for the acquisition by the Local Agency of the Acquisition Improvements and the payment of the Acquisition Price (as defined herein) of the Acquisition Improvements from the Available Amount. Attached hereto as Exhibit A are descriptions of the Acquisition Improvements, which descriptions are subject to modification by written amendment of this Agreement, subject to the approval of the Authority.

G. The parties anticipate that, upon completion of the Acquisition Improvements and subject to the terms and conditions of this Agreement, the Local Agency will acquire such completed Acquisition Improvements with the Available Amount.

H. Any and all monetary obligations of the Local Agency arising out of this Agreement are the special and limited obligations of the Local Agency payable only from the Available Amount, and no other funds whatsoever of the Local Agency shall be obligated therefor.

I. In consideration of Recitals A through H, inclusive, and the mutual covenants, undertakings and obligations set forth below, the Local Agency and the Developer agree as stated below.

Agreement

ARTICLE I

DEFINITIONS; ASSESSMENT DISTRICT FORMATION AND  
FINANCING PLAN

Section 1.01. Definitions. As used herein, the following capitalized terms shall have the meanings ascribed to them below:

“Acceptable Title” means free and clear of all monetary liens, encumbrances, assessments, whether any such item is recorded or unrecorded, and taxes, except those items which are reasonably determined by the Local Agency Engineer in his sole discretion not to interfere with the intended use and therefore are not required to be cleared from the title.

“Acquisition Improvements” shall have the meaning assigned to such term in Recital C and are described in Exhibit A.

“Acquisition Price” means the amount paid to the Developer upon acquisition of all of the Acquisition Improvements as provided in Section 2.03.

“Actual Cost” means the cost of construction of all of the Acquisition Improvements, as documented by the Developer to the satisfaction of the Local Agency, as certified by the Local Agency Engineer in an Actual Cost Certificate.

“Actual Cost Certificate” shall mean a certificate prepared by the Developer detailing the Actual Cost of all of the Acquisition Improvement to be acquired hereunder, as revised by the Local Agency Engineer pursuant to Section 2.03.

“Agreement” means this Acquisition Agreement, dated as of \_\_\_\_\_, 20\_\_.

“Assessment District” means the assessment district established by the Authority pursuant to SCIP which includes the Developer's property for which the Acquisition Improvements are being funded.

“Authority” means the California Statewide Communities Development Authority.

“Available Amount” means the amount of funds deposited in the Developer Acquisition Account by the Authority pursuant to SCIP, together with any interest earnings thereon.

“Code” means the Streets and Highways Code of the State of California.

“Developer” means [Developer], a [here indicate type of legal entity].

“[Developer] Acquisition Account” means the account by that name established by the Authority pursuant to SCIP for the purpose of paying the Acquisition Price of the Acquisition Improvements.

“Local Agency” means the Rainbow Municipal Water District.

“Local Agency Engineer” means the Director of Public Works of the Local Agency (the “Director”) or the designee of the Director, who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

“Project” means the land development program of the Developer pertaining to the Developer’s property in the Assessment District, including the design and construction of the Acquisition Improvements and the other public and private improvements to be constructed by the Developer within or adjacent to the Assessment District.

“SCIP” means the Statewide Community Infrastructure Program of the Authority.

“SCIP Requisition” means a requisition for payment of funds from the [Developer] Acquisition Account in substantially the form attached hereto as Exhibit B.

“SCIP Trust Agreement” means the Trust Agreement entered into by the Authority and the SCIP Trustee in connection with the financing for the Acquisition Improvements.

“SCIP Trustee” means Wilmington Trust, National Association, as trustee under the SCIP Trust Agreement.

“Title Documents” means, for each Acquisition Improvement acquired hereunder, a grant deed or similar instrument necessary to transfer title to any real property or interests therein (including easements) necessary or convenient to the operation, maintenance, rehabilitation and improvement by the Local Agency of that Acquisition Improvement (including, if necessary, easements for ingress and egress) and a Bill of Sale or similar instrument evidencing transfer of title to that Acquisition Improvement (other than said real property interests) to the Local Agency, where applicable.

Section 1.02. Participation in SCIP. Developer has applied for financing through SCIP of the Acquisition Improvements, and such application has been approved by the Local Agency. Developer and Local Agency agree that until and unless such financing is completed by the Authority and the Available Amount is deposited in the Developer Acquisition Account, neither the Developer nor the Local Agency shall have any obligations under this agreement. Developer agrees to cooperate with the Local Agency and the Authority in the completion of SCIP financing for the Acquisition Improvements.

Section 1.03. Deposit and Use of Available Amount.

(a) Upon completion of the SCIP financing, the Available Amount will be deposited by the Authority in the [Developer] Acquisition Account.

(b) The Authority will cause the SCIP Trustee to establish and maintain the [Developer] Acquisition Account for the purpose of holding all funds for the Acquisition Improvements. All earnings on amounts in the [Developer] Acquisition Account shall remain in the [Developer] Acquisition Account for use as provided herein and pursuant to SCIP. The amounts in the [Developer] Acquisition Account shall be withdrawn by the Local Agency in

accordance with SCIP procedures upon completion of the Acquisition Improvements within 30 days (or as soon thereafter as reasonably practicable) of receipt by the Local Agency of the certification of the Local Agency Engineer required by Section 2.03 of this Agreement, and subject to satisfaction of all other conditions precedent to such acquisition pursuant to Section 2.04 of this Agreement, to pay the Acquisition Price of such completed Acquisition Improvements, as specified in Article II hereof. Upon completion of all of the Acquisition Improvements and the payment of all costs thereof, any remaining funds in the [Developer] Acquisition Account (less any amount determined by the Local Agency as necessary to reserve for claims against such account) (i) shall be applied to pay the costs of any additional improvements eligible for acquisition with respect to the Project as approved by the Authority and, to the extent not so used, thereafter (ii) shall be applied by the Authority as provided in Section 10427.1 of the Code to pay a portion of the assessments levied on the Project property in the Assessment District.

Section 1.04. No Local Agency Liability; Local Agency Discretion; No Effect on Other Agreements. In no event shall any actual or alleged act by the Local Agency or any actual or alleged omission or failure to act by the Local Agency with respect to SCIP subject the Local Agency to monetary liability therefor. Further, nothing in this Agreement shall be construed as affecting the Developer's or the Local Agency's duty to perform their respective obligations under any other agreements, public improvement standards, land use regulations or subdivision requirements related to the Project, which obligations are and shall remain independent of the Developer's and the Local Agency's rights and obligations under this Agreement.

## ARTICLE II

### DESIGN, CONSTRUCTION AND ACQUISITION OF ACQUISITION IMPROVEMENTS

Section 2.01. Letting and Administering Design Contracts. The parties presently anticipate that the Developer has awarded and administered or will award and administer engineering design contracts for the Acquisition Improvements to be acquired from Developer. All eligible expenditures of the Developer for design engineering and related costs in connection with the Acquisition Improvements (whether as an advance to the Local Agency or directly to the design consultant) shall be reimbursed at the time of acquisition of such Acquisition Improvements. The Developer shall be entitled to reimbursement for any design costs of the Acquisition Improvements only out of the Acquisition Price as provided in Section 2.03 and shall not be entitled to any payment for design costs independent of or prior to the acquisition of Acquisition Improvements.

Section 2.02. Letting and Administration of Construction Contracts. State law requires that all Acquisition Improvements shall be constructed as if they were constructed under the direction and supervision of the Local Agency. In order to assure compliance with those provisions, except for any contracts entered into prior to the date hereof, Developer agrees to comply with the guidelines of the Local Agency for letting and administering said contracts. The Developer agrees that all such contracts shall call for payment of prevailing wages as required by the Labor Code of the State of California.

Section 2.03. Sale of Acquisition Improvements. The Developer agrees to sell to the Local Agency the Acquisition Improvements to be constructed by Developer (including any rights-of-way or other easements necessary for the operation and maintenance of the Acquisition Improvements, to the extent not already publicly owned) when such Acquisition Improvements are completed to the satisfaction of the Local Agency for an amount not to exceed the lesser of (i) the Available Amount or (ii) the Actual Cost of the Acquisition Improvements. Exhibit A, attached hereto and incorporated herein, contains a list of each Acquisition Improvement. At the time of completion of each Acquisition Improvement, the Developer shall deliver to the Local Agency Engineer a written request for acquisition, accompanied by an Actual Cost Certificate and executed Title Documents for the transfer of the Acquisition Improvement, where necessary. In the event that the Local Agency Engineer finds that the supporting paperwork submitted by the Developer fails to demonstrate the required relationship between the subject Actual Cost and the related Acquisition Improvement, the Local Agency Engineer shall advise the Developer that the determination of the Actual Cost (or the ineligible portion thereof) has been disallowed and shall request further documentation from the Developer. If such further documentation is still not adequate, the Local Agency Engineer may revise the Actual Cost Certificate to delete any disallowed items, and such determination shall be final and conclusive.

In the event that the Actual Cost is in excess of the Available Amount, the Local Agency shall withdraw the Available Amount from the [Developer] Acquisition Account and transfer said amount to the Developer. In the event that the Actual Cost is less than the Available Amount, the Local Agency shall withdraw an amount from the [Developer] Acquisition Account equal to the Actual Cost, and shall transfer said amount to the Developer. Any amounts then remaining in the [Developer] Acquisition Account shall be applied as provided in Section 1.03.

In no event shall the Local Agency be required to pay the Developer more than the amount on deposit in the [Developer] Acquisition Account at the time such payment is requested.

Section 2.04. Conditions Precedent to Payment of Acquisition Price. Payment by the Local Agency to the Developer from the [Developer] Acquisition Account of the Acquisition Price for an Acquisition Improvement shall be conditioned first upon the determination of the Local Agency Engineer, pursuant to Section 2.03, that such Acquisition Improvement is all complete and ready for acceptance by the Local Agency, and shall be further conditioned upon prior satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the Local Agency with lien releases or other similar documentation satisfactory to the Local Agency as evidence that the property which is subject to the special assessment liens of the Assessment District is not subject to any prospective mechanics lien claim respecting the Acquisition Improvements.

(b) All due and payable property taxes, and installments of special assessments shall be current on property owned by the Developer or under option to the Developer that is subject to the special assessment liens of the Assessment District.

(c) The Developer shall certify that it is not in default with respect to any loan secured by any interest in the Project.

(d) The Developer shall have provided the Local Agency with Title Documents needed to provide the Local Agency with title to the site, right-of-way, or easement upon which the subject Acquisition Improvements are situated. All such Title Documents shall be in a form acceptable to the Local Agency (or applicable governmental agency) and shall convey Acceptable Title. The Developer shall provide a policy of title insurance as of the date of transfer in a form acceptable to the Local Agency Engineer insuring the Local Agency as to the interests acquired in connection with the acquisition of any interest for which such a policy of title insurance is not required by another agreement between the Local Agency and the Developer. Each title insurance policy required hereunder shall be in the amount equal to or greater than the Acquisition Price.

Section 2.05. SCIP Requisition. Upon a determination by the Local Agency Engineer to pay the Acquisition Price of the Acquisition Improvements pursuant to Section 2.04, the Local Agency Engineer shall cause a SCIP Requisition to be submitted to the Program Administrator. The Program Administrator will review the SCIP Requisition and forward it with instructions to the SCIP Trustee and the SCIP Trustee shall make payment directly to the Developer of such amount pursuant to the SCIP Trust Agreement. The Local Agency and the Developer acknowledge and agree that the SCIP Trustee shall make payment strictly in accordance with the SCIP Requisition and shall not be required to determine whether or not the Acquisition Improvements have been completed or what the Actual Costs may be with respect to such Acquisition Improvements. The SCIP Trustee shall be entitled to rely on the SCIP Requisition on its face without any further duty of investigation.

### ARTICLE III

#### MISCELLANEOUS

Section 3.01. Indemnification and Hold Harmless. The Developer hereby assumes the defense of, and indemnifies and saves harmless the Local Agency, the Authority, and each of its respective officers, directors, employees and agents, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from or alleged to have resulted from the acts or omissions of the Developer or its agents and employees in the performance of this Agreement, or arising out of any contract for the design, engineering and construction of the Acquisition Improvements or arising out of any alleged misstatements of fact or alleged omission of a material fact made by the Developer, its officers, directors, employees or agents to the Authority's underwriter, financial advisor, appraiser, district engineer or bond counsel or regarding the Developer, its proposed developments, its property ownership and its contractual arrangements contained in the official statement relating to the SCIP financing (provided that the Developer shall have been furnished a copy of such official statement and shall not have objected thereto); and provided, further, that nothing in this Section 3.01 shall limit in any manner the Local Agency's rights against any of the Developer's architects, engineers, contractors or other consultants. Except as set forth in this Section 3.01, no provision of this Agreement shall in any way limit the extent of the responsibility of the Developer for payment of damages resulting from the operations of the Developer, its agents and employees. Nothing in this Section 3.01 shall be understood or construed to mean that the Developer agrees to indemnify the Local Agency, the Authority or any of its respective officers,

directors, employees or agents, for any negligent or wrongful acts or omissions to act of the Local Agency, Authority its officers, employees, agents or any consultants or contractors.

Section 3.02. Audit. The Local Agency shall have the right, during normal business hours and upon the giving of ten days' written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer (for which the Developer seeks reimbursement) in constructing the Acquisition Improvements.

Section 3.03. Cooperation. The Local Agency and the Developer agree to cooperate with respect to the completion of the SCIP financing for the Acquisition Improvements. The Local Agency and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by this Agreement.

Section 3.04. General Standard of Reasonableness. Any provision of this Agreement which requires the consent, approval or acceptance of either party hereto or any of their respective employees, officers or agents shall be deemed to require that such consent, approval or acceptance not be unreasonably withheld or delayed, unless such provision expressly incorporates a different standard. The foregoing provision shall not apply to provisions in the Agreement which provide for decisions to be in the sole discretion of the party making the decision.

Section 3.05. Third Party Beneficiaries. The Authority and its officers, employees, agents or any consultants or contractors are expressly deemed third party beneficiaries of this Agreement with respect to the provisions of Section 3.01. It is expressly agreed that, except for the Authority with respect to the provisions of Section 3.01, there are no third party beneficiaries of this Agreement, including without limitation any owners of bonds, any of the Local Agency's or the Developer's contractors for the Acquisition Improvements and any of the Local Agency's, the Authority's or the Developer's agents and employees.

Section 3.06. Conflict with Other Agreements. Nothing contained herein shall be construed as releasing the Developer or the Local Agency from any condition of development or requirement imposed by any other agreement between the Local Agency and the Developer, and, in the event of a conflicting provision, such other agreement shall prevail unless such conflicting provision is specifically waived or modified in writing by the Local Agency and the Developer.

Section 3.07. Notices. All invoices for payment, reports, other communication and notices relating to this Agreement shall be mailed to:

If to the Local Agency:

Rainbow Municipal Water District  
[Address to Come]

If to the Developer:

[Developer]  
[Address to Come]



Either party may change its address by giving notice in writing to the other party.

Section 3.08. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 3.09. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

Section 3.10. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement.

Section 3.11. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

Section 3.12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 3.13. Successors and Assigns. This Agreement is binding upon the heirs, assigns and successors-in-interest of the parties hereto. The Developer may not assign its rights or obligations hereunder, except to successors-in-interest to the property within the District, without the prior written consent of the Local Agency.

Section 3.14. Remedies in General. It is acknowledged by the parties that the Local Agency would not have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement or the application thereof, other than for the payment to the Developer of any (i) moneys owing to the Developer hereunder, or (ii) moneys paid by the Developer pursuant to the provisions hereof which are misappropriated or improperly obtained, withheld or applied by the Local Agency.

In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that the Local Agency shall not be liable in damages to the Developer, or to any assignee or transferee of the Developer other than for the payments to the Developer specified in the preceding paragraph. Subject to the foregoing, the Developer covenants not to sue for or claim any damages for any alleged breach of, or dispute which arises out of, this Agreement.

[THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

RAINBOW MUNICIPAL WATER DISTRICT

By \_\_\_\_\_  
[Board President]

ATTEST:  
Board Secretary

By \_\_\_\_\_

[DEVELOPER],  
a [here indicate type of legal entity]

By \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**EXHIBIT A TO THE ACQUISITION AGREEMENT**

DESCRIPTION OF ACQUISITION IMPROVEMENTS AND BUDGETED AMOUNTS

<u>ACQUISITION IMPROVEMENTS</u>	<u>BUDGETED AMOUNTS</u>
1.	\$
2.	
3.	
4.	

**EXHIBIT B TO THE ACQUISITION AGREEMENT**

FORM OF SCIP REQUISITION

To: BLX Group LLC  
SCIP Program Administrator  
777 S. Figueroa St., Suite 3200  
Los Angeles, California 90017  
Attention: Vo Nguyen  
Fax: 213-612-2499

Re: Statewide Community Infrastructure Program

The undersigned, a duly authorized officer of the RAINBOW MUNICIPAL WATER DISTRICT hereby requests a withdrawal from the [DEVELOPER] ACQUISITION ACCOUNT, as follows:

Request Date: [Insert Date of Request]  
Name of Developer: [Developer]  
Withdrawal Amount: [Insert Acquisition Price]  
Acquisition Improvements: [Insert Description of Acquisition Improvement(s) from Ex. A]  
Payment Instructions: [Insert Wire Instructions or Payment Address for Developer]

The undersigned hereby certifies as follows:

1. The Withdrawal is being made in accordance with a permitted use of such monies pursuant to the Acquisition Agreement, and the Withdrawal is not being made for the purpose of reinvestment.
2. None of the items for which payment is requested have been reimbursed previously from other sources of funds.
3. If the Withdrawal Amount is greater than the funds held in the [Developer] Acquisition Account, the SCIP Program Administrator is authorized to amend the amount requested to be equal to the amount of such funds.
4. To the extent the Withdrawal is being made prior to the date bonds have been issued on behalf of SCIP, this withdrawal form serves as the declaration of official intent of the RAINBOW MUNICIPAL WATER DISTRICT, pursuant to Treasury Regulations 1.150-2, to reimburse with respect expenditures made from the Developer Acquisition Account listed above in the amount listed above.

RAINBOW MUNICIPAL WATER DISTRICT

By : \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT C TO THE RESOLUTION**

**RAINBOW MUNICIPAL WATER DISTRICT CONTACTS FOR SCIP PROGRAM**

**Primary Contact**

Name:

Title:

Mailing Address:

Delivery Address (if different):

E-mail:

Telephone:

Fax:

**Secondary Contact**

Name:

Title:

Mailing Address:

Delivery Address (if different):

E-mail:

Telephone:

Fax:

**[Add additional contacts as needed]**

**CERTIFICATION OF RESOLUTION**

I, the undersigned, the duly appointed and qualified Secretary of the Board of Directors of the Rainbow Municipal Water District, do hereby certify that the foregoing Resolution No. \_\_\_\_\_ was duly adopted at a regular meeting of the Board of Directors of the Rainbow Municipal Water District duly and regularly held at the regular meeting place thereof on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

An agenda of said meeting was posted at least 72 hours before said meeting at \_\_\_\_\_, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Board Secretary

RAINBOW MUNICIPAL WATER  
DISTRICT

By: \_\_\_\_\_

[Seal]



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**  
**STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM**  
**“SCIP”**

**MANUAL OF PROCEDURES**

*Version 3.0*

*[Last Revised January 2019]*



## STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM CONTACT INFORMATION

---

### **California Statewide Communities Development Authority**

#### ***James Hamill***

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(925) 476-5644  
(925) 391-3590 (fax)  
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#### ***Jon Penkower***

1700 North Broadway, Suite 405  
Walnut Creek, California 94596  
(925) 476-5887  
(925) 391-3590 (fax)  
jpenkower@cscda.org

### **Program Administrator**

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### **Trustee**

#### ***Jeanie Mar***

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650 Town Center Drive, Suite 600  
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**Assessment Administrator**

***David Taussig***

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(949) 955-1590 (fax)  
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***Nathan Perez***

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**Underwriter**

***Robert L. Williams, Jr.***

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# Executive Summary

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## **Introduction**

Capitalized terms used in this Manual have the meanings given under the tab, “Glossary of Terms.”

The Statewide Community Infrastructure Program (“SCIP”) is a program of the California Statewide Communities Development Authority (the “Authority”). The Authority is a joint powers authority. Membership in the Authority is open to every California city, county and local agency, and most are already members. If your city, county or local agency is not yet a member, the necessary membership materials can be obtained by contacting the Authority (see “Contact Information” preceding this Executive Summary).

SCIP financing is available for development projects (“Projects”) situated within cities or counties which have elected to become SCIP participants (each, a “Local Agency”). Eligibility to become a Local Agency requires only (a) membership in the Authority, and (b) adoption of a resolution making the election (the “SCIP Resolution”).

Participation in SCIP entails the submission of an application (an “Application”) by the property owner (the “Applicant”) of a Project for which development entitlements either have been obtained or are being obtained from a Local Agency. For Projects determined to be qualified, SCIP provides non-recourse financing of either (a) eligible development impact fees payable to the Local Agency (or, in certain circumstances, payable to another local agency) (the “Fees”) or (b) eligible public capital improvements (the “Improvements”) or both.

Applicants benefit from SCIP because it allows them to obtain low-cost, long-term financing of Fees and Improvements, which can otherwise entail substantial cash outlays. The Local Agencies benefit from SCIP because it encourages developers to pay Fees sooner and in larger blocks than they otherwise would. The availability of low-cost, long-term financing also softens the burden of rising Fee amounts and Improvement costs, benefiting both the Applicants and the Local Agencies.

## **General Structure of SCIP**

In general terms, this is how SCIP works. Upon receipt of a completed Application, including the Landowner Information Form (with attachments), the SCIP team reviews it to determine (a) eligibility of the Fees and Improvements for which the Applicant seeks financing and (b) creditworthiness of the Applicant and the Project. Once approved by the SCIP team, the Application is acknowledged by the Local Agency. Approved Applications are aggregated for inclusion in the next round of financing. Periodically, as warranted by the accumulation of approved Applications, the Authority issues tax-exempt revenue bonds (the “Bonds”). The proceeds from the Bonds are used to finance Fees and/or Improvements for qualifying Projects located throughout the state. For projects involving a sufficient amount of financing (generally \$5 million or more) a special standalone series of bonds may be issued to fund the Project



separately if the timing of issuance of a pooled financing does not suit the Project, subject to approval of the Authority.

Revenues to pay debt service on the Bonds are derived by the Authority in one of two ways – namely (1) through the levy of special assessments on the parcels which comprise the participating Projects by establishing one or more assessment districts (each, an “Assessment District”) pursuant to the Municipal Improvement Act of 1913 (the “Assessment Act”) or (2) through the levy of special taxes on the Project parcels by establishing a community facilities district (a “CFD”) pursuant to the Mello-Roos Community Facilities Act of 1982 (the “CFD Act”). Absent circumstances which warrant a CFD, the Assessment District format has been and is expected to continue to be the customary format for SCIP financing.

This Manual is generally devoted to the Assessment District format, though many of the topics covered apply to the CFD format as well. Considerations which are specific to the CFD format are not covered and will need to be discussed among the participants for any given proposed use of that format.

### **Assessment District Format**

Under the Assessment District format, the Authority will levy assessments on the parcels in each Assessment District, with a separate Assessment District for each Project. The assessments will be payable in annual installments (“Assessment Installments”) billed and collected on the applicable county property tax roll, and the Assessment Installments will be calculated to be sufficient to pay annual debt service on the Bonds, together with certain administrative costs of SCIP.

The assessment payment obligation is non-recourse to the property owner and follows the parcel upon change of ownership. As with a conventional assessment district, each property owner retains the right to pay off the assessment at any time and thereby discharge the lien which secures payment of the Assessment Installments.

A major advantage of SCIP for Local Agencies is that the Authority handles all of the proceedings for the formation of the Assessment Districts, levy of the assessments, issuance of the Bonds and administration of the Assessment Installment collection and enforcement. Furthermore, in order to facilitate tax compliance, the proceeds of sale of the Bonds are administered by a trustee bank (the “Trustee”) until requisitioned by the Local Agency to pay Fees or to acquire completed Improvements, as the case may be.

The duties of staff of Local Agencies are correspondingly reduced and relate primarily to making developers aware of the availability of the SCIP program, making application forms available to interested developers, confirming the status of Projects for which Applications have been submitted, confirming the Fee and Improvement obligations for qualified Projects, determining when Improvements are completed and therefore ready for acquisition, and submitting requests to the Trustee for disbursement of SCIP funds to pay Fees and to acquire completed Improvements for Projects which have been funded. In addition, when Improvements will be financed, the Local Agency will be required to enter into an “Acquisition Agreement” with the



Applicant to provide the terms and conditions governing the acquisition of completed Improvements.

When an Application seeks financing of Fees payable to local agencies other than the Local Agency, staff of the Local Agency, together with the Applicant, will usually need to serve as liaison to the other local agency to establish eligibility of such Fees for SCIP financing and to establish procedures for monitoring investment earnings on the Fees until expended for purposes authorized by the applicable Fee Statute.

### **CFD Format**

For larger-scale Projects with planned phasing of the Project and the related Improvements, the CFD format may be more suitable, given the added flexibility of the special tax calculated annually to reflect the development status of each taxable parcel, as opposed to the more rigid fixed lien assessment of the Assessment District format, and the related flexibility of phasing the financing through multiple series of bonds to match the phases of Project development and Improvements. Any determination to utilize the CFD format will be made on a case by case basis, in consultation among the SCIP team, the Local Agency and the Applicant. Projects financed with the CFD format are not pooled with projects financed with the Assessment District format.

### **Financing Eligible Impact Fees**

To be eligible for SCIP financing, Fees must (1) be payable as conditions of development approval for the Project or otherwise provide special benefit to the Project, and (2) proceeds of the Fees must be expended for public improvements which themselves would be eligible for SCIP financing, though the public improvements need not be related to or required for the Project. In addition, there are certain timing limitations that apply to Fees financed through SCIP, in particular that the Fees must not have been paid to the Local Agency more than 60 days prior to the submission of a completed Application and the Authority's issuance of a Declaration of Official Intent to Reimburse for the particular Project.

Within SCIP, there are two programs for funding eligible Fees, and either or both may be applicable for a given Project. The two programs are (1) the Fee Reimbursement Program and (2) the Fee Prefunding Program. In each case, for federal income tax purposes, the proceeds of the Bonds will be allocated to the public improvements actually financed by the Local Agency with the fee amounts received.

Under the Fee Reimbursement Program, payment of the Fees by the Applicant precedes the issuance of the Bonds, usually in connection with obtaining a building permit. In general, in order to include Fees in the Fee Reimbursement Program, the Fees must have been paid by the Applicant to the Local Agency (or other local agency, as applicable) no more than 60 days prior to submission of a completed Application and the Authority's issuance of a Declaration of Official Intent to Reimburse. In order to ensure compliance with the federal income tax requirements for the Bonds, when the Fees that are intended to later be reimbursed by the Bonds are paid to the Local Agency, the Local Agency transfers those Fees to SCIP for deposit in the Local Agency Account. That money is immediately available for requisition by the Local



Agency to make authorized fee expenditures, even before the Bonds are issued. But by holding and investing the unspent Fees until spent, the Authority is able to monitor the investment earnings (which accrue to the Local Agency) for federal tax law arbitrage purposes and track the timing requirements for allocating the proceeds of the later-issued Bonds to the public improvements financed by the Fees. SCIP encourages the Local Agency to spend those amounts as quickly as possible, and before any other fee revenues of the Local Agency. Once the proceeds of sale of the Bonds are available, the Applicant applies for reimbursement of the amount of eligible Fees which have been paid. If the Local Agency transfers paid fees to SCIP but Bonds are not issued the Fees are returned to the Local Agency by SCIP. In this way, the Local Agency is never at risk for the receipt of the Fees.

Under the Fee Prefunding Program, the Fees are funded from proceeds of the Bonds without the need for the Applicant to pay the Fees. For arbitrage rebate purposes, SCIP will invest and hold the proceeds representing the Fees. Again, those moneys are immediately available for requisition by the Local Agency to make authorized fee expenditures. Thus the full amount of Fees funded is immediately available to the Local Agency, irrespective of whether any portion of such Fees has yet become payable with respect to the Project. The advantage to the Applicant is that it never has to pay out of pocket any portion of the Fees, and the advantage to the Local Agency is that the full amount of Fees funded is immediately available to spend on qualified public improvements without waiting for any portion of the prefunded Fees to become due from the Applicant. The landowner receives a credit for fees paid from Bond proceeds in this way. Each Local Agency is encouraged but not required to develop procedures to track the amounts of such credits to the landowners.

### **Financing Eligible Improvements**

To be eligible for SCIP financing, Improvements must meet three conditions – namely, (1) they must be required as conditions of development approval for the Project or otherwise provide special benefit to the Project, (2) they must not have been accepted by and the ownership of them already transferred to the Local Agency or other local agency prior to issuance of the Bonds and (3) they must be the kinds of public improvements authorized to be financed under the Assessment Act. In practice, most of the public improvements which are required as conditions of Project approvals are eligible under the Assessment Act (e.g., roads, street lights, landscaping, storm drains, water and sewer facilities, and parks).

As mentioned above, the Authority will require that an Acquisition Agreement be entered into between the Local Agency and the Applicant to provide the terms and conditions governing the acquisition of completed Improvements. The Acquisition Agreement is prepared by the SCIP team, in the form approved by the Local Agency as part of its SCIP Resolution, as modified to suit the particular circumstances and Local Agency requirements.

### **Conclusion**

The information and materials which follow in this Manual are intended to assist interested persons in further understanding SCIP and how it might be utilized to finance Fees and Improvements associated with a given Project. As indicated above in this Executive Summary, the focus in this Manual is on the Assessment District format. Upon request of an Applicant who



may have a preference for the CFD format, the SCIP team will review the Applicant's Project and determine, in consultation with the Applicant and the Applicant's consultants, whether the CFD format will be suitable.

Interested parties are invited to contact one or more of the persons listed in "Contact Information" preceding this Executive Summary with questions or requests for clarification.



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Glossary of Terms

Appendices A through W, Inclusive



# I Local Agency Participation in SCIP

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## 1.01 Eligibility

Any California city, county, city and county, or a special district (a “Local Agency”) may participate in SCIP if it meets the following requirements:

- (a) The Local Agency must be or must become a member in good standing of the Authority prior to or concurrently with joining SCIP.
- (b) The Local Agency must have in place a development fee program pursuant to a Fee Statute (for fee financing) and/or desire to allow the financing of Improvements for eligible Projects.
- (c) If the Local Agency is not itself a city, county or city and county, the city or, if in unincorporated territory, the county in which each Project is located must be a SCIP participating Local Agency.

## 1.02 SCIP Resolution

To participate in SCIP, the Local Agency must adopt a SCIP Resolution in substantially the form attached in Appendix G and must send a certified copy of such resolution to the Program Administrator. The Resolution must remain in full force and effect so long as the Local Agency wishes to participate in SCIP. A sample staff report and form of Notice of Hearing are also included in Appendix G.

## 1.03 Withdrawal from SCIP

Any Local Agency may elect to withdraw from SCIP at any time by repealing the SCIP Resolution; provided, that such repeal shall not be effective as to any completed Application duly filed with the Program Administrator and not yet funded, without the consent of the Applicant. Upon withdrawal from SCIP, the Local Agency shall send a certified copy of the withdrawal resolution to the Program Administrator.





## II General Eligibility Requirements

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### 2.01 General

The following criteria determine threshold eligibility for SCIP financing. Each Application is also subject to review for certain underwriting criteria, as described in Article III.

### 2.02 Eligible Impact Fees

In order to be eligible for financing under SCIP, Fees must meet the following criteria:

- (a) Fees must be levied under a Fee Statute (except that in limited circumstances, other fees payable as a condition of development may be eligible).
- (b) Fees must be collected by a Local Agency and levied by either the Local Agency or another governmental entity as a condition of new development or otherwise provide special benefit to the Project as determined by the Assessment Engineer, and be payable at time of (i) granting of entitlements, (ii) issuance of a building permit, (iii) connection to a utility system, or (iv) issuance of a certificate of occupancy. If fees are levied by another government entity and not a Local Agency SCIP participant, the Local Agency and the other government entity must enter into a fee collection agreement in substantially the form attached as **Appendix W**.
- (c) Fees must only be for the payment of Capital Costs of improvements to be owned by the Local Agency or another governmental entity.
- (d) The Local Agency (or other government agency collecting the Fee, as applicable) must reasonably expect to spend the Bond-funded Fees within 3 years of the date Bonds are issued.
- (e) Improvements to be funded with the Fees must be improvements that could be financed under the Assessment Act.

### 2.03 Eligible Improvements

In order to be eligible for financing under SCIP, Improvements must meet the following criteria:

- (a) The Improvements must be required as a condition of the development project which is the subject of the Application or otherwise provide special benefit to the Project as determined by the Assessment Engineer.
- (b) The Improvements must be authorized under the Assessment Act.



- (c) The Improvements must not have been completed and ownership transferred to the Local Agency or another governmental entity prior to submission of a completed Application and issuance, in connection therewith, of a Declaration of Official Intent to Reimburse pertaining thereto.
- (d) Improvements must be owned by the Local Agency or another government entity upon completion.

#### **2.04 Eligible Property Owners**

In order to apply for participation in SCIP, a Property Owner must meet the following criteria:

- (a) The Property Owner must be a natural person, partnership, limited liability company, or corporation in good standing holding, or with a contractual right to acquire, fee simple title in the proposed Assessed Parcel(s).
- (b) If property is held as community property, tenants in common, or joint tenants, the Application must be signed by all owners or their authorized representative(s).
- (c) The Property Owner may not be any governmental or quasi-governmental entity; provided that on a case by case basis the Authority may approve participation by Projects that are in governmental ownership but intended to be sold to private parties after completion of Improvements and/or funding of fees.
- (d) The Property Owner may not be the subject of any bankruptcy proceeding.

#### **2.05 Eligible Property**

In order for property to be eligible for SCIP, it must meet the following criteria:

- (a) The property must consist of one or more parcels each of which must be a legal parcel in compliance with the Subdivision Map Act.
- (b) The application must be approved by each governmental entity whose Fees or Improvements will be funded and the application must be approved by a city or city and county or, if within unincorporated territory, a county, that is also a Local Agency SCIP participant. This applies even if no Fees or Improvements of such Local Agency will be funded.
- (c) The property must not be subject to any judgment lien, mechanics lien, or tax lien (other than for taxes levied but not yet due).



## III Application Process & Review

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### 3.01 Application

An Applicant who wishes to finance either Eligible Impact Fees or Eligible Improvements (or both) must complete and submit a SCIP Application and a Landowner Information Form (samples of the forms are attached as Appendix A).<sup>\*</sup> The Applicant must submit the completed Application with all attachments and Landowner Information Form (together, the “Application”) to the Program Administrator, along with payment of the application fee as provided in Section 3.02 below. The Program Administrator will confer with Authority staff and if the Application is approved, the Program Administrator will coordinate with the Local Agency to have the Local Agency review and countersign the Application and issue the Declaration of Official Intent to Reimburse.

The Local Agency shall have no responsibility for determining the sufficiency of the Application except to verify (i) the accuracy of the amounts and categories of the Eligible Impact Fees and the items of Eligible Improvements and related estimated costs, as set forth in the Application, and (ii) that the Project approvals and entitlements described in the Application have been granted by the Local Agency.

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<sup>\*</sup> Applicants may also apply on-line at <http://www.cscda.org> (follow “Statewide Community Infrastructure Program (SCIP)” hyperlink).

### 3.02 Application Fees

In order to apply for SCIP, Applicants must pay a non-refundable application fee (\$1,500 as of January 2019). The Application Fee may be adjusted from time to time by the Authority and the current fees are available upon request. The application fee must be included with the Application, with the check made payable to “Statewide Community Infrastructure Program,” and is non-refundable. Application fees will be deposited by the Program Administrator in the fund or account established for the payment of Program Administration Costs.

### 3.03 Application Review and Underwriting Criteria.

Completed Applications will be reviewed by SCIP Counsel and the SCIP Underwriter in accordance with the SCIP Timetable for the applicable Program Series. An Application can be approved, disapproved, or approved for partial funding. Approval of an application does not guarantee that bonds will be issued in the amount stated in the Application.

In addition to demonstrating that all criteria are met for Eligible Impact Fees, if any, Eligible Improvements, if any, eligible Property Owners and eligible property, the Application shall demonstrate the following:



- (a) Compliance with the California Environmental Quality Act must be established for the Project.
- (b) If the Application seeks participation in the Fee Reimbursement Program, the Applicant must be aware that at the time it applies for reimbursement of Fees paid, a copy of each building permit obtained upon payment of the related Fees will be required.

If the Application seeks participation in the Fee Prefunding Program, all discretionary entitlements must be in place, i.e. there must be an approved vesting tentative subdivision map (if the Project involves a major subdivision under the Subdivision Map Act), and/or conditional use permit (if required for the Project), including improvements design plans, as applicable. In addition, the Applicant must provide evidence that all other discretionary permits, such as Army Corps of Engineers Section 404 permits, Fish and Game permits, and Fish and Wildlife permits and any other required permits for the development of the Project have been obtained.

- (c) The Application must be submitted by the Property Owner (developers, contractors or other persons who are not Property Owners may not submit Applications unless they are signed by the Property Owner).
- (d) Applications should be accompanied by a copy of the most recent property tax bill, if available. The Applicant must certify that it has not been more than 30 days delinquent in the payment of any assessment or special tax securing a bond within the last 5 years.
- (e) If there are any fixed lien assessments on any Assessed Parcel at the time the Application is submitted or if any such assessments are levied at any time prior to the adoption of the Resolution Confirming Assessment, either (i) the prepayment cost of such fixed lien assessments will be added to the Assessment and SCIP will prepay such prior assessments on behalf of the Property Owner or (ii) the Property Owner will prepay such assessments in cash no later than the date fixed by the Assessment Administrator.
- (f) Each Assessed Parcel must have a minimum Assessed Value or Appraised Value of at least 3 times the total Assessment. In most cases, the SCIP Underwriter will require an Appraisal by a certified MAI appraiser chosen by the SCIP Underwriter and approved by the Authority, using a bulk sale “as is” valuation, including the value of the Eligible Impact Fees and Eligible Improvements being financed. All Appraisal costs must be paid by the Applicant in advance to the Program Administrator. Appraisal costs may be refunded from Bond proceeds if Bonds are issued.
- (g) The Property Owner must not be the subject of any bankruptcy proceeding and must not have been adjudged bankrupt within the last 5 years.



- (h) The Authority, on recommendation from the SCIP Underwriter and SCIP Counsel, reserves the right to reject any Application if it believes, in its sole discretion, that the Assessed Parcel(s), the Project or the Property Owner poses undue credit risks. Each Applicant must authorize the Program Administrator to obtain a copy of a credit report from one or more nationally recognized credit reporting agencies, and may be required to provide copies of banking statements and/or tax returns.
- (i) If the Project will include the funding of Improvements, the Applicant may be required to pay costs of preparation of the Engineer's Report in advance as determined by the Authority and any such payments shall be non-refundable.

### **3.04 Approval, Partial Approval and Rejection of Applications**

Applications may either be approved or rejected.

- (a) If an Application is approved, the Program Administrator will arrange for the applied-for reimbursement to the Property Owner (to the extent of the Impact Fee Reimbursement Program) and the applied-for funding (to the extent of the Impact Fee Prefunding Program) of all Eligible Impact Fees and the applied-for funding of the estimated cost and expense of Eligible Improvements upon the issuance of the applicable Program Series.
- (b) If an Application is rejected, the Program Administrator will send a notice of rejection to the Applicant. Any application fees or other charges paid in connection with the Application are non-refundable.

If an approved Application includes Eligible Improvements, SCIP Counsel will initiate the preparation of an Acquisition Agreement substantially in the form attached to the SCIP Resolution of the Local Agency. See Appendix G for the form of SCIP Resolution, to which the form of Acquisition Agreement is attached as Exhibit B. SCIP Counsel will coordinate with the Assessment Engineer to obtain the description and estimated costs pertaining to the Eligible Improvements (Exhibit A to the Acquisition Agreement) and will coordinate with the Applicant and the Local Agency to approve and execute the final form of the Acquisition Agreement.

After the application is approved, the exact dollar amount of funds the Bond issuance will provide is dependent upon a number of factors, including federal income tax requirements, Local Agency limitations, value to lien ratio, effective tax rate, and other credit factors.



## IV Assessment Proceedings

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### 4.01 Local Agency Requirements

Once the Local Agency has adopted a SCIP Resolution, normally it will not be necessary for the City Council or the Board of Supervisors of the Local Agency, as the case may be, to take any further action. Designated staff of the Local Agency will need to (a) review the Application to perform the verification described in 3.01 above, followed by execution of the Application, (b) coordinate review, finalization and execution on behalf of the Local Agency of the Acquisition Agreement when Eligible Improvements are being financed, (c) monitor progress and completion of construction of Eligible Improvements for purposes of submitting reimbursement requisitions pursuant to the Acquisition Agreement, if any, (d) sign a closing certificate in substantially the form of Appendix N (upon the issuance of each applicable Program Series) and (e) administer the requisition process for disbursement of those Eligible Impact Fees which have been financed by the applicable Program Series.

It may be necessary due to special circumstances or changes in law or in the SCIP procedures for the Local Agency to take some further action to facilitate financing of Eligible Impact Fees and/or Improvements. In such case, all documentation and proceedings will be prepared by SCIP Counsel at no cost to the Local Agency and will be forwarded to the Local Agency for review and approval. It is possible that further information will be needed from Local Agencies beyond the information in the Application, and by adopting its SCIP Resolution, the Local Agency agrees to cooperate with the Program Administrator, SCIP Underwriter, SCIP Counsel and Assessment Engineer with respect to developing such additional information.

### 4.02 Property Owner Requirements

Upon satisfaction of the Application requirements of Article III, each Applicant will be sent an Assessment Ballot in substantially the form attached hereto as Appendix B and a Consent and Waiver in substantially the form attached hereto as Appendix C, accompanied by a copy of the preliminary Engineer's Report showing (a) the Eligible Impact Fees, Eligible Improvements and related program costs being financed and (b) the amount of the Assessment being imposed on each of the Applicant's Assessed Parcels. The Assessment Ballot must be marked "Approve" and executed by the Property Owner and the Consent and Waiver must be executed by the Property Owner and returned to the Program Administrator by the deadline indicated in the transmittal letter. Failure to properly complete or return either of these documents will result in the rejection of the Application.

### 4.03 Assessment Proceedings – General

All proceedings for the establishment of Assessment Districts and the issuance of Local Obligations and Bonds will be conducted by the Authority. Assessment proceedings are conducted by the Authority in full compliance with the requirements of Article XIID of the California Constitution (Proposition 2018). Upon determining which Applications have satisfied



the requirements of Article III for a Program Series, the Authority will commence the proceedings to establish the Assessment Districts. For each Program Series, the Authority will create a separate Assessment District for each Project being financed by such Program Series.

#### **4.04 Engineer's Reports**

For each Assessment District, the Assessment Engineer will prepare an Engineer's Report containing the items required by Section 10204 of the Assessment Act. The Engineer's Report must be signed by a California registered professional engineer and must be filed with the Authority. Each Local Agency will be required to cooperate with the Assessment Engineer to finalize the amounts and descriptions of Fees and Improvements included in the Engineer's Report.

#### **4.05 Assessment Amount**

The Assessment for each Assessed Parcel will be calculated as set forth in the Engineer's Report as the sum of the following amounts:

- (a) Total Eligible Impact Fees financed for such Assessed Parcel; plus
- (b) Benefit Share of Estimated Cost and Expense of Eligible Improvements for the Project of which the Assessed Parcel is a part; plus
- (c) Pro-Rata Share of Costs of Issuance; plus
- (d) Pro-Rata Share of Reserve Requirement; plus
- (e) Pro-Rata Share of Capitalized Interest, if any; plus
- (f) Prior assessment liens, if any.

Prior to the mailing of the Notice of Hearing and the Assessment Ballot (see Section 4.06(c) below) the Assessment Engineer will determine the not-to-exceed Assessment amount, which will be included in the Assessment Ballot. The actual amount of the Assessment will ultimately be less than or equal to the Assessment amount shown in the ballot.

#### **4.06 Sequence of Events**

Assessment Proceedings will consist of the following legal actions to be taken by the Authority and the Program Administrator, in accordance with the SCIP Timetable for such Program Series:

- (a) Adoption of resolution of intention in substantially the form shown in Appendix I.
- (b) Adoption of resolution preliminarily approving Engineer's Report and calling public hearing in substantially the form shown in Appendix J.



- (c) Mail the Notice of Hearing to each Property Owner at the address shown on the most recent equalized assessment roll of the County or as otherwise known to the Assessment Engineer, in substantially the form attached as Appendix K. The Notice of Hearing will include a transmittal letter, the Assessment Ballot, the Consent and Waiver and a copy of the applicable preliminary Engineer's Report.
- (d) Assessment Ballots and Consents and Waivers must be returned to the Program Administrator no later than the deadline identified in the transmittal letter.
- (e) No earlier than 45 days after mailing of the notices, the Authority will conduct a joint public hearing for all Assessment Districts in the Program Series. Any Property Owner, Local Agency representative or member of the general public will be given the opportunity to testify at the hearing. Any Property Owner may withdraw their Assessment Ballot and Consent and Waiver at the hearing, and in such event, the Property Owner will not be included in the Assessment District and the Program Series.
- (f) At the conclusion of the hearing, the Authority will customarily adopt the following Resolutions:
  - (i) Resolution Confirming Assessment in substantially the form attached as Appendix D.
  - (ii) Local Obligation Resolution in substantially the form attached as Appendix E.
  - (iii) Revenue Bond Resolution in substantially the form attached as Appendix F. (See Article V – Bonds.)

However, in some circumstances the Authority may need to defer adoption of the Local Obligation Resolution and the Revenue Bond Resolution to a later date, in which case the resolutions will be considered at such time as circumstances permit. For example, the condition of the municipal bond market in general may warrant deferral of these actions until a later time.

- (g) Within approximately 5 days after the hearing and adoption of the above resolutions, the Assessment Engineer will record the assessment diagram and a notice of assessment against each Assessed Parcel in substantially the form attached as Appendix L and will publish a notice of recording of assessment in newspapers of general circulation within each County containing an Assessment District in substantially the form attached as Appendix M.
- (h) The statute of limitations to challenge any Assessment runs 30 days after the levy of the Assessment, which is the date on which the Resolution Confirming Assessment is adopted.





- (i) In the event the Authority determines to refinance any Program Series, such refinancing shall not have any effect on the Local Obligations or the Assessment Installments levied for such Program Series.



# V Bonds

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## **5.01 Financing Structure**

Funding of SCIP will be accomplished through a two-step process involving first, the issuance of the Local Obligations under the Assessment Bond Act and second, the issuance by the Authority of Bonds under the Revenue Bond Act. The Bonds for each Program Series will be secured by the Local Obligations issued for each separate Assessment District in the Program Series. By using this approach, the Authority will be pooling all of the Assessments into a blended security which will provide benefits through diversification of credit risk as well as economies of scale. The Local Obligations will be registered in the name of the SCIP Trustee and held as security for the Revenue Bonds. Assessment Installment payments will be applied to the payment of debt service on the Local Obligations, which will in turn be applied by the SCIP Trustee, as holder of the Local Obligations, to the payment of debt service on the Bonds.

## **5.02 Bond Documents**

The Authority will approve a set of Bond Documents for each Program Series. Copies of the draft Bond Documents for each Program Series will be made available for review by any Local Agency or Applicant participating in the Program Series at least 15 days prior to the adoption thereof by the Authority; provided, that the Authority reserves the right to modify such Bond Documents thereafter.

## **5.03 Local Agency Closing Certificate**

Each Local Agency which has Assessments in its jurisdiction for a Program Series will be required to execute and deliver to the Authority a closing certificate, dated as of the Closing Date, in substantially the form attached hereto as Appendix N.

## **5.04 Arbitrage Rebate**

As set forth in Appendix O, the Program Administrator will provide all required arbitrage rebate and yield restriction reporting services with respect to the Bonds, including preparing the necessary Internal Revenue Service (“IRS”) documentation and instructing the SCIP Trustee to make any required arbitrage rebate or yield reduction payments to the IRS.

## **5.05 Continuing Disclosure**

As set forth in Appendix P, the Program Administrator will provide the services necessary to ensure that the Authority will meet its continuing disclosure obligation with respect to the Bonds.



## **5.06 Refunding Dividend Program**

The Authority reserves the right to refinance the Bonds for any Program Series if the Authority determines in its sole discretion that market conditions will allow the Authority to achieve significant savings from such refinancing after payment of all costs of issuance as determined by the Authority. Local Agencies may be asked to provide certain certifications or agreements in connection with such refunding. Subject to applicable federal tax limitations, all net savings generated from a refunding shall be monetized in the refunding and each Local Agency will receive a pro rata credit for such savings in the appropriate SCIP Trustee account, and such credited amount may be withdrawn by the Local Agency to pay Capital Costs as provided in Article VI. Because all savings are monetized and paid out to Local Agencies (subject to applicable federal tax limitations), no refunding will result in a reduction of any Assessment or Assessment Installment. In certain circumstances, subject to the discretion of the Authority or if so directed by the Local Agencies, the net savings generated from the refunding shall be applied to provide a credit to property owners for application against the next year's assessments.



## VI Funds Management & Administration

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### **6.01 Deposits to SCIP**

Payments from the Local Agency to SCIP of Fees paid to it by the Applicants to be reimbursed, and Bond proceeds received by SCIP for prefunded Fees or for acquisition of Improvements, will be deposited with the SCIP Trustee into the Custody Account. The Custody Account will contain a subaccount for each separate Local Agency. That subaccount is known as the “Local Agency Account.” Each Local Agency Account will contain separate Fee Accounts (e.g., water, sewer, roadway, etc.) into which moneys allocable to the Local Agency’s Fees will be deposited, as described in Section 6.03 and 6.04, below.

### **6.02 Access to SCIP Funds**

Each Local Agency will access its Local Agency Account by submitting a disbursement request to the Program Administrator for Capital Costs. Disbursement requests should be submitted no earlier than the time of payment by the Local Agency for the Capital Costs. The form of disbursement request is as set forth in Appendix Q. All disbursement requests shall be forwarded either by facsimile or e-mail to the Program Administrator. Upon receipt of a disbursement request, the Program Administrator will instruct the SCIP Trustee to disburse the requested funds in accordance with the instructions provided by the Local Agency. For disbursements by wire, each Local Agency will provide the Program Administrator with contact information for the appropriate financial institution, including wire instructions. Disbursements generally will occur within two business days of receipt of a completed disbursement request.

### **6.03 Account Statements**

The Program Administrator will provide each Local Agency with statements identifying the balance in its Local Agency Account and the portion thereof which is allocable to each Fee Account therein (e.g., water, sewer, roadway, etc.), the current market value of its Local Agency Account, interest earnings credited and accrued during the statement period, current investment holdings and cash flow activity. Such statements may be provided monthly or quarterly at the election of the Local Agency.

### **6.04 Fee Account Allocation**

The Program Administrator will record the allocation of funds held for each Local Agency to each Fee Account based on directions provided by each Local Agency upon entering SCIP.

### **6.05 Management of SCIP Funds**

Funds held in SCIP accounts, including Local Agency Accounts, will be invested appropriately at the direction of the Program Administrator. Investment instructions provided to the SCIP Trustee by the Program Administrator will at all times conform with SCIP’s investment policy as



set forth in Appendix R. Investment earnings will be credited to each SCIP Account and subaccount therein for the benefit of the respective Local Agencies.

#### **6.06 Rejected Applications**

Any Applicant whose application for Fee reimbursement is rejected will be notified by the Program Administrator that the Fee reimbursement applied for is not eligible for reimbursement. When an application is rejected, the Fees transferred to SCIP by the Local Agency, if any, held in the applicable Local Agency Account, will be returned to the Local Agency and the Local Agency will be responsible for accounting for such funds in the appropriate capital accounts established for the Local Agency's fee programs. Property Owners shall not be entitled to any refund of Fee payments or costs paid in connection with any rejected Application other than as approved by the Local Agency.

#### **6.07 SCIP Record Retention Policy**

The Program Administrator will maintain SCIP accounting records on site for not less than 2 years after a Local Agency closes its Local Agency Account and not less than 3 years thereafter at an appropriate off-site location.

#### **6.08 Inspection of SCIP Accounting Records**

The Program Administrator will comply with reasonable requests of the Local Agencies to inspect SCIP accounting records during normal business hours and, upon the request of a Local Agency, will provide a Local Agency with a statement of the Local Agency Account.



## VII Collection of Assessments

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### 7.01 Annual Posting

For each Assessment District, the Assessment Administrator will annually transmit to each County, no later than the County's deadline, the auditor's record required by Section 8682 of the Assessment Bond Act for posting on the tax roll. The Assessment Installments will appear on the property tax bill mailed by the County to each Property Owner as a separate line item in substantially the following form:

“CSCDA SCIP Assessment District No. [20\_\_-\_\_] – \$\_\_\_\_\_”

### 7.02 Administrative Cost Assessment

Pursuant to Section 10204(f) of the Assessment Act, the Authority will annually levy an additional assessment to defray the costs of collection and administration of the assessments and the Local Obligations which are not otherwise reimbursed in an amount not to exceed 10% of the Assessment Installment for such year. Such amounts will be applied by the Authority to pay Program Administration Costs and a full accounting will be provided each year upon request to any Local Agency or Property Owner participating in a Program Series. In addition, each County will add up to \$8 per parcel to each semi-annual Assessment Installment pursuant the Assessment Bond Act as an administrative charge to defray the County's costs of collecting assessments on the tax roll.

### 7.03 Payment of Assessment Collections to Authority

Each County will pay the Assessment Installments (net of the County's administrative charge) collected each year to the Authority and the Authority will immediately deposit such funds as follows:

- (a) Amounts representing Program Administration Costs will be deposited in the Expense Fund held under the Trust Agreements for the appropriate Program Series.
- (b) Amounts representing principal and interest installments of the Assessments will be transferred to the SCIP Trustee for deposit in the Revenue Fund held under the Trust Agreements for the appropriate Program Series.

### 7.04 Interest Earnings on Funds and Accounts and Assessment Credits

- (a) Expense Fund. Earnings on amounts held in the Expense Fund will be retained in such fund and applied as a credit against Program Administration Costs.



- (b) Local Agency Accounts. Earnings on amounts in each Local Agency Account shall be retained in each Local Agency Account and will be available for withdrawal by the Local Agency as provided in Section 6.02. At the direction of the Local Agency, such earnings may be applied as a credit against future Assessment Installments.
  
- (c) Revenue Fund. Earnings on amounts in the Revenue Fund for each Program Series held by the SCIP Trustee under each Trust Agreement shall be retained in such Revenue Fund and applied as a credit on the annual Assessment Installments in the next succeeding fiscal year, except:
  - (i) In the case of Refunding Bonds issued pursuant to the Refunding Dividend Program, such earnings may be applied to pay debt service on the Refunding Bonds in the event that prepayments of Assessments require such earnings to be applied to maintain cash-flow balance between the revenue from the Local Obligations and the debt service payments on the Refunding Bonds;
  - (ii) To the extent the portion of the Assessment Installments actually collected by the Authority for Program Administration Costs together with the amounts available in the Program Administration Fund is less than the Program Administration Costs, such earnings may be transferred to the Authority for deposit in the Program Administration Fund to pay Program Administration Costs; and
  - (iii) Notwithstanding the above, to the extent amounts are required to be deposited in the Rebate Fund to pay arbitrage rebate with respect to any Program Series, earnings on amounts in the Revenue Fund and any Local Agency Accounts in excess of the applicable bond yield (calculated pursuant to the Internal Revenue Code and the regulations issued thereunder) may be transferred to the Rebate Fund.

## **7.05 Prepayment of Assessments**

Property Owners shall have the right at any time to prepay their Assessment in part or in full. Payoff quotes may be obtained from the Assessment Administrator. Payoff quotes will be calculated in accordance with the Assessment Bond Act, and assuming that the applicable Assessment is not then delinquent, the payoff quote shall include the unpaid principal amount of the Assessment, plus accrued interest at the rate of interest on the Local Obligations, plus a prepayment premium not to exceed 3% of the unpaid principal amount plus an administrative charge for the prepayment. In the event that the applicable Assessment is then delinquent, an additional amount will be payable with respect to reinstatement of such delinquencies. The Property Owner may be entitled to a credit for a proportionate share of any reserve fund. Payoff quotes and prepayments will require payment of administrative charges as established by the Assessment Administrator.



## 7.06 Delinquent Assessment Installments

The Assessment Administrator will monitor the payment of all Assessment Installments and will track any delinquencies in the payment of such Assessment Installments by Property Owners (regardless of the remittance of such installments to the Authority by any County pursuant to the provisions of Revenue & Taxation Code Sections 4717 and following (the so-called “Teeter Plan”)). In the event an Assessment Installment is not paid on or prior to December 10 or April 10 of any fiscal year, as the case may be, the Assessment Administrator will take the following steps and any additional steps as directed by the Authority:

- (a) Within 90 days after the December 10 or April 10 due date of such Assessment Installment, the Assessment Administrator shall send a demand letter to the Property Owner in substantially the form set forth in Appendix S. An administrative fee for sending the letter will be charged. If the parcel goes to foreclosure it will be charged to the parcel; if the delinquency is paid before it is stripped from the roll, the fee will simply be an administrative expense of the Authority.
- (b) If the Assessment Installment has not been paid, including any penalties, within 30 days of the date of the initial demand letter, the Assessment Administrator shall send a second letter by certified mail, in substantially the form set forth in Appendix T, indicating that (i) the Assessment Installment remains delinquent and (ii) the Authority will direct Foreclosure Counsel to commence foreclosure proceedings on the Assessed Parcel if payment is not received within 30 days of the receipt of the second letter.
- (c) Concurrently with sending the second demand letter to the Property Owner, the Assessment Administrator shall determine whether there is a mortgage lien on the Assessed Parcel and, if so, shall send a demand letter by certified mail to the lender in substantially the form set forth in Appendix U.
- (d) If the Assessment Installment is not paid within the period specified in the demand letters prescribed by the foregoing steps (b) and (c), then unless the property owner is in bankruptcy or on active military duty, the Assessment Administrator shall, after April 10 (in order to include both installments if both are delinquent), cause a Notice of Intent to Remove Delinquent Assessment Installment(s) from the Tax Roll to be recorded in the office of the appropriate County Recorder, pursuant to Section 8833(a)(1) of the Assessment Bond Act, and then proceed to cause the delinquent installments to be stripped from the County tax roll and submit the delinquent installment information to Foreclosure Counsel (with a copy to the SCIP Underwriter, the Program Administrator and SCIP Counsel) to commence and prosecute, to the fullest extent permitted by law, Superior Court judicial foreclosure proceedings against the Assessed Parcel in accordance with the Assessment Bond Act, the Local Obligation Resolution and the Trust Agreement





- (e) Upon notification by the Assessment Administrator and receipt from the Assessment Administrator and SCIP Counsel of the information required for the foreclosure complaint, Foreclosure Counsel may contact the property owner and lender in an additional attempt to collect the stripped assessment installments, penalties, interest, and all costs and expenses, but will, prior to any applicable deadline set forth in the Trust Agreement or otherwise, take all steps necessary to prepare and file a complaint for judicial foreclosure of the lien of the Assessment and will diligently prosecute such action to judgment and a sheriff's sale.
- (f) Once step (b) of this Section has been reached, the Property Owner shall be required to pay the fees and expenses of the Assessment Administrator and Foreclosure Counsel incurred with respect to the Assessed Parcel, in addition to any delinquent Assessment Installment, penalties and interest assessed by the applicable County, in order to bring the Assessed Parcel current. In addition, if step (b) of this Section has been reached with respect to any Property Owner, such Property Owner will be barred from further participation in SCIP absent a specific waiver approved by the Legislative Body.

#### **7.07 Tenders of Bonds Not Permitted**

All of the Local Obligations will be held by the SCIP Trustee for the benefit of the holders of the Bonds. Although Section 8688 of the Assessment Bond Act allows owners of property within assessment districts to tender bonds issued under the Assessment Bond Act for payment of assessment installments, the Bonds are not issued under the Assessment Bond Act and Property Owners who may hold Bonds will not be permitted to tender such Bonds in the payment of Assessment Installments.



## VIII Property Owner Information

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### **8.01 Balance and Payoff Information**

The Assessment Administrator will maintain a database of information with respect to each Assessed Parcel which will allow the Property Owner or any other interested person to obtain either a current balance or a payoff quote for the Assessment on such parcel. The Assessment Administrator will be permitted to charge a reasonable fee for providing such information as provided in the current schedule of fees of the Assessment Administrator on file with the Program Administrator.

### **8.02 Disclosure of Assessment**

Each Property Owner shall comply with the requirements of applicable law with respect to the disclosure of the Assessment to any purchaser of an Assessed Parcel. The form of disclosure notice to subsequent purchasers is attached as Appendix V. For a reasonable fee in accordance with the schedule of fees maintained by the Assessment Administrator, the Assessment Administrator will supply a completed notice for any individual Assessed Parcel upon request.

### **8.03 Billing Questions**

The Assessment Administrator will maintain a toll free telephone number to respond to inquiries from Property Owners concerning billing of Assessment Installments.



## IX Miscellaneous

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### **9.01 Use of this Manual**

This Manual is intended to provide guidance to Local Agencies, Applicants, Property Owners and SCIP consultants in the implementation of SCIP's programs. It is not intended to supersede or replace the legal documents which are used in the SCIP programs. In case of any inconsistency between the provisions of this Manual and such legal documents, the legal documents will control. Capitalized terms used in this Manual have the meanings given under the tab, "Glossary of Terms."

### **9.02 Contact Information**

The contact information for SCIP is provided at the beginning of this Manual. Any notice or other correspondence must be sent by first-class mail to the addresses listed and any communication by facsimile or e-mail will not be considered effective unless a copy is also sent by first class mail.

### **9.03 Limited Liability**

In no event will any Local Agency or any of its officers, employees or agents be liable for the payment of Assessments, Assessment Installments, Program Administration Costs, Costs of Issuance or any other fees or expenses in connection with SCIP. Neither the Authority nor any of its members, officers, employees or agents will be liable for the payment of Assessments, Assessment Installments, Program Administration Costs, Costs of Issuance or any other fees or expenses in connection with SCIP except from the Assessment Installments or other funds and accounts established pursuant to SCIP.

### **9.04 Legal Representation**

SCIP Counsel will represent only the Authority in connection with the SCIP program and shall not be deemed to have an attorney-client relationship with any Local Agency, Applicant or other participant or party in connection with SCIP or any Program Series. By participating in SCIP, each Local Agency, Applicant or other participant or party agrees that there is no conflict of interest with respect to any other relationship with SCIP Counsel on other matters and, to the extent such conflict is deemed to exist, waives the conflict.

### **9.05 Interpretation**

This Manual is intended to be an operating guide for SCIP, to be used by the Authority, the program consultants and Local Agency participants in implementing and administering SCIP. Interpretation of this Manual will be controlled by the Program Administrator in consultation with SCIP Counsel, subject to final approval by the Legislative Body, whose determinations shall be final and conclusive.



## **9.06 Revisions to this Manual**

SCIP is an ongoing program, and from time to time the Authority may determine that revisions are required to SCIP and this Manual for the purpose of improving the program in the interests of the Authority, the Local Agencies and other parties. This Manual will be updated and revised from time to time as approved by the Legislative Body and revised editions will be posted on the Authority's website at <http://www.cscda.org> (follow "Statewide Community Infrastructure Program (SCIP)" hyperlink).

## **9.07 Waivers of Policy**

The Legislative Body may, in its discretion, require additional measures and procedures, enhanced security, and higher standards in certain circumstances. Further, the Legislative Body may, in its discretion, waive any of the policies and procedures set forth herein to the extent permitted by law. Such waivers may only be granted by action of the Legislative Body. Any action taken by the Legislative Body that is inconsistent with these policies and procedures shall be deemed to constitute a waiver of such policy or procedure.



## Glossary of Terms

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Capitalized terms used in this Manual have the meanings given below, unless the context requires otherwise.

**Acquisition Agreement** means the agreement between the Local Agency and the Applicant, in substantially the form attached as Exhibit A to the SCIP Resolution, the form of which is attached hereto as Appendix G, and providing the terms and conditions upon which the Applicant will be reimbursed all or a portion of the cost and expense of Eligible Improvements completed by the Applicant, all as more fully provided by and subject to the limitations set forth in the agreement.

**Applicant** means a person who applies for financing of Eligible Impact Fees and/or Eligible Improvements through SCIP.

**Application** means a completed application for financing of Eligible Impact Fees and/or Eligible Improvements, submitted by a Property Owner to the Program Administrator. The two forms which must be completed and submitted, together with applicable attachments, to constitute a completed Application, are entitled “SCIP Application” and “SCIP Landowner Information Form,” respectively, and are set forth in Appendix A.

**Appraisal** means an appraisal of one or more Assessed Parcels prepared by an independent professional appraiser who is a Member of the Appraisal Institute (MAI), and is selected by the Authority from an approved list on file with the Authority.

**Appraised Value** means the market value of an Assessed Parcel as shown in an Appraisal.

**Assessed Parcel** means a parcel of land subject to or proposed to be subject to an Assessment. Each Assessed Parcel must be a legal parcel in compliance with the Subdivision Map Act. Individual condominium units in a condominium project will be deemed legal parcels for this purpose once a separate Assessor’s Parcel Number has been assigned to each condominium unit in the condominium project by the County Assessor for the County in which the condominium project is located.

**Assessed Value** means the assessed value (land and improvements) of an Assessed Parcel as shown on the most recent equalized assessment roll (including any supplemental roll) of the County in which the Assessed Parcel is located.

**Assessment** means a special assessment levied by the Authority on property pursuant to the Assessment Act.

**Assessment Act** means the Municipal Improvement Act of 1913, being Division 12 of the Streets & Highways Code of the State.



**Assessment Administrator** means David Taussig & Associates, LLP or any successor firm appointed by the Authority as the Assessment Administrator for SCIP.

**Assessment Ballot** means a Property Owner assessment ballot with respect to a proposed Assessment in substantially the form set forth in Appendix B.

**Assessment Bond Act** means the Improvement Bond Act of 1915, being Division 10 of the Streets & Highways Code of the State.

**Assessment District** means an assessment district formed by the Authority pursuant to the Assessment Act for the purpose of financing Eligible Impact Fees and/or Eligible Improvements through the issuance of Local Obligations.

**Assessment Engineer** means David Taussig & Associates LLP or any successor firm appointed by the Authority as the Assessment Engineer for SCIP.

**Assessment Installment** means an annual installment payable with respect to an unpaid Assessment and consisting of principal, interest and administrative charges.

**Authority** means the California Statewide Communities Development Authority, a joint exercise of powers authority duly established pursuant to the laws of the State.

**Bond Documents** means, with respect to each Program Series, the Revenue Bond Resolution, Trust Agreement, Local Obligation Resolution, Bond Purchase Agreement, Continuing Disclosure Agreement, Preliminary and final Official Statement, Escrow Agreement (in the case of refundings), and any and all other documents deemed necessary by SCIP Counsel to the authorization, sale and issuance of Bonds.

**Bonds** means bonds issued by the Authority for SCIP under the Revenue Bond Act, the proceeds of sale of which are applied to the purchase of the Local Obligations of the applicable Program Series.

**Capital Costs** means costs properly chargeable to a capital account pursuant to generally accepted accounting principles incurred for either (1) public capital improvements legally payable from Eligible Impact Fees or (2) Eligible Improvements.

**Closing Date** means the date on which the Bonds for a Program Series are initially delivered to the SCIP Underwriter.

**Consent and Waiver** means a consent and waiver of a Property Owner in substantially the form set forth in Appendix C.

**Costs of Issuance** means, with respect to each Program Series, all costs of issuing the Bonds and the Local Obligations, including without limitation costs of appraisals, engineer's reports, apportionment fees, absorption studies, credit enhancement (such as bond insurance), rating agency fees, underwriter's discount, legal fees and expenses, Authority fees and expenses, trustee fees and expenses, printing, publication, document



reproduction, filing and recording costs and any other cost related to the issuance of the Bonds or the Local Obligations. Costs of issuance may also include an amount calculated by the Authority as the amount necessary to pay Program Administration Costs through the first full fiscal year of each Program Series.

**Custody Account** means the account established by the SCIP Trustee pursuant to the Trust Agreement for each Program Series and into which is deposited that portion of the proceeds of sale of the Bonds for such Program Series representing (1) Eligible Impact Fees financed from such Program Series and (2) amounts financed on account of Eligible Improvements.

**Declaration of Official Intent to Reimburse** means the written statement of the Local Agency or of the Authority, received in connection with the Application, declaring the intention to reimburse expenditures made by or on behalf of a Property Owner with respect to Eligible Impact Fees or Eligible Improvements prior to issuance of Bonds of the applicable Program Series.

**Eligible Impact Fee** means a fee levied or collected by a Local Agency pursuant to a Fee Statute and otherwise meeting the requirements of Section 2.02.

**Eligible Improvement** means a public capital improvement authorized by the Assessment Act, together with authorized incidental expenses associated therewith, and otherwise meeting the requirements of Section 2.02.

**Engineer's Report** means the report prepared by the Assessment Engineer for each Assessment District, which shall contain the information required by Section 10204 of the Assessment Act and shall be signed by a California registered professional engineer.

**Fee Account** means the separate account for each category of Eligible Impact Fees established by the SCIP Trustee for each Local Agency pursuant to Article VI.

**Fee Prefunding Program** means that component of SCIP pertaining to the financing of Eligible Fees on behalf of an Applicant, with payment being made directly to the Local Agency or other governmental entity to which the Eligible Fees are payable.

**Fee Reimbursement Program** means that component of SCIP pertaining to the financing of Eligible Fees which have been paid by an Applicant prior to the Closing Date of the Bonds of a given Program Series.

**Fee Statute** means the Mitigation Fee Act (California Government Code Sections 66000 and following) or any other State law or local legislation imposing fees on new development to pay for the Capital Costs of public capital improvements.

**Foreclosure Counsel** means an attorney or firm of attorneys designated from time to time by the Legislative Body to act as counsel to the Authority in prosecuting foreclosure actions in connection with SCIP.



**Legislative Body** means the commission of the Authority.

**Local Agency** means a city, county, city and county or special district which is a member of the Authority and has an effective SCIP Resolution in place.

**Local Agency Account** means the subaccount established by the SCIP Trustee within the Custody Account, as described in Section 6.01.

**Local Obligation Resolution** means a resolution of the Authority in substantially the form set forth in Appendix E.

**Local Obligations** means limited obligation improvement bonds issued by the Authority under the Assessment Bond Act for SCIP and pledged as security for Bonds of a given Program Series.

**Program Administration Costs** means all costs of administering each Program Series, including fees and expenses of the Program Administrator, Assessment Administrator, SCIP Counsel, Foreclosure Counsel and any other costs or expenses of administering each Program Series.

**Program Administration Fund** means the fund established by the SCIP Trustee for the payment of Program Administration Costs.

**Program Administrator** means BLX Group LLC, or any successor firm appointed by the Authority as the Program Administrator for SCIP.

**Program Series** means an individual series of Bonds to be issued to fund an Application or a group of Applications, as shall be determined by the Authority, or a series of Bonds issued to refund any Program Series.

**Project** means a development project being undertaken by an Applicant within a Local Agency which has been conditioned upon either (a) payment of impact fees or (b) construction and installation of public capital improvements or both and for which an Application for SCIP financing of Eligible Impact Fees and/or Eligible Improvements has been submitted by an Applicant.

**Property Owner** means the legal owner(s) of property subject to an Assessment or for which an Application has been filed.

**Pro-Rata Share** means a percentage determined by dividing the amount of the assessment for an Assessed Parcel by the total amount of assessment being financed in the applicable Program Series.

**Rebate Fund** means the fund by that name established by the SCIP Trustee for each Program Series for the purposes of holding amounts payable to the United States Treasury pursuant to the requirements of Section 148 of the Internal Revenue Code and the regulations issued thereunder.





**Refunding Bonds** means Bonds issued pursuant to the Refunding Dividend Program.

**Refunding Dividend Program** is the SCIP program described in Section 5.06.

**Reserve Requirement** means, with respect to the Bonds issued for any Program Series, the amount required to be maintained in the Reserve Account within the Revenue Fund for such Program Series. The Reserve Requirement will normally be equal to the maximum annual debt service on the Bonds for the Program Series; however the Authority may determine to establish a lower Reserve Requirement for any Program Series if feasible.

**Resolution Confirming Assessment** means a resolution of the Authority in substantially the form set forth in Appendix D.

**Revenue Bond Act** means Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State.

**Revenue Bond Resolution** means a resolution of the Authority in substantially the form set forth in Appendix F.

**Revenue Fund** means the fund by that name established by the SCIP Trustee under each Trust Agreement for a Program Series, including the following subaccounts: the Interest Account, the Principal Account and the Reserve Account.

**SCIP** means the Authority's development impact fee and public capital improvement financing program known as the "Statewide Community Infrastructure Program."

**SCIP Counsel** means Orrick, Herrington & Sutcliffe LLP, or such other attorney or firm of attorneys who are nationally recognized bond counsel selected and appointed by the Authority.

**SCIP Resolution** means a resolution of the governing body of a Local Agency in substantially the form attached as Appendix G.

**SCIP Timetable** means the time schedule for each Program Series as approved by the Authority. A sample SCIP Timetable is provided in Appendix H and a specific SCIP Timetable will be established by the Authority, in consultation with the SCIP Underwriter, for each Program Series.

**SCIP Trustee** means Wilmington Trust National Association, or any successor appointed by the Authority as Trustee for SCIP.

**SCIP Underwriter** means RBC Capital Markets, LLC or any successor firm(s) appointed by the Authority as the underwriter(s) for SCIP.

**State** means the State of California.



**Subdivision Map Act** means the provisions of Division 2 of Title 7 of the Government Code of the State, commencing at Section 66410.

**Trust Agreement** means a trust agreement, indenture, or similar instrument which secures and provides the terms for issuance and administration of a given Program Series.



# Appendices

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<b><u>Appendix</u></b>	<b><u>Description</u></b>
<b>A</b>	Form of Application and Landowner Information
<b>B</b>	Form of Assessment Ballot
<b>C</b>	Form of Property Owner Consent and Waiver
<b>D</b>	Form of Resolution Confirming Assessment
<b>E</b>	Form of Local Obligation Resolution
<b>F</b>	Form of Revenue Bond Resolution
<b>G-1</b>	Form of SCIP Resolution, with attachments: <ul style="list-style-type: none"><li>• Form of CSCDA Resolution of Intention</li><li>• Form of Acquisition Agreement</li><li>• SCIP Contacts</li></ul>
<b>G-2</b>	Sample Staff Report
<b>G-3</b>	Form of Notice of Public Hearing
<b>H</b>	Sample SCIP Timetable
<b>I</b>	Form of Resolution of Intention
<b>J</b>	Form of Resolution Preliminarily Approving Engineer's Report
<b>K</b>	Form of Notice of Hearing
<b>L</b>	Form of Recorded Notice of Assessment
<b>M</b>	Form of Published Notice of Recording of Assessment
<b>N</b>	Form of Local Agency Closing Certificate
<b>O</b>	Arbitrage Rebate Services
<b>P</b>	Continuing Disclosure Services
<b>Q</b>	SCIP Disbursement Form
<b>R</b>	SCIP Investment Policy
<b>S</b>	Form of Initial Demand Letter of Delinquent Property Owner
<b>T</b>	Form of Second Letter of Delinquent Owner
<b>U</b>	Form of Lender Demand Letter
<b>V</b>	Form of Disclosure Notice to Subsequent Purchasers
<b>W</b>	Form of Fee Collection



**APPENDIX A  
Form of Application and Landowner Information**



CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY

STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM



**NEWSLETTER**

**SCIP APPLICATION**

**Applicant Information**

Name of Project: \_\_\_\_\_

Location/Address of Project Site: \_\_\_\_\_

Project Proceeds Requested: \_\_\_\_\_

Name of Developer: \_\_\_\_\_

**Contact Information**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

Zip Code: \_\_\_\_\_ Telephone: \_\_\_\_\_

Email: \_\_\_\_\_ FAX: \_\_\_\_\_

**Applicant Acknowledgment and Certification**

One of the following is true and correct: (A) The undersigned represents the owner(s) of the project, including a joint owners by tenancy in common, community property, joint tenancy or otherwise, or (B) the undersigned has this project under option. The undersigned Applicant acknowledges and agrees that it shall comply with all applicable provisions of the California Labor Code, including, as applicable, the payment of prevailing wage. As respects any and all claims related to prevailing wage, the undersigned assumes all responsibility for the payment of prevailing wage and the compliance with prevailing wage laws, if required, and specifically waives any and all rights against the California Statewide Communities Development Authority and each participating local agency with respect to the project that is a subject of this application, as well as their agents, employees, agencies and consultants (the "Indemnified Parties") pursuant to Labor Code Section 1726(c) and any analogous federal law and agrees to defend and fully indemnify the Indemnified Parties for damages, claims, fines, penalties, litigation expenses, costs, attorney's fees and interest relating to the project.

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

Social Security Number or Taxpayer ID Number: \_\_\_\_\_



**Local Agency Information (Include Each Applicable Local Agency)**

**Local Agency Name:** \_\_\_\_\_

Mailing Address  
(City/County/State/Zip): \_\_\_\_\_

**Contact Information**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ FAX: \_\_\_\_\_ Email: \_\_\_\_\_

**Local Agency Acknowledgement**

I hereby certify that I am an authorized representative of the Local Agency, and that I have been authorized by the Local Agency to execute this Preliminary Application for CSCDA financing.

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

**Local Agency Name:** \_\_\_\_\_

Mailing Address  
(City/County/State/Zip): \_\_\_\_\_

**Contact Information**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ FAX: \_\_\_\_\_ Email: \_\_\_\_\_

**Local Agency Acknowledgement**

I hereby certify that I am an authorized representative of the Local Agency, and that I have been authorized by the Local Agency to execute this Preliminary Application for CSCDA financing.

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_



**Local Agency Name:** \_\_\_\_\_

Mailing Address  
(City/County/State/Zip): \_\_\_\_\_

**Contact Information**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ FAX: \_\_\_\_\_ Email: \_\_\_\_\_

**Local Agency Acknowledgement**

I hereby certify that I am an authorized representative of the Local Agency, and that I have been authorized by the Local Agency to execute this Preliminary Application for CSCDA financing.

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

**Local Agency Name:** \_\_\_\_\_

Mailing Address  
(City/County/State/Zip): \_\_\_\_\_

**Contact Information**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ FAX: \_\_\_\_\_ Email: \_\_\_\_\_

**Local Agency Acknowledgement**

I hereby certify that I am an authorized representative of the Local Agency, and that I have been authorized by the Local Agency to execute this Preliminary Application for CSCDA financing.

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_



## SCIP LANDOWNER INFORMATION

THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (“CSCDA”) INTENDS TO ISSUE TAX-EXEMPT BONDS (THE “BONDS”) TO FINANCE CERTAIN IMPACT FEES FOR THE CITY/COUNTY. UNDER FEDERAL AND STATE SECURITIES LAWS, THE CITY/COUNTY IS REQUIRED TO DISCLOSE ALL MATERIAL FACTS TO THE PURCHASERS OF THE BONDS. FOR THIS REASON, IT IS IMPORTANT THAT YOU ANSWER EACH OF THE FOLLOWING QUESTIONS COMPLETELY AND ACCURATELY. YOUR PROMPT AND COMPLETE RESPONSE TO THIS QUESTIONNAIRE IS CRITICAL TO THE CSCDA’S ABILITY TO ISSUE BONDS TO FINANCE YOUR DEVELOPMENT IMPACT FEES.

### OWNERSHIP

#### **Name of Landowner:**

Please describe the ownership structure of the Landowner (i.e., individuals, family trust, partnership, corporation, etc.). Please include resumes of key individuals responsible for making decisions for Landowner. Please include a copy of relevant formation documents (partnership agreement, articles of incorporation and bylaws, family trusts, etc.)

Name of Developer: (if different from Landowner).

Evidence of Legal Title (please include copy of a grant deed or title report)

### PROPERTY INFORMATION

**For the (the “Property”) within the proposed Assessment District, please list the following:**

Number of gross acres owned:

Number of acres proposed for development:

Number of acres developed to date, if any:

List the Assessor’s Parcel Numbers for the Property:

How long have you owned the Property?







**IMPROVEMENTS TO BE FINANCED BY SCIP**

Type (water, sewer, road, etc.)	Local Agency	Budgeted Cost
<b>TOTAL:</b>		

**Have you entered into any option or other form of agreement to sell all or a portion of the Property?**

YES\_\_\_\_ NO\_\_\_\_. If YES, please describe the arrangement and attach a copy of agreements describing the arrangement.

**Describe the proposed land use of the Property:**

**Is the Property proposed for residential, commercial retail, industrial or a combination of different land uses?**

Please state the total number of residential units proposed (single family or multi family), and the total land acreage and building square footage for commercial, retail, or industrial development proposed.

Describe the expected timing for development of the Property: If available, please list projected sales or leasing information.



**What is the status of land use approvals, maps and EIR's for the Property** (i.e., briefly describe the current zoning and the status of any Development Agreements, Specific Plans, tentative maps or final maps for the Property)? **What is the status of recordation of a final map?**

**What is the status of recordation of a final map** (circle one)?

None

Tentative Map

Recorded Final Large Lot Map

Recorded Final Subdivision Map

Other (explain)

**Will any impact fees be owing after funding by SCIP as a condition to develop the Property?** YES\_\_\_\_ NO\_\_\_\_. If YES, please explain and provide an estimated amount.

**Please list all discretionary approvals (including vesting tentative subdivision map, conditional use permits, Section 404 permits, fish and wildlife permits, and any other governmental permits) that are still needed for development of the Project.**

**Is any development currently underway on the Property?** YES\_\_\_\_ NO\_\_\_\_. If YES, please give a general description and provide information as to estimated construction or permit value.

**Are there any existing trust deeds/loans on the Property?** Please state the name, address and telephone number of the lending institution and the approximate loan amount.

**Has construction financing been obtained?** YES\_\_\_\_ NO\_\_\_\_. If YES, please describe the source and amount of such loan. Please provide any other information on how the project is to be financed.

**Has the developer or any partner or related entity of the landowner ever filed for bankruptcy or been declared bankrupt?** YES\_\_\_\_ NO\_\_\_\_ If YES, specify date and location of court where bankruptcy action took place:



**Are there any other foreseeable circumstances not described above that could prevent or significantly delay the proposed development of the Property?** YES\_\_\_\_\_ NO\_\_\_\_\_. If YES, please explain. Please attach a copy of the most recent tax bill for the Property and evidence that current installments due have been paid.

PAYMENT OF TAXES/ASSESSMENTS

**What is the current status of property taxes, special taxes and assessments on the Property (paid/owing/delinquent)? If any property taxes or assessments on the Property are delinquent or have been delinquent at any time during the past 3 years? If YES, please explain. Attach a copy of the latest tax bill.**

Describe the source of funds that you will use to pay any taxes/assessments to be levied on your Property in connection with the Assessment District (i.e., bank savings, land sale proceeds, loan proceeds, etc.).

**Do you foresee any difficulty in your ability to make timely payment of your taxes/assessments?** YES\_\_\_\_\_ NO\_\_\_\_\_. If YES, please explain.

EXPERIENCE OF LANDOWNER AND DEVELOPMENT GROUP

Describe the development experience of the Landowner developer or affiliated construction entity. Briefly describe any current or recently completed developments undertaken by the Landowner. Please provide corporate literature and sales brochures, if available.



NOTICE REGARDING DISCLOSURE

In 1994, the Securities and Exchange Commission adopted amendments (the “Amendments”) to Rule 15c2-12 under the Securities Exchange Act of 1934 relating to certain required disclosure information that must be made available to prospective purchasers of municipal bonds. Under the Amendments and other federal and state securities laws, certain material information must be disclosed (i) in connection with the initial offering of bonds with respect to material persons”; and (ii) on an ongoing basis with respect to obligated persons.”

Whether a property owner/developer might be a material person or an obligated person will depend on all of the facts and circumstances. If the information you provide in response to this questionnaire indicates this might be the case, the financing team will review with you the information that may need to be disclosed to potential Bond investors in order to satisfy the Amendments and other federal and state securities laws.

If information on the proposed development of your property is disclosed in connection with the sale of the Bonds, you will be required to certify at that time that the information is true and correct and does not omit to state any material fact.

If we have additional questions regarding your Property, who is the appropriate person to contact?

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Thank you for your assistance in providing the above information, which is essential to enable SCIP to move forward with the proposed financing.



## SUBMITTAL INSTRUCTIONS

Please mail a copy of this Landowner information with the Application to the following people. Also, please mail the \$1,500 application fee to CSCDA-SCIP, Attn: Vo Nguyen. The application and landowner information form can also be filled out and sent by going online to SCIP at [www.cscda.org](http://www.cscda.org)

Statewide Community  
Infrastructure Program  
c/o Orrick, Herrington & Sutcliffe  
400 Capitol Mall, Suite 3000  
Sacramento, CA 95814  
Attention: Patricia Eichar  
Phone: (916) 329-7917  
Fax: (916) 329-4900  
Email: [peichar@orrick.com](mailto:peichar@orrick.com)

Statewide Community  
Infrastructure Program  
RBC Capital Markets, LLC  
345 California Street, Suite 2800  
San Francisco, California 94111  
Attention: Bob Williams  
Phone: (415) 445-8674  
Fax: (415) 445-8679  
Email: [bob.williams@rbccm.com](mailto:bob.williams@rbccm.com)

Statewide Community  
Infrastructure Program  
c/o BLX Group LLC  
777 South Figueroa Street,  
Suite 800  
Los Angeles, California 90017  
Phone: (213) 612-2152  
Fax: (213) 612-2499  
Email: [vnguyen@blxgroup.com](mailto:vnguyen@blxgroup.com)

**APPENDIX B**  
**Form of Assessment Ballot**

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM  
ASSESSMENT DISTRICT NO. \_\_\_\_\_  
(COUNTY OF \_\_\_\_\_, CALIFORNIA)

**OFFICIAL PROPERTY OWNER ASSESSMENT BALLOT**

This assessment ballot is for the use of the property owner of the parcel identified below, which parcel is located within the proposed Statewide Community Infrastructure Program Assessment District No. \_\_\_\_\_ (County of \_\_\_\_\_, California). Please advise \_\_\_\_\_, Assessment Administrator for SCIP, at (\_\_\_\_) \_\_\_\_-\_\_\_\_ if the name set forth below is incorrect or if the entity set forth below is no longer the owner of one or more of these parcels.

This assessment ballot may be used to express either support for or opposition to the proposed assessment district. **In order to be counted, this assessment ballot must be marked (“Yes” or “No”), dated and signed below by an authorized representative of the owner.** The ballot must then be delivered to the California Statewide Communities Development Authority (the “Authority”) either by mail or in person, as follows:

Mail Delivery: If by mail, return by overnight parcel service delivery to \_\_\_\_\_, Orrick, Herrington & Sutcliffe LLP, 405 Howard Street, San Francisco, CA 94105.

Personal Delivery: If in person, to California Statewide Communities Development Authority, in care of \_\_\_\_\_ at the above address in San Francisco, at any time up to 4:30 p.m. on \_\_\_\_\_, 20\_\_ (the day before the \_\_\_\_\_ hearing) , or at the protest hearing itself scheduled for \_\_\_\_\_.m. on \_\_\_\_\_ or any further continuation thereof at the offices of \_\_\_\_\_, \_\_\_\_\_ Street, Suite \_\_\_\_\_, Sacramento, California.

However delivered, this ballot must be received by the California Statewide Communities Development Authority prior to the close of the public hearing, whether on \_\_\_\_\_, 20\_\_, or any other date to which the public hearing is continued, to be counted.

TO CAST THIS BALLOT, PLEASE RETURN THIS ENTIRE PAGE.

**OFFICIAL ASSESSMENT BALLOT**

Property Owner Name: \_\_\_\_\_

Assessment No.

Parcel No.

Amount of Assessment

\_\_\_\_\_

\_\_\_\_\_

\$ \_\_\_\_\_



ASSESSMENT BALLOT MEASURE

---

Shall the California Statewide Communities Development Authority establish the proposed Statewide Community Infrastructure Program Assessment District No. \_\_\_\_\_ (County of \_\_\_\_\_, California), levy an assessment not to exceed the amount set forth above on the parcel identified, issue bonds in the amount of the unpaid assessment(s), and proceed with the proposed funding of eligible development impact fees and/or public capital improvements?

Yes \_\_\_\_\_

No \_\_\_\_\_

---

Date: \_\_\_\_\_

Owner Signature(s): \_\_\_\_\_

**APPENDIX C**  
**Form of Property Owner Consent and Waiver**

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM  
ASSESSMENT DISTRICT NO. \_\_\_\_\_  
(COUNTY OF \_\_\_\_\_, CALIFORNIA)

**CONSENT AND WAIVER**

The undersigned hereby certifies, consents and waives as follows:

1. The undersigned acknowledges receipt of (a) the Notice of Public Hearing and Assessment Ballot Procedure, (b) the Official Property Owner Assessment Ballot and (c) the Engineer's Report pertaining to the Statewide Community Infrastructure Program Assessment District No. \_\_\_\_\_ (County of \_\_\_\_\_, California), for which the public hearing is scheduled for \_\_\_\_\_, 20\_\_, at the time and place set forth in the notice.
2. The undersigned is/are the owner(s) or an authorized representative of the owner(s) of the parcel(s) identified in the section entitled "Assessment Roll" of the Engineer's Report as Assessment No. \_\_\_\_\_, with a proposed assessment to be levied on said property in the aggregate amount of \$\_\_\_\_\_.
3. The undersigned hereby consents to the levy of the assessment(s) upon the above-mentioned parcel(s) in said amount by action of the California Statewide Communities Development Authority following the close of the public hearing on \_\_\_\_\_, 20\_\_.
4. The undersigned hereby expressly acknowledges that the assessment installments payable with respect to the above-mentioned parcel(s) shall not be subject to reduction, offset, or credit of any kind in the event that the bonds secured thereby are refunded or for any other reason.
5. The undersigned expressly waive each of the following:
  - (a) any and all defects in notice or procedure in the conduct of the public hearing and the assessment ballot procedure, whether known or unknown;
  - (b) the entitlement to pay all or any portion of the assessment(s) levied upon the above-mentioned parcel(s) in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of the unpaid assessment(s);
  - (c) the entitlement to file any lawsuit or other proceeding to challenge any aspect of the proceedings of the California Statewide Communities Development Authority relative to Statewide Community Infrastructure





Program Assessment District No. \_\_\_\_\_ (County of \_\_\_\_\_, California), including without limitation, the assessment ballot proceeding, the levy of the assessment(s) or the issuance, sale and delivery of bonds, which entitlement would otherwise extend 30 days beyond levy of the assessment(s) (currently scheduled to occur on \_\_\_\_\_, 20\_\_) pursuant to Section 10400 of the California Streets and Highways Code;

- (d) the right to notice and a hearing on any modifications or changes to the Engineer's Report between the preliminary approval thereof on \_\_\_\_\_, 20\_\_, and the final approval thereof following the close of the public hearing on \_\_\_\_\_, 20\_\_;
- (e) in the case of any changes in configuration of the parcel(s) between the preliminary approval of the Engineer's Report on \_\_\_\_\_, 20\_\_ and the final approval thereof on \_\_\_\_\_, 20\_\_, which results in increase in the assessment(s) to be levied on the above-mentioned parcel(s), the undersigned hereby consents to such increased assessment(s) and hereby waives any and all mailed notice or further hearing which would otherwise be required by law in order for the California Statewide Communities Development Authority to consider such increase in assessment; and
- (f) mailed notice of recording of assessment(s).

This waiver and each part of it is given for the express purpose of enabling and inducing the California Statewide Communities Development Authority to expedite the issuance, sale and delivery of bonds.

Executed at \_\_\_\_\_, California, on \_\_\_\_\_, 20\_\_.

[NAME OF PROPERTY OWNER]

By \_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name and title of signer)

**NOTE: If this form is signed by an authorized representative (other than an officer) of the property owner(s) of the parcel(s), please attach evidence of authorization to sign on behalf of the property owner(s).**



**APPENDIX D**  
**Form of Resolution Confirming Assessment**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE COMMISSION OF THE CALIFORNIA  
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
APPROVING THE FINAL ENGINEER'S REPORTS, LEVYING  
ASSESSMENTS, ORDERING THE FINANCING OF SPECIFIED  
DEVELOPMENT IMPACT FEES AND CAPITAL IMPROVEMENTS,  
CONFIRMING THE AMOUNT OF UNPAID ASSESSMENTS, AND  
DIRECTING RELATED ACTIONS**

**WHEREAS**, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), with this Commission (this "Commission") serving as the legislative body of the Authority; and

**WHEREAS**, this Commission has taken a series of actions pursuant to the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the "1913 Act") preliminary to ordering the financing of certain public capital improvements and of certain development impact fees, the proceeds of which will be used to pay the cost of other public capital improvements (the "Fees and Improvements"), in each case eligible to be funded under the 1913 Act, which development impact fees and capital improvements are described in the Final Engineer's Reports (defined herein) approved by this Resolution, said fees and capital improvements and related incidental expenses allocable thereto to be charged to the parcels of land with respect to which the Fees and Improvements are payable or are to be located, as applicable, in connection with the proposed development of said parcels of land which are situated within one of a number of assessment districts (the "Districts") to be designated as set forth in Exhibit A attached hereto and by this reference incorporated into this Resolution; and

**WHEREAS**, the program of the Authority providing for the financing of eligible development impact fees and public capital improvements is commonly known as the "Statewide Community Infrastructure Program," or "SCIP;" and

**WHEREAS**, on \_\_\_\_\_, 20\_\_, this Commission approved the boundary maps for the Districts and adopted its Resolutions of Intention (the "Resolutions of Intention") relating to the Districts, and such boundary maps were thereafter filed for record in the office of the County Recorders of the Counties in which the Districts are located; and

**WHEREAS**, in accordance with the direction of this Commission provided in the Resolutions of Intention, the Assessment Engineer of the Authority for SCIP, as Engineer of Work (the "Engineer of Work"), prepared and filed with the Authority on \_\_\_\_\_, 20\_\_, \_\_\_\_\_ separate reports for each of the Districts containing the information regarding such



Districts required by Section 10204 of the Streets and Highways Code of the State of California, which reports were duly presented to this Commission for preliminary consideration; and

**WHEREAS**, this Commission, by separate resolutions duly adopted on \_\_\_\_\_, 20\_\_ (the “Resolutions of Preliminary Approval”), corresponding to the \_\_\_\_\_ proposed Districts, preliminarily approved the reports, and fixed \_\_\_\_ [a.m./p.m.], or as soon thereafter as the matter might be heard, on \_\_\_\_\_, 20\_\_, at the offices of the \_\_\_\_\_, \_\_\_\_\_, Suite \_\_\_\_, \_\_\_\_\_, California, as the time and place for a public hearing with respect to the financing of the Fees and Improvements, to the extent of the Districts and to the levy of the assessments therein (the “Assessments”); and

**WHEREAS**, prior to the public hearing on the date hereof, the Engineer of Work found it necessary to prepare and submit modified engineer’s reports (the “Final Engineers Reports”) for all of the Districts due to requests from certain property owners to reduce the assessment amount, remove parcels, reflect subdivision of parcels, and/or effect certain ministerial modifications; and

**WHEREAS**, this Commission directed that notice of the public hearing and the related property owner assessment ballot procedure be given in the time, form and manner required by Article XIID of the California Constitution (“Article XIID”), together with the property owner assessment ballots themselves; and

**WHEREAS**, there have been filed with the Authority separate certificates with respect to each District setting forth the time and manner of the compliance with the requirements of law for mailing (a) the notices of the public hearing and assessment ballot procedure and (b) the property owner assessment ballots, as required by Article XIID; and

**WHEREAS**, this Commission hereby finds and determines that notices of public hearing and assessment ballot procedure and the property owner assessment ballots themselves have been mailed in the form and manner required by Article XIID; and

**WHEREAS**, said public hearing was duly convened by this Commission as a consolidated public hearing for such of the Districts at said time and place specified in the notice of public hearing and was at such time continued to the date hereof, and this Commission has proceeded with said public hearing and duly heard all interested parties desiring to be heard at said public hearing on any aspect of any of the proposed Districts; and

**WHEREAS**, having thereupon closed the public hearing, and the assessment ballots which had been returned having then been opened and tallied, and it having been determined that all of the assessment ballots which were returned were marked in support of the proposed levy of Assessments, this Commission hereby finds and determines that property owner assessment ballots cast against the levy of the Assessments did not exceed the property owner ballots cast in favor of the levy of the Assessments, with the assessment ballots weighted in proportion to the amount of the proposed Assessment for the parcel to which each such assessment ballot pertains; and



**WHEREAS**, prior to the public hearing on the date hereof, the Engineer of Work found it necessary to prepare and submit modified engineer's reports due to certain changes to some of the parcels in the Districts and/or the Fees and Improvements to be financed by the Assessments; and

**WHEREAS**, this Commission has elected to comply with the requirements of Part 7.5 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the "1931 Act"), being Division 4 (commencing with Section 2800) of Streets and Highways Code of the State of California, and on the basis of the information included in each Final Engineer's Report, this Commission hereby finds and determines that the requirements of the 1931 Act are satisfied in the manner provided by subsection (d) of Section 2961 of said Part 7.5 of the 1931 Act; and

**WHEREAS**, there has been filed with the Authority a Consent and Waiver executed by each owner of each of the parcels upon which an Assessment is proposed to be levied or by an authorized representative of each owner, waiving any defect in the notice or procedure in the conduct of the public hearing and the assessment ballot procedure including the timing of receipt of the notice of the public hearing, waiving the entitlement to pay all or any part the Assessment in cash within the 30-day cash payment period, and consenting to the modifications made to the applicable Engineer's Report between the preliminary approval thereof and approval of the Final Engineer's Reports by this Resolution; and

**WHEREAS**, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of the Assessments levied;

**NOW, THEREFORE, BE IT RESOLVED** by the Commission of the California Statewide Communities Development Authority, as follows:

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. There having been no protest received (either written or oral) from any owner of any of the parcels of land upon which an Assessment is proposed to be levied, this Commission finds that there has not been a "majority protest," as said term is defined by Article XIID, and this Commission hereby overrules the protests received, if any, whether written and oral, from any other person.

Section 3. This Commission hereby approves the Final Engineer's Reports and the component parts thereof, including each exhibit incorporated by reference in the reports.

Section 4. This Commission hereby finds and determines that the requirements of the 1931 Act have been satisfied in the manner provided by Part 7.5 thereof, and this action shall be final as to all persons.



Section 5. This Commission hereby finds and determines that the Engineer of Work, in the Final Engineer's Reports, has fairly and properly apportioned the cost of the financing of the Fees and Improvements to each parcel of land in the Districts in proportion to the estimated benefits to be received by each parcel, respectively, from the financing of the Fees and Improvements. This Commission hereby confirms and levies each individual Assessment as stated in the Final Engineer's Reports.

Section 6. Bonds representing unpaid Assessments, and bearing interest at a rate not to exceed twelve (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the "1915 Act"), and the last installment of the bonds shall mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

Section 7. This Commission hereby finds and determines that either each of the owners or an authorized representative of each of the owners of each of the parcels assessed in these proceedings has executed and filed with the administrator of SCIP (the "Program Administrator") a form of Consent and Waiver by which the entitlement otherwise given to each such owner to pay all or any part of the subject Assessment or Assessments in cash within the 30-day cash payment period has been waived, and by which the property owner consents to the changes to the Engineer's Report between the preliminary approval thereof on \_\_\_\_\_, 20\_\_ and the approval of the Final Engineer's Reports by this Resolution. Accordingly, this Commission hereby confirms that the amount of unpaid Assessments is equal to the full amount of the Assessments levied and directs the Program Administrator to proceed forthwith, without the necessity of the 30 day cash payment period otherwise required, to provide for the issuance, sale and delivery of limited obligation improvement bonds in a principal amount not to exceed the Assessments levied.

Section 8. The Program Administrator is hereby authorized and directed to prepare the auditors record for each District, pursuant to the Streets and Highways Code, and to transmit said auditors record to the County Auditor of the County within which each District is located. The assessment installments for the initial series of bonds issued for the District shall be apportioned among the parcels in each District having an unpaid Assessment.

Section 9. The Program Administrator is hereby directed to record the Final Engineer's Reports with the Authority. The Program Administrator is hereby further directed to record the assessment diagrams contained in the Final Engineer's Reports and the notices of assessment in the office of the County Recorder of the County within which each District is located in the time, form and manner as required by law.

Section 10. This Resolution shall take effect immediately upon its passage.



**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called and noticed meeting of the Commission of the Authority held in accordance with law and at which a quorum was present and acting throughout on \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_

Authorized Signatory  
California Statewide Communities  
Development Authority



**EXHIBIT A**

<b>District Name (County)</b>	<b>Assessment/Local Obligation Amount</b>
1.	
2. [List Separate Assessment Districts]	[Amount]
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	



**APPENDIX E**  
**Form of Local Obligation Resolution**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE COMMISSION OF THE CALIFORNIA  
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
PROVIDING FOR THE ISSUANCE OF STATEWIDE  
COMMUNITY INFRASTRUCTURE PROGRAM LIMITED  
OBLIGATION IMPROVEMENT BONDS IN ONE OR MORE  
SERIES; APPROVING THE FORM AND SUBSTANCE OF A  
TRUST AGREEMENT AND AUTHORIZING CHANGES  
THERE TO AND EXECUTION THEREOF; AND AUTHORIZING  
RELATED ACTIONS AND THE EXECUTION OF RELATED  
DOCUMENTS TO IMPLEMENT THE PROPOSED FINANCING  
PROGRAM**

**WHEREAS**, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), with this Commission (this “Commission”) serving as the legislative body of the Authority; and

**WHEREAS**, this Commission, on \_\_\_\_\_, adopted its Resolutions of Intention (the “Resolutions of Intention”) relating to the financing of certain development impact fees and capital improvements in the separate assessment districts (the “Districts”) designated by the names set forth in Exhibit A attached hereto and by this reference incorporated herein; and

**WHEREAS**, the Resolutions of Intention were adopted pursuant to the provisions of the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the “1913 Act”) and provided that serial and/or term bonds to represent the unpaid assessments (the “Assessments”) would be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the “1915 Act”), reference being hereby made to the Resolutions of Intention for further particulars of such bonds; and

**WHEREAS**, the written engineer’s reports relating to the proposed Districts (in their final form, the “Engineer’s Reports”) were thereafter duly prepared and filed with the Authority, and after a hearing duly noticed and held, the Assessments have been confirmed, levied and approved by resolution adopted by this Commission on the date hereof; and





**WHEREAS**, the assessment diagrams and related notices of assessment have been authorized to be duly recorded in the office of the Assistant to the Secretary of the Authority, who is authorized to act as Superintendent of Streets with respect to the Districts, and the assessment diagrams and related notices of assessment shall be recorded in the office of the County Recorder of the County in which each respective District is located, all in the time, form and manner required by law; and

**WHEREAS**, the Assessments have been levied in the total amounts set forth in Exhibit A to this Resolution upon the several subdivisions of land in the Districts in proportion to the estimated benefits to be received by such subdivisions, respectively, from the payment of certain development impact fees and from certain public capital improvements, as shown in the Engineer's Reports; and

**WHEREAS**, the owners of all of the property which has been assessed in the Districts or the authorized representatives of such owners have executed and filed Consent and Waiver forms, by which, among other things, such owners have waived their rights to pay all or any part of their respective Assessments in cash and have further waived mailed notice of the Assessments; and

**WHEREAS**, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of the Assessments levied, as set forth in Exhibit A to this Resolution, and this Commission hereby finds and determines that the total of the unpaid Assessments for each District is as set forth in Exhibit A to this Resolution; and

**WHEREAS**, in connection with the financing of development impact fees and capital improvements pursuant to the Authority's Statewide Community Infrastructure Program (the "Program"), this Commission has determined to issue one or more separate series of its Statewide Community Infrastructure Program Limited Obligation Improvement Bonds, relating to each District (the "Local Obligations"), pursuant to a Trust Agreement in substantially the form currently on file with this Commission (the "Trust Agreement"), by and between the Authority and Wilmington Trust, National Association (the "Trustee"), such Local Obligations to be registered in the name of the Trustee and each series thereof to be issued in an aggregate principal amount not to exceed the principal amount of unpaid Assessments of the applicable District; and

**WHEREAS**, for the purpose of funding the Local Obligations and thereby financing the development impact fees and public capital improvements in the Districts as described above, this Commission, is expected from time to time to authorize its Statewide Community Infrastructure Program Revenue Bonds in one or more series (the "Revenue Bonds") pursuant to the same Trust Agreement as the Local Obligations to be acquired; and



**WHEREAS**, the Authority has authorized the issuance of and sale of the Revenue Bonds, with the net proceeds of sale thereof (after funding a reserve fund and payment of costs of issuance) to be utilized by the Trustee to acquire the Local Obligations; and

**WHEREAS**, in furtherance of implementing the issuance of the Local Obligations as described above, there has been filed with the Secretary of the Authority, for consideration and approval by this Commission, the form of the Trust Agreement, under the terms of which, among other things, the Local Obligations are to be issued; and

**WHEREAS**, being fully advised in the matter of the Program, this Commission wishes to approve the financing as described above;

**WHEREAS**, Government Code Section 5852.1 requires that the Commission of the Authority obtain from an underwriter, financial adviser or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

**WHEREAS**, in compliance with Government Code Section 5852.1, the Commission of the Authority has obtained from RBC Capital Markets, LLC, the underwriter, the required good faith estimates and such estimates have been disclosed at this meeting; and

**NOW, THEREFORE, BE IT RESOLVED** by the Commission of the California Statewide Communities Development Authority, as follows:

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines. This Resolution is adopted in accordance with the “SCIP Manual of Procedures” adopted by this Commission, as it may be amended from time to time.

Section 2. This Commission has reviewed all proceedings heretofore taken relative to the foregoing and has found, as a result of such review, and does hereby find and determine that all acts, conditions and things required by law to exist, to happen and to be performed precedent to and in the issuance of the Local Obligations as hereinafter authorized and provided do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority, upon approval by the Authority of the issuance of the Revenue Bonds, shall be authorized pursuant to each and every requirement of law to issue the Local Obligations.

Section 3. A separate series of Local Obligations shall be issued for each District as provided in the Trust Agreement and shall represent and shall be secured by the unpaid Assessments of each such District in accordance with the provisions of the



1915 Act and pursuant to the provisions of the Resolutions of Intention and proceedings taken thereunder. Each series of the Local Obligations shall be issued in an aggregate principal amount not to exceed the unpaid Assessments as set forth in Exhibit A to this Resolution, shall bear interest at rates not to exceed \_\_%, and shall be known as the “California Statewide Communities Development Authority Statewide Community Infrastructure Program Limited Obligation Improvement Bonds,” with appropriate series and sub-series designations as determined by the Authority. The Local Obligations may be issued in one or more issuances and pursuant to the same or a separate Trust Agreement as other Local Obligations of the Authority.

Section 4. The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to a resolution of the Authority (each, an “Authorized Signatory”), is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Treasurer of the Authority and the Secretary of the Authority are hereby authorized and directed to execute the Local Obligations on behalf of the Authority, manually or by use of engraved, printed or lithographed facsimile signature. Such signing as herein provided shall be a sufficient and binding execution of the Local Obligations by the Authority, without the necessity of a seal. In case the person whose signature appears on the Local Obligations shall cease to be such officer before the delivery of the Local Obligations to the purchaser, such signature shall nevertheless be valid and sufficient for all purposes the same as though such person had remained in office until the delivery of the Local Obligations. Only such of the Local Obligations as shall bear thereon a certificate of registration and authentication in the form set forth in the Trust Agreement, executed and dated by any Authorized Signatory, shall be entitled to any benefits hereunder or be valid or obligatory for any purpose, and such certificate shall be conclusive evidence that the Local Obligations so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefits hereof.

Section 6. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority, the Executive Director of the Authority, and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, or to make any necessary modifications thereto, which are acceptable to the members of the Commission of the Authority, the Authority’s general legal counsel and Bond Counsel and which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Local Obligations and to carry out the purposes of this Resolution.

Section 7. This Resolution shall take effect immediately upon its passage.



**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called and noticed meeting of the Commission of the Authority held in accordance with law and at which a quorum was present and acting throughout on \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_

Authorized Signatory  
California Statewide Communities  
Development Authority



**EXHIBIT A**

<b>District Name (County)</b>	<b>Local Obligation Amount</b>
1.	
2.	
3. [List of Individual Assessment Districts]	[Amount]
4.	
5.	
6.	
7.	
8.	
9.	
10.	

**APPENDIX F**  
**Form of Revenue Bond Resolution**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$\_\_\_\_\_ OF ITS STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM REVENUE BONDS, SERIES \_\_\_\_; APPROVING THE FORMS OF A TRUST AGREEMENT, A BOND PURCHASE AGREEMENT, AND A CONTINUING DISCLOSURE CERTIFICATE, AUTHORIZING CHANGES THERETO AND EXECUTION AND DELIVERY THEREOF AS MODIFIED; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING CHANGES THERETO AND DELIVERY THEREOF AS MODIFIED; AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT SUBSTANTIALLY DERIVED FROM THE PRELIMINARY OFFICIAL STATEMENT AND EXECUTION AND DELIVERY THEREOF; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS AND IMPLEMENTATION OF THE RELATED FINANCING PROGRAM**

**WHEREAS**, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), with this Commission (this “Commission”) serving as the legislative body of the Authority; and

**WHEREAS**, this Commission has completed its legal proceedings under the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the “1913 Act”) in connection with the formation of certain assessment districts identified in said proceedings, as identified on Exhibit A attached hereto (the “Districts”); and

**WHEREAS**, this Commission is empowered under the provisions of the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the “1915 Act”) to undertake legal proceedings for the issuance, sale and delivery of limited obligation improvement bonds (the “Local Obligations”) upon the security of the recorded and unpaid assessments (the “Assessments”) of the Districts; and

**WHEREAS**, this Commission is empowered under the provisions of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the “Law”) to issue bonds of the Authority for the purpose of acquiring certain local obligations issued by the Authority, including the Local Obligations; and



**WHEREAS**, this Commission has determined to issue one or more separate series of Local Obligations, for each District (collectively, the “Local Obligations”), to be issued pursuant to that certain Trust Agreement (the “Trust Agreement”) between the Authority and Wilmington Trust, National Association, as Trustee (the “Trustee”), to be registered in the name of the Trustee and to bear such series designations as set forth in the Trust Agreement, which Local Obligations will fund certain public capital improvements and the payment of certain development impact fees which will, in turn, fund public capital improvements (the “Fees and Improvements”); and

**WHEREAS**, by this Resolution, this Commission wishes to authorize and undertake the issuance of the Authority’s Statewide Community Infrastructure Program Revenue Bonds, Series \_\_\_\_ (the “Bonds”), to acquire the Local Obligations, to fund a reserve fund and to pay costs of issuance (the “Financing Program”); and

**WHEREAS**, this Commission has determined that the estimated amount necessary to acquire the Local Obligations, to fund a reserve fund and to pay costs of issuance will require the issuance of the Bonds in the aggregate principal amount not to exceed \$\_\_\_\_\_; and

**WHEREAS**, this Commission has determined that all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in the Trust Agreement the valid, binding and legal obligations of the Authority according to the import thereof and hereof have been done and performed; and

**WHEREAS**, in furtherance of implementing the financing described above, there have been filed with the Secretary of the Authority and submitted to this Commission for consideration and approval at this meeting, forms of the following:

- (a) the Trust Agreement, described above; and
- (b) a Bond Purchase Agreement, under the terms of which, among other things, the Authority agrees to sell and RBC Capital Markets, LLC, the underwriter (the “Underwriter”) agrees to purchase the Bonds; and
- (c) a Continuing Disclosure Certificate, under the terms of which, among other things, the Authority agrees and covenants to provide certain annual financial information and notice of material events to assist the Underwriter in complying with Rule 15c2-12 of the Securities Exchange Commission; and
- (d) a Preliminary Official Statement, describing the Bonds and the Local Obligations.

**WHEREAS**, being fully advised in the matter of the financing, this Commission wishes to proceed with implementation of the Financing Program; and

**WHEREAS**, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the Financing Program do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority



is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the execution and delivery of certain documents in order to further implement the financing in the manner and upon the terms herein provided; and

**WHEREAS**, Government Code Section 5852.1 requires that the Commission of the Authority obtain from an underwriter, financial adviser or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

**WHEREAS**, in compliance with Government Code Section 5852.1, the Commission of the Authority has obtained from RBC Capital Markets, LLC, the underwriter, the required good faith estimates and such estimates have been disclosed at this meeting; and

**WHEREAS**, the requisite local agencies with jurisdiction over the areas encompassed by the Districts have determined that the issuance of the Bonds by the Authority and the acquisition of the Local Obligations will result in significant public benefits, including demonstrable savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs;

**NOW, THEREFORE, BE IT RESOLVED** by the Commission of the California Statewide Communities Development Authority as follows:

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. Pursuant to the Law, the Bonds shall be issued in the aggregate principal amount of not to exceed \$\_\_\_\_\_; provided, however, that (a) the true interest cost on the Bonds shall not exceed \_\_%, and (b) the maximum term of any maturity shall not extend beyond \_\_\_\_\_, \_\_\_\_\_.

Section 3. The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to a resolution of the Authority (each, an “Authorized Signatory”) is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The form and substance of the Bond Purchase Agreement is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve





in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form and substance of the Continuing Disclosure Certificate is hereby approved. Any Authorized Signatory is hereby authorized to execute and deliver said Continuing Disclosure Certificate in substantially the form on file with the Secretary and presented to this meeting, with such changes as any member of the Commission may require or approve in consultation with Disclosure Counsel, such approval to be conclusively evidenced by such execution and delivery.

Section 6. (a) The form and substance of the Preliminary Official Statement is hereby approved. Any Authorized Signatory is hereby authorized to execute the final Official Statement to be derived therefrom.

(b) Any Authorized Signatory is hereby authorized to find and determine that said Preliminary Official Statement in preliminary form is, and as of its date shall be, deemed “final” for purpose of Rule 15c2-12 of the Securities and Exchange Commission, and such Member is hereby authorized to execute a certificate to such effect in the customary form.

(c) Any Authorized Signatory is hereby authorized in consultation with Disclosure Counsel to approve corrections and additions to the Preliminary Official Statement by supplement or amendment thereto, by appropriate insertions, or otherwise as appropriate, provided that such corrections or additions shall be regarded by any member of the Commission as necessary to cause the information contained in the Preliminary Official Statement to conform to facts material to the Bonds or the Local Obligations or to the proceedings of this Commission or that such corrections or additions are in form rather than in substance.

(d) The Underwriter is authorized to distribute said Preliminary Official Statement and the final Official Statement to be derived therefrom in connection with the sale and delivery of the Bonds.

Section 7. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority, the Assistant to the Secretary, and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority, the Assistant to the Secretary, and other appropriate officers and agents of the Authority with respect to the transactions contemplated by this resolution are hereby ratified, confirmed and approved.

Section 8. This Resolution shall take effect immediately upon its passage.



**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called and noticed meeting of the Commission of the Authority held in accordance with law and at which a quorum was present and acting throughout on \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_

Authorized Signatory  
California Statewide Communities  
Development Authority



**APPENDIX G -1**  
**Form of SCIP Resolution**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE [CITY COUNCIL/BOARD OF SUPERVISORS] OF THE [CITY/COUNTY OF \_\_\_\_\_] AUTHORIZING THE CITY TO JOIN THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT SPECIAL ASSESSMENT PROCEEDINGS AND LEVY ASSESSMENTS WITHIN THE TERRITORY OF THE [CITY/COUNTY OF \_\_\_\_\_]; APPROVING FORM OF ACQUISITION AGREEMENT FOR USE WHEN APPLICABLE; AND AUTHORIZING RELATED ACTIONS**

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California, including the [City/County of \_\_\_\_\_] (the “[City/County]”); and

WHEREAS, the Authority has established the Statewide Community Infrastructure Program (“SCIP”) to allow the financing of certain development impact fees (the “Fees”) levied in accordance with the Mitigation Fee Act (California Government Code Sections 66000 and following) and other authority providing for the levy of fees on new development to pay for public capital improvements (collectively, the “Fee Act”) through the levy of special assessments pursuant to the Municipal Improvement Act of 1913 (Streets and Highways Code Sections 10000 and following) (the “1913 Act”) and the issuance of improvement bonds (the “Local Obligations”) under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the “1915 Act”) upon the security of the unpaid special assessments; and

WHEREAS, SCIP will also allow the financing of certain public capital improvements to be constructed by or on behalf of property owners for acquisition by the [City/County] or another public agency (the “Improvements”); and

WHEREAS, the [City/County] desires to allow the owners of property being developed within its jurisdiction (“Participating Developers”) to participate in SCIP and to allow the Authority to conduct assessment proceedings under the 1913 Act and to issue Local Obligations under the 1915 Act to finance Fees levied on such properties and Improvements, provided that such Participating Developers voluntarily agree to participate and consent to the levy of such assessments; and



WHEREAS, in each year in which eligible property owners within the jurisdiction of the [City/County] elect to be Participating Developers, the Authority will conduct assessment proceedings under the 1913 Act and issue Local Obligations under the 1915 Act to finance Fees payable by such property owners and Improvements and, at the conclusion of such proceedings, will levy special assessments on such property within the territory of the [City/County];

WHEREAS, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by the Authority in connection with such assessment proceedings (the “ROI”), a copy of which is attached hereto as Exhibit A, and the territory within which assessments may be levied for SCIP (provided that each Participating Developer consents to such assessment) shall be coterminous with the [City’s/County’s] official boundaries of record at the time of adoption of each such ROI (the “Proposed Boundaries”), and reference is hereby made to such boundaries for the plat or map required to be included in this Resolution pursuant to Section 10104 of the Streets and Highways Code; and

WHEREAS, there has also been presented to this meeting a proposed form of Acquisition Agreement (the “Acquisition Agreement”), a copy of which is attached hereto as Exhibit B, to be approved as to form for use with respect to any Improvements to be constructed and installed by a Participating Developer and for which the Participating Developer requests acquisition financing as part of its SCIP application; and

WHEREAS, the [City/County] will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Local Obligations or any other bonds issued in connection with SCIP; and

WHEREAS, pursuant to Government Code Section 6586.5, notice was published at least five days prior to the adoption of this resolution at a public hearing, which was duly conducted by this [Council/Board] concerning the significant public benefits of SCIP and the financing of the Improvements and the public capital improvements to be paid for with the proceeds of the Fees;

NOW, THEREFORE, BE IT RESOLVED by the [City Council/Board of Supervisors] of the [City/County of \_\_\_\_\_] as follows:

Section 1. The [City/County] hereby consents to the conduct of special assessment proceedings by the Authority in connection with SCIP pursuant to the 1913 Act and the issuance of Local Obligations under the 1915 Act on any property within the Proposed Boundaries; provided, that

(1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI; and

(2) The Participating Developers, who shall be the legal owners of such property, execute a written consent to the levy of assessment in connection with SCIP by the Authority and



execute an assessment ballot in favor of such assessment in compliance with the requirements of Section 4 of Article XIID of the State Constitution.

Section 2. The [City/County] hereby finds and declares that the issuance of bonds by the Authority in connection with SCIP will provide significant public benefits, including without limitation, savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs and the more efficient delivery of local agency services to residential and commercial development within the [City/County].

Section 3. The Authority has prepared and will update from time to time the “SCIP Manual of Procedures” (the “Manual”), and the [City/County] will handle Fee revenues and funds for Improvements for properties participating in SCIP in accordance with the procedures set forth in the Manual.

Section 4. The form of Acquisition Agreement presented to this meeting is hereby approved, and the [Mayor/Board Chair] is authorized to execute and the [City Clerk/Clerk of the Board] is authorized to attest the execution of a completed Acquisition Agreement in substantially said form and pertaining to the Improvements being financed on behalf of the applicable Participating Developer.

Section 5. The appropriate officials and staff of the [City/County] are hereby authorized and directed to make SCIP applications available to all property owners who are subject to Fees for new development within the [City/County] and/or who are conditioned to install Improvements and to inform such owners of their option to participate in SCIP; provided, that the Authority shall be responsible for providing such applications and related materials at its own expense. The staff persons listed on the attached Exhibit C, together with any other staff persons chosen by the [City Manager/County Administrator] from time to time, are hereby designated as the contact persons for the Authority in connection with the SCIP program.

Section 6. The appropriate officials and staff of the [City/County] are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents, including but not limited to such documents as may be required by Bond Counsel in connection with the participation in SCIP of any districts, authorities or other third-party entities entitled to own Improvements and/or to levy and collect fees on new development to pay for public capital improvements within the jurisdiction of the [City/County], as are reasonably required by the Authority in accordance with the Manual to implement SCIP for Participating Developers and to evidence compliance with the requirements of federal and state law in connection with the issuance by the Authority of the Local Obligations and any other bonds for SCIP. To that end, and pursuant to Treasury Regulations Section 1.150-2, the staff persons listed on Exhibit C, or other staff person acting in the same capacity for the [City/County] with respect to SCIP, are hereby authorized and designated to declare the official intent of the [City/County] with respect to the public capital improvements to be paid or reimbursed through participation in SCIP.



Section 7. This Resolution shall take effect immediately upon its adoption. The [City Clerk/Clerk of the Board] is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of the Authority.



\* \* \*

**PASSED AND ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by the following vote, to wit:

**AYES:** Council/Board Members \_\_\_\_\_

**NOES:** Council/Board Members \_\_\_\_\_

**ABSENT:** Council/Board Members \_\_\_\_\_

**ABSTAIN:** Council/Board Members \_\_\_\_\_



**EXHIBIT A TO FORM OF SCIP RESOLUTION**

**FORM OF RESOLUTION OF INTENTION  
TO BE ADOPTED BY CSCDA  
(SEE APPENDIX I)**





**EXHIBIT B TO FORM OF SCIP RESOLUTION**

FORM OF ACQUISITION AGREEMENT

---

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM

**ACQUISITION AGREEMENT**

BY AND BETWEEN

[CITY/COUNTY OF \_\_\_\_\_]

AND

[DEVELOPER]

Dated as of \_\_\_\_\_, 20\_\_



## ACQUISITION AGREEMENT

### Recitals

A. The parties to this Acquisition Agreement (the “Agreement”) are the [CITY/COUNTY OF \_\_\_\_\_], (the “Local Agency”), and [DEVELOPER], a [here indicate type of legal entity] (the “Developer”).

B. The effective date of this Agreement is \_\_\_\_\_, 20\_\_.

C. The Developer has applied for financing of certain public capital improvements (the “Acquisition Improvements”) and capital facilities fees through the Statewide Community Infrastructure Program (“SCIP”) administered by the California Statewide Communities Development Authority (the “Authority”) and such application has been approved by the Local Agency.

D. The administration, payment and reimbursement of the capital facilities fees is agreed to be governed by the provisions of the SCIP Manual of Procedures as it may be amended from time to time. The administration, payment and reimbursement of the Acquisition Improvements shall be as provided herein.

E. Under SCIP, the Authority intends to issue bonds to fund, among other things, all or a portion of the costs of the Acquisition Improvements, and the portion of the proceeds of such bonds allocable to the cost of the Acquisition Improvements to be constructed and installed by the Developer, together with interest earned thereon prior to such acquisition, is referred to herein as the “Available Amount”.

F. SCIP will provide financing for the acquisition by the Local Agency of the Acquisition Improvements and the payment of the Acquisition Price (as defined herein) of the Acquisition Improvements from the Available Amount. Attached hereto as Exhibit A are descriptions of the Acquisition Improvements, which descriptions are subject to modification by written amendment of this Agreement, subject to the approval of the Authority.

G. The parties anticipate that, upon completion of the Acquisition Improvements and subject to the terms and conditions of this Agreement, the Local Agency will acquire such completed Acquisition Improvements with the Available Amount.

H. Any and all monetary obligations of the Local Agency arising out of this Agreement are the special and limited obligations of the Local Agency payable only from the Available Amount, and no other funds whatsoever of the Local Agency shall be obligated therefor.

I. In consideration of Recitals A through H, inclusive, and the mutual covenants, undertakings and obligations set forth below, the Local Agency and the Developer agree as stated below.



## Agreement

### ARTICLE I

#### DEFINITIONS; ASSESSMENT DISTRICT FORMATION AND FINANCING PLAN

Section 1.01. Definitions. As used herein, the following capitalized terms shall have the meanings ascribed to them below:

“Acceptable Title” means free and clear of all monetary liens, encumbrances, assessments, whether any such item is recorded or unrecorded, and taxes, except those items which are reasonably determined by the Local Agency Engineer in his sole discretion not to interfere with the intended use and therefore are not required to be cleared from the title.

“Acquisition Improvements” shall have the meaning assigned to such term in Recital C and are described in Exhibit A.

“Acquisition Price” means the amount paid to the Developer upon acquisition of all of the Acquisition Improvements as provided in Section 2.03.

“Actual Cost” means the cost of construction of all of the Acquisition Improvements, as documented by the Developer to the satisfaction of the Local Agency, as certified by the Local Agency Engineer in an Actual Cost Certificate.

“Actual Cost Certificate” shall mean a certificate prepared by the Developer detailing the Actual Cost of all of the Acquisition Improvement to be acquired hereunder, as revised by the Local Agency Engineer pursuant to Section 2.03.

“Agreement” means this Acquisition Agreement, dated as of \_\_\_\_\_, 20\_\_.

“Assessment District” means the assessment district established by the Authority pursuant to SCIP which includes the Developer's property for which the Acquisition Improvements are being funded.

“Authority” means the California Statewide Communities Development Authority.

“Available Amount” means the amount of funds deposited in the Developer Acquisition Account by the Authority pursuant to SCIP, together with any interest earnings thereon.

“Code” means the Streets and Highways Code of the State of California.

“Developer” means [Developer], a [here indicate type of legal entity].

“[Developer] Acquisition Account” means the account by that name established by the Authority pursuant to SCIP for the purpose of paying the Acquisition Price of the Acquisition Improvements.



“Local Agency” means the [City/County of \_\_\_\_\_].

“Local Agency Engineer” means the Director of Public Works of the Local Agency (the “Director”) or the designee of the Director, who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

“Project” means the land development program of the Developer pertaining to the Developer’s property in the Assessment District, including the design and construction of the Acquisition Improvements and the other public and private improvements to be constructed by the Developer within or adjacent to the Assessment District.

“SCIP” means the Statewide Community Infrastructure Program of the Authority.

“SCIP Requisition” means a requisition for payment of funds from the [Developer] Acquisition Account in substantially the form attached hereto as Exhibit B.

“SCIP Trust Agreement” means the Trust Agreement entered into by the Authority and the SCIP Trustee in connection with the financing for the Acquisition Improvements.

“SCIP Trustee” means Wilmington Trust, National Association, as trustee under the SCIP Trust Agreement.

“Title Documents” means, for each Acquisition Improvement acquired hereunder, a grant deed or similar instrument necessary to transfer title to any real property or interests therein (including easements) necessary or convenient to the operation, maintenance, rehabilitation and improvement by the Local Agency of that Acquisition Improvement (including, if necessary, easements for ingress and egress) and a Bill of Sale or similar instrument evidencing transfer of title to that Acquisition Improvement (other than said real property interests) to the Local Agency, where applicable.

Section 1.02. Participation in SCIP. Developer has applied for financing through SCIP of the Acquisition Improvements, and such application has been approved by the Local Agency. Developer and Local Agency agree that until and unless such financing is completed by the Authority and the Available Amount is deposited in the Developer Acquisition Account, neither the Developer nor the Local Agency shall have any obligations under this agreement. Developer agrees to cooperate with the Local Agency and the Authority in the completion of SCIP financing for the Acquisition Improvements.

Section 1.03. Deposit and Use of Available Amount.

(a) Upon completion of the SCIP financing, the Available Amount will be deposited by the Authority in the [Developer] Acquisition Account.

(b) The Authority will cause the SCIP Trustee to establish and maintain the [Developer] Acquisition Account for the purpose of holding all funds for the Acquisition Improvements. All earnings on amounts in the [Developer] Acquisition Account shall remain in the [Developer] Acquisition Account for use as provided herein and pursuant to SCIP. The amounts in the [Developer] Acquisition Account shall be withdrawn by the Local Agency in



accordance with SCIP procedures upon completion of the Acquisition Improvements within 30 days (or as soon thereafter as reasonably practicable) of receipt by the Local Agency of the certification of the Local Agency Engineer required by Section 2.03 of this Agreement, and subject to satisfaction of all other conditions precedent to such acquisition pursuant to Section 2.04 of this Agreement, to pay the Acquisition Price of such completed Acquisition Improvements, as specified in Article II hereof. Upon completion of all of the Acquisition Improvements and the payment of all costs thereof, any remaining funds in the [Developer] Acquisition Account (less any amount determined by the Local Agency as necessary to reserve for claims against such account) (i) shall be applied to pay the costs of any additional improvements eligible for acquisition with respect to the Project as approved by the Authority and, to the extent not so used, thereafter (ii) shall be applied by the Authority as provided in Section 10427.1 of the Code to pay a portion of the assessments levied on the Project property in the Assessment District.

Section 1.04. No Local Agency Liability; Local Agency Discretion; No Effect on Other Agreements. In no event shall any actual or alleged act by the Local Agency or any actual or alleged omission or failure to act by the Local Agency with respect to SCIP subject the Local Agency to monetary liability therefor. Further, nothing in this Agreement shall be construed as affecting the Developer's or the Local Agency's duty to perform their respective obligations under any other agreements, public improvement standards, land use regulations or subdivision requirements related to the Project, which obligations are and shall remain independent of the Developer's and the Local Agency's rights and obligations under this Agreement.

## ARTICLE II

### DESIGN, CONSTRUCTION AND ACQUISITION OF ACQUISITION IMPROVEMENTS

Section 2.01. Letting and Administering Design Contracts. The parties presently anticipate that the Developer has awarded and administered or will award and administer engineering design contracts for the Acquisition Improvements to be acquired from Developer. All eligible expenditures of the Developer for design engineering and related costs in connection with the Acquisition Improvements (whether as an advance to the Local Agency or directly to the design consultant) shall be reimbursed at the time of acquisition of such Acquisition Improvements. The Developer shall be entitled to reimbursement for any design costs of the Acquisition Improvements only out of the Acquisition Price as provided in Section 2.03 and shall not be entitled to any payment for design costs independent of or prior to the acquisition of Acquisition Improvements.

Section 2.02. Letting and Administration of Construction Contracts. State law requires that all Acquisition Improvements shall be constructed as if they were constructed under the direction and supervision of the Local Agency. In order to assure compliance with those provisions, except for any contracts entered into prior to the date hereof, Developer agrees to comply with the guidelines of the Local Agency for letting and administering said contracts. The Developer agrees that all such contracts shall call for payment of prevailing wages as required by the Labor Code of the State of California.



Section 2.03. Sale of Acquisition Improvements. The Developer agrees to sell to the Local Agency the Acquisition Improvements to be constructed by Developer (including any rights-of-way or other easements necessary for the operation and maintenance of the Acquisition Improvements, to the extent not already publicly owned) when such Acquisition Improvements are completed to the satisfaction of the Local Agency for an amount not to exceed the lesser of (i) the Available Amount or (ii) the Actual Cost of the Acquisition Improvements. Exhibit A, attached hereto and incorporated herein, contains a list of each Acquisition Improvement. At the time of completion of each Acquisition Improvement, the Developer shall deliver to the Local Agency Engineer a written request for acquisition, accompanied by an Actual Cost Certificate and executed Title Documents for the transfer of the Acquisition Improvement, where necessary. In the event that the Local Agency Engineer finds that the supporting paperwork submitted by the Developer fails to demonstrate the required relationship between the subject Actual Cost and the related Acquisition Improvement, the Local Agency Engineer shall advise the Developer that the determination of the Actual Cost (or the ineligible portion thereof) has been disallowed and shall request further documentation from the Developer. If such further documentation is still not adequate, the Local Agency Engineer may revise the Actual Cost Certificate to delete any disallowed items, and such determination shall be final and conclusive.

In the event that the Actual Cost is in excess of the Available Amount, the Local Agency shall withdraw the Available Amount from the [Developer] Acquisition Account and transfer said amount to the Developer. In the event that the Actual Cost is less than the Available Amount, the Local Agency shall withdraw an amount from the [Developer] Acquisition Account equal to the Actual Cost, and shall transfer said amount to the Developer. Any amounts then remaining in the [Developer] Acquisition Account shall be applied as provided in Section 1.03.

In no event shall the Local Agency be required to pay the Developer more than the amount on deposit in the [Developer] Acquisition Account at the time such payment is requested.

Section 2.04. Conditions Precedent to Payment of Acquisition Price. Payment by the Local Agency to the Developer from the [Developer] Acquisition Account of the Acquisition Price for an Acquisition Improvement shall be conditioned first upon the determination of the Local Agency Engineer, pursuant to Section 2.03, that such Acquisition Improvement is all complete and ready for acceptance by the Local Agency, and shall be further conditioned upon prior satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the Local Agency with lien releases or other similar documentation satisfactory to the Local Agency as evidence that the property which is subject to the special assessment liens of the Assessment District is not subject to any prospective mechanics lien claim respecting the Acquisition Improvements.

(b) All due and payable property taxes, and installments of special assessments shall be current on property owned by the Developer or under option to the Developer that is subject to the special assessment liens of the Assessment District.

(c) The Developer shall certify that it is not in default with respect to any loan secured by any interest in the Project.



(d) The Developer shall have provided the Local Agency with Title Documents needed to provide the Local Agency with title to the site, right-of-way, or easement upon which the subject Acquisition Improvements are situated. All such Title Documents shall be in a form acceptable to the Local Agency (or applicable governmental agency) and shall convey Acceptable Title. The Developer shall provide a policy of title insurance as of the date of transfer in a form acceptable to the Local Agency Engineer insuring the Local Agency as to the interests acquired in connection with the acquisition of any interest for which such a policy of title insurance is not required by another agreement between the Local Agency and the Developer. Each title insurance policy required hereunder shall be in the amount equal to or greater than the Acquisition Price.

Section 2.05. SCIP Requisition. Upon a determination by the Local Agency Engineer to pay the Acquisition Price of the Acquisition Improvements pursuant to Section 2.04, the Local Agency Engineer shall cause a SCIP Requisition to be submitted to the Program Administrator. The Program Administrator will review the SCIP Requisition and forward it with instructions to the SCIP Trustee and the SCIP Trustee shall make payment directly to the Developer of such amount pursuant to the SCIP Trust Agreement. The Local Agency and the Developer acknowledge and agree that the SCIP Trustee shall make payment strictly in accordance with the SCIP Requisition and shall not be required to determine whether or not the Acquisition Improvements have been completed or what the Actual Costs may be with respect to such Acquisition Improvements. The SCIP Trustee shall be entitled to rely on the SCIP Requisition on its face without any further duty of investigation.

### ARTICLE III

#### MISCELLANEOUS

Section 3.01. Indemnification and Hold Harmless. The Developer hereby assumes the defense of, and indemnifies and saves harmless the Local Agency, the Authority, and each of its respective officers, directors, employees and agents, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from or alleged to have resulted from the acts or omissions of the Developer or its agents and employees in the performance of this Agreement, or arising out of any contract for the design, engineering and construction of the Acquisition Improvements or arising out of any alleged misstatements of fact or alleged omission of a material fact made by the Developer, its officers, directors, employees or agents to the Authority's underwriter, financial advisor, appraiser, district engineer or bond counsel or regarding the Developer, its proposed developments, its property ownership and its contractual arrangements contained in the official statement relating to the SCIP financing (provided that the Developer shall have been furnished a copy of such official statement and shall not have objected thereto); and provided, further, that nothing in this Section 3.01 shall limit in any manner the Local Agency's rights against any of the Developer's architects, engineers, contractors or other consultants. Except as set forth in this Section 3.01, no provision of this Agreement shall in any way limit the extent of the responsibility of the Developer for payment of damages resulting from the operations of the Developer, its agents and employees. Nothing in this Section 3.01 shall be understood or construed to mean that the Developer agrees to indemnify the Local Agency, the Authority or any of its respective officers, directors, employees



or agents, for any negligent or wrongful acts or omissions to act of the Local Agency, Authority its officers, employees, agents or any consultants or contractors.

Section 3.02. Audit. The Local Agency shall have the right, during normal business hours and upon the giving of ten days' written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer (for which the Developer seeks reimbursement) in constructing the Acquisition Improvements.

Section 3.03. Cooperation. The Local Agency and the Developer agree to cooperate with respect to the completion of the SCIP financing for the Acquisition Improvements. The Local Agency and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by this Agreement.

Section 3.04. General Standard of Reasonableness. Any provision of this Agreement which requires the consent, approval or acceptance of either party hereto or any of their respective employees, officers or agents shall be deemed to require that such consent, approval or acceptance not be unreasonably withheld or delayed, unless such provision expressly incorporates a different standard. The foregoing provision shall not apply to provisions in the Agreement which provide for decisions to be in the sole discretion of the party making the decision.

Section 3.05. Third Party Beneficiaries. The Authority and its officers, employees, agents or any consultants or contractors are expressly deemed third party beneficiaries of this Agreement with respect to the provisions of Section 3.01. It is expressly agreed that, except for the Authority with respect to the provisions of Section 3.01, there are no third party beneficiaries of this Agreement, including without limitation any owners of bonds, any of the Local Agency's or the Developer's contractors for the Acquisition Improvements and any of the Local Agency's, the Authority's, or the Developer's agents and employees.

Section 3.06. Conflict with Other Agreements. Nothing contained herein shall be construed as releasing the Developer or the Local Agency from any condition of development or requirement imposed by any other agreement between the Local Agency and the Developer, and, in the event of a conflicting provision, such other agreement shall prevail unless such conflicting provision is specifically waived or modified in writing by the Local Agency and the Developer.

Section 3.07. Notices. All invoices for payment, reports, other communication and notices relating to this Agreement shall be mailed to:





If to the Local Agency:

[City/County of \_\_\_\_\_]  
[Address to Come]

If to the Developer:

[Developer]  
[Address to Come]

Either party may change its address by giving notice in writing to the other party.

Section 3.08. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 3.09. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

Section 3.10. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement.

Section 3.11. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

Section 3.12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 3.13. Successors and Assigns. This Agreement is binding upon the heirs, assigns and successors-in-interest of the parties hereto. The Developer may not assign its rights or obligations hereunder, except to successors-in-interest to the property within the District, without the prior written consent of the Local Agency.

Section 3.14. Remedies in General. It is acknowledged by the parties that the Local Agency would not have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement or the application thereof, other than for the payment to the Developer of any (i) moneys owing to the Developer hereunder, or (ii) moneys paid by the Developer pursuant to the provisions hereof which are misappropriated or improperly obtained, withheld or applied by the Local Agency.



In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that the Local Agency shall not be liable in damages to the Developer, or to any assignee or transferee of the Developer other than for the payments to the Developer specified in the preceding paragraph. Subject to the foregoing, the Developer covenants not to sue for or claim any damages for any alleged breach of, or dispute which arises out of, this Agreement.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]



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

[CITY/COUNTY OF \_\_\_\_\_]

By \_\_\_\_\_  
[Mayor/Board Chair]

ATTEST:

[City Clerk/Clerk of the Board]

By \_\_\_\_\_

[DEVELOPER],  
a [here indicate type of legal entity]

By \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)



**Exhibit A to the Acquisition Agreement**

DESCRIPTION OF ACQUISITION IMPROVEMENTS AND BUDGETED AMOUNTS

ACQUISITION IMPROVEMENTS

- 1.
- 2.
- 3.
- 4.

BUDGETED AMOUNTS



**Exhibit B to The Acquisition Agreement**

FORM OF SCIP REQUISITION

To: BLX Group LLC  
SCIP Program Administrator  
777 S. Figueroa St., Suite 3200  
Los Angeles, California 90017  
Attention: Vo Nguyen  
Fax: 213-612-2499

Re: Statewide Community Infrastructure Program

The undersigned, a duly authorized officer of the [CITY/COUNTY OF \_\_\_\_\_] hereby requests a withdrawal from the [DEVELOPER] ACQUISITION ACCOUNT, as follows:

Request Date: [Insert Date of Request]

Name of Developer: [Developer]

Withdrawal Amount: [Insert Acquisition Price]

Acquisition Improvements: [Insert Description of Acquisition Improvement(s) from Ex. A]

Payment Instructions: [Insert Wire Instructions or Payment Address for Developer]

The undersigned hereby certifies as follows:

1. The Withdrawal is being made in accordance with a permitted use of such monies pursuant to the Acquisition Agreement, and the Withdrawal is not being made for the purpose of reinvestment.
2. None of the items for which payment is requested have been reimbursed previously from other sources of funds.
3. If the Withdrawal Amount is greater than the funds held in the [Developer] Acquisition Account, the SCIP Program Administrator is authorized to amend the amount requested to be equal to the amount of such funds.
4. To the extent the Withdrawal is being made prior to the date bonds have been issued on behalf of SCIP, this withdrawal form serves as the declaration of official intent of the [CITY/COUNTY OF \_\_\_\_\_], pursuant to Treasury Regulations 1.150-2, to reimburse with respect expenditures made from the Developer Acquisition Account listed above in the amount listed above.

[CITY/COUNTY OF \_\_\_\_\_]

By : \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit C to Form of SCIP Resolution**

[CITY/COUNTY OF \_\_\_\_\_] CONTACTS FOR SCIP PROGRAM

**Primary Contact**

Name:

Title:

Mailing Address:

Delivery Address (if different):

E-mail:

Telephone:

Fax:

**Secondary Contact**

Name:

Title:

Mailing Address:

Delivery Address (if different):

E-mail:

Telephone:

Fax:

**[Add additional contacts as needed]**

**APPENDIX G-2**  
**Sample Staff Report**  
**Resolution to Join SCIP**

*Note to Staff: The following is suggested language for use in a staff report to accompany the SCIP Resolution. Of course this is only a suggestion and you should feel free to edit as you see fit. This action requires a public hearing with notice published once in your regular official notice newspaper at least 5 days prior to the hearing. If you need assistance with this Notice, or if you would like SCIP to review your staff report, final resolution or agenda item, feel free to contact us and we will be happy to help.*

**Description:** This item includes a brief staff presentation regarding participation in the Statewide Community Infrastructure Program (“SCIP”), which is sponsored by the California Statewide Communities Development Authority (“CSCDA”), followed by [Council/Board] discussion, a public hearing to take public testimony on SCIP and bonds to be issued by CSCDA, and consideration of a resolution making certain findings and authorizing certain matters necessary to participate in SCIP.

**Background:** CSCDA is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. The member agencies of CSCDA include approximately 391 cities and 56 counties throughout California, including the [City/County of \_\_\_\_\_] (the “[City/County]”).

SCIP was instituted by CSCDA in 2002 to allow owners of property in participating cities and counties to finance the development impact fees that would be payable by property owners upon receiving development entitlements or building permits. The program has since been expanded to include financing of public capital improvements directly. If a property owner chooses to participate, the selected public capital improvements and the development impact fees owed to the [City/County] will be financed by the issuance of tax-exempt bonds by CSCDA. CSCDA will impose a special assessment on the owner’s property to repay the portion of the bonds issued to finance the fees paid with respect to the property. With respect to impact fees, the property owner will either pay the impact fees at the time of permit issuance, and will be reimbursed from the SCIP bond proceeds when the SCIP bonds are issued; or the fees will be funded directly from the proceeds of the SCIP bonds. In the former case, the [City/County] is required to pay the fees over to SCIP, and in the latter case, SCIP holds the bond proceeds representing the fees. In both cases the fees are subject to requisition by the [City/County] at any time to make authorized fee expenditures. But by holding and investing the money until it is spent, SCIP is able to monitor the investment earnings (which come to the [City/County]) for federal tax law arbitrage purposes. SCIP encourages the [City/County] to spend those amounts before any other fee revenues of the [City/County]. If the fees are paid by the property owner and bonds are never issued, the fees are returned to the [City/County] by SCIP. In this way, the City is never at risk for the receipt of the impact fees.

The benefits to the property owner include:

- Only property owners who choose to participate in the program will have assessments imposed on their property.

- Instead of paying cash for public capital improvements and/or development impact fees, the property owner receives low-cost, long-term tax-exempt financing of those fees, freeing up capital for other purposes.
- The property owner can choose to pay off the special assessments at any time.
- For home buyers, paying for the costs of public infrastructure through a special assessment is superior to having those costs “rolled” into the cost of the home. Although the tax bill is higher, the amount of the mortgage is smaller, making it easier to qualify. Moreover, because the special assessment financing is at tax-exempt rates, it typically comes at lower cost than mortgage rates.
- Owners of smaller projects, both residential and commercial, can have access to tax-exempt financing of infrastructure. Before the inception of SCIP, only projects large enough to justify the formation of an assessment or communities facilities district had access to tax-exempt financing.

The benefits to the [City/County] include:

- As in conventional assessment financing, the [City/County] is not liable to repay the bonds issued by CSCDA or the assessments imposed on the participating properties.
- CSCDA handles all district formation, district administration, bond issuance and bond administration functions. A participating [city/county] can provide tax-exempt financing to property owners through SCIP while committing virtually no staff time to administer the program.
- Providing tax-exempt financing helps participating cities and counties cushion the impact of rising public capital improvements costs and development impact fees on property owners.
- The availability of financing will encourage developers to pull permits and pay fees in larger blocks, giving the participating [city/county] immediate access to revenues for public infrastructure, rather than receiving a trickle of revenues stretched out over time. As part of the entitlement negotiation process, the possibility of tax-exempt financing of fees can be used to encourage a developer to pay fees up front.
- In some cases, the special assessments on successful projects can be refinanced through refunding bonds. Savings achieved through refinancing will be directed back to the participating [city/county] for use on public infrastructure, subject to applicable federal tax limitations.

The proposed resolution authorizes CSCDA to accept applications from owners of property within our planning jurisdiction to apply for tax-exempt financing of public capital improvements and development impact fees through SCIP. It also authorizes CSCDA to form assessment districts within our [City’s/County’s] boundaries, conduct assessment proceedings and levy assessments against the property of participating owners. It approves the form of an Acquisition Agreement, attached to the resolution as Exhibit B, to be entered into between the



[City/County] and the participating property owner/developer, if applicable, to provide the terms and conditions under which financing for public capital improvements will be provided and to establish the procedure for disbursement of bond proceeds to pay for completed facilities. It also authorizes miscellaneous related actions and makes certain findings and determinations required by law.

Attached to the resolution as Exhibit A is a “Form of Resolution of Intention to be Adopted by CSCDA.” This is for informational purposes and does not require action by this [Council/Board].

Recommended Action: After [Council/Board] discussion and questions, open the public hearing to order and invite any interested members of the public to provide testimony regarding SCIP and the proposed action. Upon the close of the hearing, if the [Council/Board] wishes to join SCIP and become a participating member agency in this program, it should adopt the proposed resolution. The resolution requires only a simple majority vote. If the resolution is approved, the Clerk should forward a certified copy to SCIP, c/o \_\_\_\_\_, Orrick, Herrington & Sutcliffe LLP, 405 Howard St., San Francisco, CA 94105.

**APPENDIX G-3**  
**Form of Notice of Public Hearing**

*[Instructions to Staff: a completed notice in this format (but with all blanks filled in and bracketed language deleted) must be published once in a newspaper of general circulation, at least 5 calendar days prior to the meeting date. SCIP will require the newspaper's affidavit confirming the date of its publication. If you need help completing the notice, please contact SCIP.]*

**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that on \_\_\_\_\_ [*insert date of Council or Board meeting*], a public hearing will be held with respect to the proposed participation by the \_\_\_\_\_ [*insert name of City or County*] (the "\_\_\_\_\_" [*insert "City" or "County" as appropriate*]) in the Statewide Community Infrastructure Program of the California Statewide Communities Development Authority. Participation in said program will enable property owners to finance public capital improvements and/or development impact fees for public capital improvements imposed on new development. Said public capital improvements, if financed, will be among the public capital improvements required in connection with a given development project. Said development impact fees, if financed, will be used by the \_\_\_\_\_ [*insert "City" or "County" as appropriate*] to pay for public capital improvements which will serve the \_\_\_\_\_ [*insert "City" or "County" as appropriate*], and which will be of a type and nature authorized under the Municipal Improvement Act of 1913 (codified at California Streets and Highways Code Sections 10000 *et seq.*). Participation in said program does not itself authorize the \_\_\_\_\_ [*insert "City" or "County" as appropriate*] to impose additional public capital improvements or new or additional development impact fees on any property owner.

The hearing will commence at \_\_\_\_\_ [*insert time of hearing*], or as soon thereafter as the matter can be heard, and will be held at \_\_\_\_\_ [*insert street address and room number or name*], \_\_\_\_\_, California. Interested persons wishing to express their views on the participation in such program and the financing of public capital improvements and/or development impact fees as described above will be given an opportunity to do so at the public hearing or may, prior to the time of the hearing, submit written comments to \_\_\_\_\_ [*insert mailing address*], Attention: \_\_\_\_\_ [*insert title of person designated to receive written comments*].

Dated: \_\_\_\_\_ [*insert date of publication*].

[CITY/COUNTY] OF \_\_\_\_\_

\_\_\_\_\_  
[Name]  
[City Clerk/Clerk of the Board]

**APPENDIX H**  
**Sample SCIP Timetable**

<b>Date</b>	<b>Action (Responsible Party)</b>
January	Accept Applications for Funding (SCIP)
February/March	SCIP Due Diligence on Applications (SCIP)
April	Final Cut Off Date for SCIP Applications (SCIP) SCIP Consultants Approve Applications (SCIP)
May	Finalize Engineer's Reports (SCIP) CSCDA Adopts Resolution of Intention (SCIP) Notice Public Hearing (SCIP)
July (first two weeks)	Hold Public Hearing (SCIP) Conduct Landowner Protest Ballot Procedure (SCIP) Confirm Assessments (SCIP) Authorize the Sale of Bonds (SCIP)
July (last two weeks)	Sell and Close Bond Issue (SCIP)
August	Place on Tax Roll (SCIP)

**APPENDIX I**  
**Form of Resolution of Intention to be Adopted by CSCDA**

**RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE IMPROVEMENTS AND/OR THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR PUBLIC CAPITAL IMPROVEMENTS IN THE PROPOSED ASSESSMENT DISTRICT NO. \_\_\_\_\_ (COUNTY OF \_\_\_\_\_, CALIFORNIA), APPROVING A PROPOSED BOUNDARY MAP, MAKING CERTAIN DECLARATIONS, FINDINGS AND DETERMINATIONS CONCERNING RELATED MATTERS, AND AUTHORIZING RELATED ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, the payment of certain development impact fees for public capital improvements (the “Improvement Fees”) and/or to finance certain public capital improvements to be constructed by or on behalf of the property owner(s) and to be acquired by the \_\_\_\_\_ or another local agency (the “Improvements”) as described in Exhibit A attached hereto and by this reference incorporated herein, and all of which are of benefit to the property within the proposed Assessment District No. \_\_\_\_\_ (County of \_\_\_\_\_, California) (the “Assessment District”);

**WHEREAS**, the Commission finds that the land specially benefited by the Improvements and/or the Improvement Fees is shown within the boundaries of the map entitled “Proposed Boundaries of California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. \_\_\_\_\_ (County of \_\_\_\_\_) State of California,” a copy of which map is on file with the Secretary and presented to this Commission meeting, and determines that the land within the exterior boundaries shown on the map shall be designated “Proposed Boundaries of California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. \_\_\_\_\_ (County of \_\_\_\_\_) State of California”;

**WHEREAS**, the [City/County] of \_\_\_\_\_ is a member of the Authority and has approved the adoption on its behalf of this Resolution of Intention and has consented to the levy of the assessments in the Assessment District;

**NOW, THEREFORE, BE IT RESOLVED** that the Commission of the California Statewide Communities Development Authority hereby finds, determines and resolves as follows:

Section 1. The above recitals are true and correct.

Section 2. Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section 2800) of the Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.

Section 3. The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIII D of the California Constitution.

Section 4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of \_\_\_\_\_ within fifteen (15) days of the adoption of this resolution.

Section 5. The Commission determines that the cost of financing the Improvements and/or the payment of the Improvement Fees shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the financing of the Improvements and/or the payment of the Improvement Fees. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the financing of the Improvements and/or the payment of the Improvement Fees.

Section 6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the Code, to provide for an annual assessment upon each of the parcels of land in the proposed Assessment District to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

Section 7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10 of the Code), and the last installment of the bonds shall mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

Section 8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1 thereof.

Section 9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

Section 10. The amount of any surplus remaining in the improvement fund after acquisition of the Improvements and/or payment of Improvement Fees and all other claims shall be distributed in accordance with the provisions of Section 10427.1 of the Code.

Section 11. To the extent any Improvement Fees are paid to the Authority in cash with respect to property within the proposed Assessment District prior to the date of issuance of the bonds, the amounts so paid shall be reimbursed from the proceeds of the bonds to the property owner or developer that made the payment.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this \_\_ day of \_\_\_\_\_, 20\_\_.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called and noticed meeting of the Commission of the Authority held in accordance with law and at which a quorum was present and acting throughout on \_\_\_\_\_, 20\_\_.

By \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority

[Attach Exhibit A – description of development impact fees and public capital improvements. This exhibit will be prepared by Developer’s Engineer, subject to SCIP review.]

**APPENDIX J**  
**Form of Resolution Preliminarily Approving Engineer's Report**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT,  
SETTING DATE FOR PUBLIC HEARING OF PROTESTS AND  
PROVIDING FOR PROPERTY OWNER BALLOTS FOR CALIFORNIA  
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM  
ASSESSMENT DISTRICT NO. \_\_-\_\_ (CITY OF \_\_\_\_\_, COUNTY OF  
\_\_\_\_\_, CALIFORNIA)**

WHEREAS, at the direction of this Commission, \_\_\_\_\_, as Engineer of Work for improvement proceedings in California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. \_\_-\_\_ (City of \_\_\_\_\_, County of \_\_\_\_\_, California) has filed with the Authority the report described in Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913, hereafter in this resolution referred to as the "Act"), and containing the matters required by Article XIID of the California Constitution ("Article XIID"), and it is appropriate for this Commission to preliminarily approve said report and to schedule the public hearing of protests respecting said report.

NOW, THEREFORE, THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY HEREBY FINDS, DETERMINES AND RESOLVES as follows:

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. This Commission preliminarily approves the report without modification, for the purpose of conducting a public hearing of protests as provided in the Act, Article XIID, and Section 53753 of the California Government Code ("Section 53753"). Said report shall stand as the report for the purpose of all subsequent proceedings under the Act and Section 53753, except that it may be confirmed, modified, or corrected as provided in the Act.

Section 3. This Commission hereby sets \_:\_\_ p.m., or as soon thereafter as the matter may be heard, on \_\_\_\_\_, \_\_\_\_\_, at the office of the California State Association of Counties, \_\_\_\_\_, \_\_\_\_\_, California 95814, as the time and place for a public hearing of protests to the proposed financing of development impact fees and/or public capital improvements, the proposed levy of assessments, the amounts of individual assessments, and related matters as set forth in said report, and any interested person may appear and object to said financing of development impact fees and/or public capital improvements, or to the extent of said assessment district or to said proposed assessment.

Section 4. Staff is hereby directed to cause a notice of said public hearing to be given by mailing notices thereof, together with assessment ballots, in the time, form and manner provided by Section 53753, and upon the completion of the mailing of said notices and assessment ballots, staff is hereby directed to file with the Engineer of Work an affidavit setting forth the time and manner of the compliance with the requirements of law for mailing said notices and assessment ballots.

Section 5. \_\_\_\_\_, Engineer of Work, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, (\_\_\_\_) \_\_\_\_-\_\_\_\_, is hereby designated to answer inquiries regarding the report and the protest proceedings.

Section 6. This Resolution shall take effect immediately upon its passage.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this \_\_ day of \_\_\_\_\_, \_\_\_\_.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called and noticed meeting of the Commission of the Authority held in accordance with law and at which a quorum was present and acting throughout on \_\_\_\_\_ \_\_, \_\_\_\_.

By \_\_\_\_\_  
Authorized Signatory  
California Statewide Communities  
Development Authority

[Attach Exhibit A -- description of development impact fees and public capital improvements. This exhibit will be derived from and possibly identical to Exhibit A of the CSCDA Resolution of Intention, Appendix I herein]



**APPENDIX K**  
**Form of Notice of Hearing**

**California Statewide Communities Development  
Authority  
Statewide Community Infrastructure Program  
Assessment District No. \_\_\_\_\_  
(County of \_\_\_\_\_, California)**

**NOTICE OF PUBLIC HEARING AND ASSESSMENT BALLOT PROCEDURE**

Pursuant to the provisions of the Municipal Improvement Act of 1913 (California Streets and Highways Code Sections 10000 and following, hereafter referred to as the “1913 Act”), Section 53753 of the California Government Code, and Section 4 of Article XIID of the California Constitution, the California Statewide Communities Development Authority (the “Authority”) hereby gives notice as follows:

1. At \_\_\_\_ \_\_.m. on \_\_\_\_\_, at \_\_\_\_\_, the Commission of the Authority (the “Commission”) will hold a public hearing respecting the proposed Statewide Community Infrastructure Program Assessment District No. \_\_\_\_\_ (County of \_\_\_\_\_, California) (the “Assessment District”) to hear and consider objections and protests respecting (a) a program for the financing of certain development impact fees and public capital improvements (the “Program”) imposed upon parcels of land within the Assessment District by levying special assessments upon such parcels, which receive special benefit from the financing of such fees and improvements, (b) the extent of the Assessment District, (c) the estimated cost and expense of the Program, (d) the amounts of the assessments proposed to be levied upon the benefited parcels, and (e) the method or formula by which benefit has been estimated and any other aspect of the proposed Assessment District to which any interested person may want to object or protest.
2. The applicable development impact fees, public capital improvements and the incidental costs and expenses of Program implementation, legal proceedings, and bond financing which are the subject of the proposed Assessment District are described in the enclosed Engineer’s Report for the proposed Assessment District. Said Engineer’s Report is on file with the Assessment Engineer, \_\_\_\_\_ at \_\_\_\_\_, (\_\_\_\_) \_\_\_\_\_. The estimated cost and expense to be assessed to the benefited parcels also includes related engineering expenses, fees for various professional services related to formulation and implementation of the Assessment District, and costs of issuance respecting the proposed tax-exempt improvement bonds. Please refer to the enclosed report for further information on the details of the Program and the estimated cost and expense.
3. A brief description of the development impact fees and public capital improvements to be financed through the Program is set forth on pages \_\_\_\_ of the enclosed report. Please see the section entitle “Assessment Roll” on page \_\_\_\_ of the enclosed report for the

amount of the assessment proposed for your parcel or parcels. The reason that an assessment is proposed for your parcel or parcels is that the Authority has determined, preliminarily, that such property is specially benefited by the financing of the public capital improvements and the development impact fees imposed upon your parcel or parcels through participation in the Program. The basis upon which the amount of the proposed assessment was calculated is set forth in the section entitled “Method of Assessment” of the enclosed report.

Reference is made to the section entitled “Assessment Diagram/Boundary Map” of the enclosed report for a map showing the individual parcels proposed to be assessed.

4. Pursuant to Sections 2960, 2961 and 10200 of the Streets and Highways Code, the Authority intends to comply with the requirements of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 by proceeding under Part 7.5 of Division 4 of the Streets and Highways Code (“Part 7.5”). Please see the section entitled “Debt Limitation Report” of the enclosed report for the information required by Part 7.5. As set forth in the Debt Limitation Report section, this component of the report will be revised upon receipt of an appraisal report which will establish that the total true value of the parcels of land and improvements which are proposed to be assessed is at least twice the total amount of (i) unpaid assessments already levied against the property to be assessed, together with (ii) the amount of the proposed assessment for that property.
5. The Authority intends, pursuant to subparagraph (f) of Section 10204 of the 1913 Act, to authorize an annual assessment upon each of the parcels of land in the proposed assessment district to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto, in an amount not to exceed ten percent (10.0%) of the annual principal and interest amount levied upon each parcel in said assessment district. This annual assessment shall be in addition to any fee charged pursuant to Sections 8682 and 8682.1 of the Streets and Highways Code. Please see the section entitled “Administration” of the enclosed report on this topic.
6. It is the intention of the Authority that any delinquent assessment installment shall be subject to the same penalties and interest as are applicable to general property taxes, and that the Tax Collector of the County of \_\_\_\_\_ shall collect such penalties with and as a part of such delinquent assessment installments, and all penalties collected shall be deposited into the bond redemption fund for such bonds.
7. Assuming the Authority levies assessments as intended, property owners will be provided an opportunity to pay all or any part of such assessments in cash unless, as presently expected, this entitlement is waived in writing by 100% of such property owners. Following the termination of the cash payment period, bonds representing unpaid assessments and bearing interest at a rate not to exceed twelve percent (12.0%) per annum shall be issued by the Authority pursuant to the Improvement Bond Act of 1915 (Division 10, Streets and Highways Code), and the last installment of the bonds shall

mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date. These estimates are subject to change, and the actual duration of payments and interest rate will be determined only at the time of the bond sale.

8. For further particulars, you may refer to the Resolution of Intention and the enclosed Engineer's Report, both of which are on file with the Assessment Engineer. Inquiries about the assessment proceedings will be answered by \_\_\_\_\_, Assessment Administrator, at (\_\_\_\_) \_\_\_\_\_.
9. As provided by Section 4 of Article XIID of the California Constitution and Section 53753 of the California Government Code, an Official Property Owner Assessment Ballot has been enclosed with this notice, along with a self-addressed, return envelope by which the assessment ballot may be returned to the \_\_\_\_\_ of Orrick, Herrington & Sutcliffe LLP. Please note that **THIS IS THE OFFICIAL ASSESSMENT BALLOT AND NOT A SAMPLE BALLOT**. No further assessment ballot will be provided to you. This assessment ballot may be used by the owner or owners of the subject parcel to express either support for or opposition to the proposed assessment. Please see the assessment ballot for instructions respecting the alternative methods for submitting the ballot either by mail (which may be done using the enclosed envelope) or by personal delivery, either prior to or at the time of the public hearing of protests, including continuations of said public hearing. See the enclosed ballot for further instructions.

Immediately following the close of the public hearing of protests, whether on \_\_\_\_\_ or at the conclusion of any continuation of said hearing to a later date or to later dates, the returned assessment ballots will be opened and tabulated, both in support of and in opposition to the assessment, with assessment ballots being weighted in accordance with the amount of the proposed assessment, and the results will be announced; provided that, in the event the Authority requires opportunity to determine (a) whether any assessment ballot has been properly signed by an owner or authorized representative of an owner or (b) any other matter respecting any assessment ballot and its proper treatment in the assessment ballot procedure, the Authority reserves entitlement to continue the matter of announcing results to provide the Authority with such opportunity.

In the event that assessment ballots in opposition exceed assessment ballots in support, there will be a "majority protest," and the Authority will be precluded from proceeding with the proposed assessment.

10. Property owners wishing to preserve the opportunity to file a lawsuit challenging the assessment, if levied, are required by law to file a written protest with the Authority (in care of the Program Administrator) and to state therein the specific grounds of protest. Any grounds of protest not stated in a written protest filed with the Authority (in care of the Program Administrator) prior to the close of the public hearing of protests are deemed waived in any subsequent lawsuit and may not be raised in such lawsuit.

DATED: \_\_\_\_\_

---

Secretary, California Statewide  
Communities Development Authority

Enclosures: Preliminary Engineer's Report  
Official Property Owner Assessment Ballot

**APPENDIX L**  
**Form of Recorded Notice of Assessment**

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

\_\_\_\_\_, Secretary  
California Statewide Communities  
Development Authority  
c/o David Taussig & Associates, Inc.  
110 West San Fernando Street, Suite 430  
San Jose, CA 95113  
Attention: \_\_\_\_\_

NOTICE OF ASSESSMENT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
ASSESSMENT DISTRICT NO. \_\_\_\_\_  
FOR THE COUNTY OF \_\_\_\_\_  
(STATE OF CALIFORNIA)

Pursuant to the requirements of Section 3114 of the Streets and Highways Code of the State of California, the undersigned Secretary of the California Statewide Communities Development Authority (the "Authority") hereby gives notice that a Diagram and Assessment were recorded in the office of the Superintendent of Streets of said Authority, as provided in said Section, and relating to the following described property:

The lots, pieces or parcels of land as shown on the Assessment Diagram for the California Statewide Communities Development Authority Assessment District No. \_\_\_\_\_ for the County of \_\_\_\_\_, State of California, which was filed for record in the office of the County Recorder of the County \_\_\_\_\_ on \_\_\_\_\_, 20\_\_, in Book \_\_\_\_\_ of Maps of Assessment and Community Facilities Districts at Page(s) \_\_\_\_\_ thereof.

NOTICE IS FURTHER GIVEN that upon the recording of this notice in the office of the County Recorder, the several assessments assessed upon the lots, pieces or parcels of land shall become a lien upon the lots or portions of lots assessed, respectively.

Reference is made to the Assessment Diagram hereinabove referred to and the Assessment Roll recorded in the office of the Superintendent of Streets of said Authority on \_\_\_\_\_, 20\_\_\_. Said Assessment Roll recorded in the office of the Superintendent of Streets is referred to determine the amount of each assessment levied against each parcel of land shown upon the assessment diagram.

A list of the names of the assessed owners as they appear on the latest secured assessment roll, or as known to the undersigned Secretary, is attached hereto and made a part hereof.

NOTICE IS FURTHER GIVEN that, pursuant to Section 10204(f) of said Streets and Highways Code, the Authority has reserved entitlement to impose an annual assessment, which is in addition to the installment otherwise payable on account of each unpaid assessment, to pay costs incurred by the Authority and not otherwise reimbursed which result from the administration and collection of assessments or from the administration or registration of any associated bonds and the reserve fund or other related funds; provided that such additional annual assessment shall not exceed the maximum amount prescribed therefor in the written engineer's report for these assessment proceedings.

Dated: \_\_\_\_\_

CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
\_\_\_\_\_, Secretary

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
ASSESSMENT DISTRICT NO. \_\_\_\_\_  
FOR THE COUNTY OF \_\_\_\_\_  
STATE OF CALIFORNIA

<u>Assessment No.</u>	<u>Assessor Parcel Number</u>	<u>Name of Property Owner</u>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		

**APPENDIX M**  
**Form of Published Notice of Recording of Assessment**

NOTICE OF ASSESSMENT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
ASSESSMENT DISTRICT NO. \_\_\_\_\_  
FOR THE COUNTY OF \_\_\_\_\_  
STATE OF CALIFORNIA

On \_\_\_\_\_, special assessments for the financing of public improvement districts in the California Statewide Communities Development Authority (the "Authority") Assessment District No. \_\_\_ for the County of \_\_\_\_\_, State of California (the "Assessment District"), were recorded in the office of the Superintendent of Streets of the Authority. The property owners within the Assessment District have waived their entitlement to pay all or any portion of the assessments levied upon their property in cash within thirty days after the recordation of the assessments in the office of the County Recorder of the County of \_\_\_\_\_. These assessments affect only certain property, the owners of which have voluntarily participated in the Authority's Statewide Community Infrastructure Program. Bonds will be issued according to the Improvement Bond Act of 1915 representing unpaid assessments and bearing interest at a rate not to exceed 12% per year. Thereafter, unpaid assessments will be payable in installments of principal and interest over a period of not to exceed thirty (30) years.

Dated: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, Secretary  
California Statewide Communities  
Development Authority



**APPENDIX N**  
**Form of Local Agency Closing Certificate**

**LOCAL AGENCY CLOSING CERTIFICATE**  
**([Local Agency])**

**California Statewide Communities Development Authority**  
**Statewide Community Infrastructure Program Revenue Bonds**  
**Series 20\_\_\_\_**

This Local Agency Closing Certificate is executed and delivered by the undersigned on behalf of the [Local Agency] (the “Local Agency”) with respect to the financing pursuant to the Statewide Community Infrastructure Program (“SCIP”) of certain capital improvements required (the “Improvements”) and certain development impact fees levied by the Local Agency (the “Eligible Impact Fees”) for certain development projects (the “Projects”) located on real property within the planning jurisdiction of the Local Agency (the “Assessed Parcels”), all as described in Schedule I.

The undersigned is an authorized representative of the Local Agency, and is acting for and on behalf of the Local Agency in executing this Certificate. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the certifications and expectations as set forth herein, and said certifications and expectations are reasonable.

In connection with the issuance of the above referenced bonds (the “Bonds”), the Local Agency hereby represents, warrants and certifies as follows:

1. With respect to each Assessed Parcel and the Projects to be constructed thereon, each of the following is true to the best knowledge of the undersigned without undertaking any investigation or inquiry:
  - a. The Projects have been approved by the Local Agency and have received all discretionary development permits and approvals (including, as applicable, general and specific plans, zoning, tentative or final subdivision maps, development agreements, use permits and other discretionary permits, but not including design review and approval related to architectural features, landscaping or similar items) required to be issued by the Local Agency.
  - b. There is no legal impediment or limitation which would prevent the Projects from going forward as approved in a timely fashion.
  - c. The provisions of the California Environmental Quality Act have been complied with in connection with the approvals described in subparagraph (a) above.

- d. There is no litigation pending or to the knowledge of the Local Agency threatened which challenges the development of the Projects or the Local Agency's participation in SCIP nor is there any basis therefor.
  - e. The owners of the Assessed Parcels are not delinquent in the payment of any tax, assessment, fee or charge levied by the Local Agency on or as a result of the ownership or development of the Assessed Parcels.
2. The resolution of the Local Agency by which it joined SCIP and the resolution of the Local Agency by which it approved the form of acquisition agreement were duly adopted by the governing body of the Local Agency, have not been amended, modified, repealed or rescinded and are in full force and effect as of the date hereof.
  3. The Local Agency is a member in good standing of the California Statewide Communities Development Authority.
  4. The Tax Certifications attached hereto as Exhibit A are true and correct.
  5. The Improvements to be acquired by the Local Agency were either (i) in existence and installed in place on or before [Adoption Date of Resolution of Intention], the date the California Statewide Communities Development Authority adopted its resolution of intention for the above referenced district, or (ii) were constructed as if they had been constructed under the direction and supervision or under the authority of the Local Agency.

Dated: [Program Series Closing Date]

[LOCAL AGENCY]

---

Authorized Representative

**SCHEDULE I**

Name of Local Agency: [City of \_\_\_\_/County of \_\_\_\_]

SCIP Program Series: Series 20\_\_

County Location: [County]

<u>Property Owner Name(s)</u>	<u>Assessed Parcel (APN)</u>	<u>Assessment Liens Imposed*</u>
		\$
	TOTAL:	\$

Allocation Between Improvement Costs and Eligible Impact Fees (per Exhibit B of the Engineer's Report for the County of [County]):

1. Improvement Costs \$
2. Eligible Impact Fees \$

---

\* Not to exceed

## EXHIBIT A

### LOCAL AGENCY TAX CERTIFICATION

The Local Agency hereby makes the following representations of facts and expectations and covenants to comply with the requirements of this Tax Certification in connection with its participation in the Statewide Community Infrastructure Program (the “Program”) Revenue Bonds, Series 20 \_\_, in an aggregate amount \$ \_\_\_\_\_ (the “Participation”). The representations and covenants contained in this Tax Certification are in furtherance of the requirements of the Program and are designed to support the conclusion that the interest paid on the bonds issued to fund the Program and the Participation (the “Bonds”) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”).

1.1 Use of Facilities. The proceeds of the Participation (the “Proceeds”) will be used to finance the construction or acquisition of certain public improvements (the “Facilities”). The Local Agency or another state or local government agency will own, and for the entire useful life of the Facilities reasonably expects to own, all of the Facilities. To the extent any of the Facilities are sold to an entity that is not a state or local government agency, the procedures outlined in the SCIP Reference Manual will be followed. The Local Agency will not allow any of the Proceeds or any of the Facilities to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public) and will not loan any of the Proceeds. All of the Facilities will be used in the performance of essential governmental functions of the Local Agency or another state or local government agency.

The average expected useful life of the Facilities is at least \_\_\_ years.

1.2 Timing of Expenditures. The Local Agency reasonably expects that all of the Proceeds will be spent for the governmental purpose of the Participation within three years. In addition, the Local Agency reasonably expects that at least 5% of the Proceeds will be spent, or that the Local Agency will incur a binding obligation to a third party involving an expenditure of such amount, within six months. The Local Agency reasonably expects that construction or acquisition of the Facilities will proceed with due diligence to completion and that the allocation of proceeds to expenditures for the Facilities will proceed with due diligence. None of the Proceeds will be used to pay principal of or interest on any obligations.

1.3 Expenditure of Proceeds. Proceeds and other deposits under the Program are not treated as spent on the Facilities until the Local Agency makes a transfer to a person unrelated to the Local Agency and such transfer represents a payment for the Facilities. A payment for the Facilities will occur if Proceeds or other deposits under the Program are transferred from the Local Agency Account (as defined in the Trust Agreement relating to the Participation) either (a) to the Local Agency and actually used to make a payment to a person unrelated to the Local Agency no later than three days

after the transfer or (b) directly to a third party at the direction of the Local Agency to pay the cost of the Facilities, or (c) to the Local Agency to reimburse the Local Agency for costs of the Facilities paid before the date of the transfer. To the extent Proceeds or other deposits under the Program are transferred to the Local Agency to reimburse the Local Agency for costs of Facilities paid before the date of the transfer, Proceeds will only be treated as spent if (i) such costs were originally paid no earlier than 60 days before the date of the reimbursement declaration related to such transfer attached hereto as Exhibit B, and (ii) the disbursement of Proceeds to reimburse for such costs occurs within 18 months of the date the costs were paid or 18 months of the date the respective Facilities was placed in service (whichever is later), but in no case more than 3 years after the date the costs were paid by the Local Agency.

**APPENDIX O**  
**Arbitrage Rebate and Yield Restriction Services**

The Program Administrator will provide the following services (the “Arbitrage Services”) to the Authority, subject to the conditions and limitations set forth herein.

The Program Administrator will calculate the amount of arbitrage rebate and yield restriction liability with respect to the Bonds once per year as of the end of each bond year and as of the final maturity or redemption of the Bonds (each such date on which an arbitrage rebate and/or yield restriction calculation is performed is referred to herein as a “Calculation Date”) applying regulations of the United States Department of the Treasury in effect on such Calculation Date.

Within 60 days of each Calculation Date, the Program Administrator will prepare or cause to be prepared schedules reflecting the relevant calculations and the assumptions involved and will deliver a rebate liability report (“Rebate Report”) and a yield restriction report (“Yield Restriction Report”), if applicable, addressed to the Authority, as to the amount of the rebate liability and yield restriction liability as of such Calculation Date. Each Rebate Report and Yield Restriction Report will include a legal opinion provided by SCIP Counsel to the effect that such report is based on calculations performed in accordance with applicable federal law and regulations.

The Program Administrator is not obligated to undertake any of the following: (1) independently determine whether there were “prohibited payments” or “imputed receipts” within the meaning of the Treasury Regulations; (2) perform calculations or other research as to the desirability of elections or selections that may be available under applicable federal tax law; (3) review the tax-exempt status of interest on the Bonds or any other aspect of the Bonds except to the extent of the Arbitrage Services set forth in this Appendix; and (4) except as otherwise set forth herein, update any report delivered hereunder because of events occurring, changes in regulations, or data or information received, subsequent to the date of delivery of such report.

In addition, the Program Administrator will be entitled to rely entirely on information provided by the Authority and/or its agents and assigns without independent verification for the purpose of providing the Arbitrage Services.

**APPENDIX P**  
**Continuing Disclosure Services**

**SERVICES PROVIDED BY AUTHORITY**

The Authority will provide or cause to be provided to the Program Administrator prompt notice of any one of the following Specified Events as and when they occur: (1) non-payment related defaults; (2) adverse tax opinions or events affecting the tax-exempt status of the Bonds (provided, however, that notice to bond counsel of information regarding any Internal Revenue Service inquiry regarding the Bonds shall be sufficient transmission of information regarding this specified event); and (3) modifications to rights of bondholders (provided, however, that notice to bond counsel of information regarding such proposed modifications to rights of bondholders regarding the Bonds shall be sufficient transmission of information regarding this specified event).

The Authority will also provide to the Program Administrator all information required by the Continuing Disclosure Agreement or requested by the Program Administrator in order to provide the services specified herein; any certifications the Program Administrator may request regarding the accuracy, completeness and fairness of such information or of any Disclosure; and any other assistance reasonably requested by the Program Administrator. Whether or not any such certifications are requested or cover any specified information, the Authority represents that all information provided to the Program Administrator will be accurate, complete and fair, and the Program Administrator shall be entitled to rely, without independent investigation, entirely on the accuracy, completeness and fairness of all information provided by the Authority and/or its officers, employees, agents, attorneys, accountants, engineers and consultants.

**SERVICES TO BE PROVIDED BY PROGRAM ADMINISTRATOR**

The Program Administrator will provide the following services on behalf of the Authority, subject to the conditions and limitations set forth herein.

*I. With respect to each Annual Report:*

- (1) Determine from the Continuing Disclosure Agreement what categories of information are required to be included in the Annual Report, about which obligated persons, by whom and by when it must be provided to the Municipal Securities Rulemaking Board (the “MSRB”).
- (2) Assist the officers or employees of the Authority designated with responsibility for continuing disclosure to assemble information necessary for the Annual Report.

- (3) Review material compiled to determine whether it covers the categories referred to in (1) above. Make appropriate follow-up inquiries based on the information compiled.
- (4) Circulate proposed form of Annual Report to the SCIP Trustee and the Authority for review and comment; make appropriate revisions.
- (5) Prepare and circulate for execution appropriate certifications of the Authority and others regarding information included in the Annual Report.
- (6) Submit or confirm submission of the Annual Report to the MSRB.
- (7) Maintain, or cause to be maintained, for at least six (6) years, a record of the Annual Report submitted to the MSRB.

*II. With respect to each of the events specified in the Continuing Disclosure Agreement (each, a "Specified Event") requiring timely reporting and subject to the provisions contained in the introductory part of this Appendix regarding the transmission of prompt notice of certain specified events to the Program Administrator:*

- (1) Upon request by the Authority or SCIP Trustee, assist in determining whether an event brought to the attention of the Program Administrator by the Authority or the SCIP Trustee is a Specified Event requiring reporting pursuant to the Continuing Disclosure Agreement if material and, if so, whether such Specified Event is material.
- (2) Provide appropriate instructions to the SCIP Trustee or other person designated by the Continuing Disclosure Agreement to provide notice of Specified Events determined to be material.
- (3) Assist in preparation of the notice concerning any Specified Event determined to be material.
- (4) After appropriate execution by the Authority, submit or confirm submission of the material Specified Event notice to the MSRB.
- (5) Maintain, or cause to be maintained, for at least six (6) years, a record of the Specified Event notice submitted to the MSRB.



**APPENDIX Q**  
**SCIP Disbursement Form**

To: BLX Group LLC  
SCIP Program Administrator  
777 S. Figueroa St., Suite 3200  
Los Angeles, California 90017  
Attention: Vo Nguyen  
Phone: 213-612-2152  
Fax: 213-612-2499

Re: 20[ ] Statewide Community Infrastructure Program ("SCIP") Financing

**Project Name:** \_\_\_\_\_  
**Assessment District:** \_\_\_\_\_

The undersigned, a duly authorized officer of the [LOCAL AGENCY] hereby requests a disbursement from the [LOCAL AGENCY] Fees Subaccounts associated with the above captioned financing and certifies that the amounts of development impact fees financed thereby and listed below have been or will be spent by the [LOCAL AGENCY] for public capital improvements as of the date indicated below or within 5 days thereafter:

<b>Subaccount(s)</b>	<b>Amount</b>
Total:	

Wiring Instructions:

The undersigned hereby additionally certifies as follows:

1. The use to which these funds have been or will be put is a permitted use pursuant to the fees indicated for public capital improvements, and this disbursement is not being made for the purpose of reinvestment.
2. None of the expenditures for which payment is requested have been reimbursed previously from other sources of funds.
3. If the Total amount above is greater than the funds held by SCIP on behalf of the [LOCAL AGENCY], the Program Administrator is authorized to amend the amount requested to be equal to the amount of such funds.

4. To the extent the disbursement is being made prior to the date the bonds have been issued, this disbursement form serves as the declaration of official intent of the [LOCAL AGENCY], pursuant to Treasury Regulations 1.150-2, to reimburse itself with respect to expenditures made from the Fees Sub-accounts referenced above in the amount requested.

Unless amended by prior written notice to the Program Administrator, the disbursement amount shall be forwarded to the financial institution and account provided to the Program Administrator as part of the [Local Agency] SCIP enrollment materials.

Dated: \_\_\_\_\_

[LOCAL AGENCY]

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **APPENDIX R**

### **SCIP Investment Policy**

#### ***Introduction***

The purpose of this Investment Policy (the “Policy”) is to establish cash management and investment guidelines for the Program Administrator, who is responsible for the prudent investment of public funds held in SCIP. All investments will comply with Federal and State investment regulations and bond covenants applicable to any debt issued as part of SCIP.

#### ***Scope***

This Policy applies to all SCIP-related funds.

#### ***Standard of Care***

California Government Code Section 53600.3 states that “... all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

The Program Administrator in the management of SCIP funds shall use the “Prudent Investor” standard. The Program Administrator acting in accordance with this Policy, written portfolio guidelines and procedures and exercising due diligence shall be relieved of personal responsibility for individual security’s credit risk or market price changes, provided deviations from expectations are reported in the quarterly investment reports to the Authority, and appropriate action is taken to control adverse developments.

The Program Administrator and its employees shall refrain from all personal business activity that could conflict with the management of the investment program. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing SCIP funds, the Program Administrator shall act with the care, skill, prudence and diligence to meet the aims of the Investment Objectives listed in order in “Investment Objectives,” below.

## ***Investment Objectives***

SCIP funds shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific investment objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

### **1. Safety**

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk. The Program Administrator may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions.

### **2. Liquidity**

Investments shall provide sufficient liquidity and flexibility to enable the Program Administrator to provide funds to the participating Local Agencies for permissible governmental purposes on an as requested basis. Flexibility may be achieved in a number of ways, which may include purchasing sufficient short-maturity investments, purchasing investments that are readily marketable to a large number of securities dealers, etc.

### **3. Yield**

The Program Administrator will take prudent steps to maximize the retainable earnings of all SCIP monies after meeting the requirements of safety and liquidity.

## ***Permitted Investments***

### **1. Direct Obligations of the United States of America**

United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

### **2. Federal Agency Obligations**

Federal Agency obligations shall be limited to obligations issued by Banks for Cooperatives, Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, the Federal Home Loan Bank Board, the Tennessee Valley District, or in obligations, participations, or other instruments of, or issued by, or guaranteed as to principal and interest by the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise, or such agencies or enterprises which may be created.

### 3. Negotiable Certificates of Deposit

Negotiable Certificates of Deposits shall be limited to issuers with the highest short-term ratings by both Standard & Poor's and Moody's rating agencies with a maximum maturity of one year.

### 4. Commercial Paper

Commercial paper rated in the highest short-term rating category, as provided by Moody's Investors Service, Inc. and Standard & Poor's Corporation; provided that the issuing corporation is organized and operating within the United States, has total assets in excess of \$500 million and has an "A" or higher rating for its long-term debt, if any, as provided by Moody's or Standard & Poor's.

Purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation.

Purchases of commercial paper may not exceed 15 percent of SCIP's portfolio; provided, however, that an additional 15 percent, or a total of 30 percent of the SCIP's investment portfolio, may be invested only if the dollar-weighted average of the entire amount does not exceed 31 days.

### 5. Bankers' Acceptances

Bankers' Acceptances shall be limited to issuers with the highest short-term ratings by both Standard & Poor's and Moody's. The maximum maturity shall be 180 days or less. A maximum of 40% of SCIP's funds may be invested in Bankers' Acceptances, with a maximum of 20% of SCIP's funds in Bankers' Acceptances of any one commercial bank.

### 6. Money Market Mutual Funds

Shares of beneficial interest shall be limited to shares issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.) as long as the company shall have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

### 7. Repurchase Agreements

Repurchase Agreements shall be limited to the following conditions:

- With any domestic bank the long term debt of which is rated "AA" or better by S&P and "Aa2" by Moody's (so long as an opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA), or any foreign bank rated at least "AA" by S&P and "Aaa" by Moody's or "AAA" by S&P and at least "Aa" by Moody's.

- With (i) any broker-dealer with “retail customers” which has, or the parent company of which has, long-term debt rated at least “AA” by S&P and “Aa” by Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investor’s Protection Corp. (SIPC);
- With any corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt of the guarantor, or in the case of a monoline financial guaranty insurance company the claims paying ability of the guarantor, is rated at least “AA” by S&P and “Aa” by Moody’s; provided that;
- The market value of the collateral is maintained for United States Treasury Obligations and Government National Mortgage Association Obligations at 104% of the invested balance, and for Federal National Mortgage Association Senior debt obligations and Federal Home Loan Mortgage Corporation Senior debt obligations at 105% of the invested balance, such collateral must also meet the Further Collateral Requirements below;
- Failure to maintain the requisite collateral percentage will require the Program Administrator or the SCIP Trustee to liquidate the collateral;
- The SCIP Trustee, or a third party acting solely as agent therefor (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);
- The repurchase agreement states, and an opinion of counsel is rendered to the effect, that the SCIP Trustee has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in case of bearer securities, this means the Holder of the Collateral is in possession);
- The transferor represents that the collateral is free and clear of any third-party liens or claims;
- An opinion is rendered that the repurchase agreement is a “repurchase agreement” as defined in the United States Bankruptcy Code;
- There is or will be a written agreement governing every repurchase transaction;
- The SCIP Trustee represents that it has no knowledge of any fraud involved in the repurchase transaction; and
- The SCIP Trustee receives an opinion of counsel (which opinion shall be addressed to the SCIP Trustee) that such repurchase agreement is legal, valid and binding and enforceable against the provider in accordance with its terms.

8. Local Agency Investment Fund (LAIF)

9. State Obligations

State obligations shall be limited to the following:

- Direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated “A2” by Moody’s and “A” by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.
- Direct, general short-term obligations of any state agency or subdivision described in (a) above and rated “A-1+” by S&P and “Prime-1” by Moody’s.
- Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above rated “AA” or better by S&P and “Aa2” or better by Moody’s.

#### 10. Forward Purchase Agreements

With regard solely to the investment of proceeds of the Bonds, the Program Administrator may direct the SCIP Trustee to enter into Forward Purchase Agreements subject to the following requirements:

- Each Forward Purchase Agreement shall comply with any applicable provisions of law or of the bond documents;
- The Program Administrator may provide letters of direction and representation to the SCIP Trustee and to the provider of each Forward Purchase Agreement; and
- Each Forward Purchase Agreement shall only provide for the purchase by the SCIP Trustee of investments described under paragraphs 1, 2 and 4 of Permitted Investments above, at the times and in the amounts appropriate for the applicable bond reserve or debt service fund.

#### 11. Investment Agreements

With regard solely to the investment of proceeds of the Bonds, the Program Administrator may direct the SCIP Trustee to enter into Investment Agreements subject to the following requirements:

- Each Investment Agreement will limited to agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or in the case of a guaranteed corporations the long-term debt of the guarantor, or in the case of a monoline financial guaranty insurance company t the claims paying ability of the guarantor, is rated at lest “AA” by S&P and” Aa2” by Moody’s; provided, that prior written notice of an investment in the investment agreement is provided to S&P and Moody’s and, provided, further, by the terms of the investment agreement.

- Interest payments are to be made to the SCIP Trustee at times and amounts as necessary to pay debt service on the Bonds;
- the invested funds are available for withdrawal without penalty or premium, at any time for purposes identified in the SCIP Manual of Procedures other than acquisition of alternative investment property upon not more than seven days prior notice;
- the Investment Agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;
- the SCIP Trustee and the Authority shall receive the opinion of domestic counsel (which opinion shall be addressed to the Authority) that such Investment Agreement is legal, valid and binding and enforceable against the provider in accordance with its terms and of foreign counsel (if applicable);
- the Investment Agreement shall provide that if during its terms (a) the provider's or the guarantor's rating by either S&P or Moody's is withdrawn or suspended or falls below "AA" or "Aa2", respectively, or, with respect to a foreign bank, below the ratings of such provider at the delivery date of the investment agreement, the provider must, at the direction of the Authority or the SCIP Trustee within 10 days of receipt of such direction, either (1) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the SCIP Trustee or a Holder of the Collateral, United States Treasury Obligations at 104% of the invested balance which are free and clear of any third-party liens or claims and which meets the Further Collateral Requirements below; or (2) repay the principal of and accrued but unpaid interest on the investment (the choice of (1) or (2) above shall be that of the SCIP Trustee), and (B) the provider's or the guarantor's rating by either Moody's or S&P is withdrawn or suspended or falls below "A", or, with respect to a foreign bank, below, "AA" or "Aa2" by S&P or Moody's, as appropriate, the provider must, at the direction of the Program Administrator or the SCIP Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Program Administrator or SCIP Trustee.
- The investment agreement shall state, and an opinion of counsel shall be rendered to the effect, that the SCIP Trustee has perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the SCIP Trustee is in possession); and
- The investment agreement must provide that if during its term (A) the provider shall default in its payment obligations, the provider's obligation under the investment agreement shall, at the direction of the Program Administrator or the SCIP Trustee, be accelerated and amounts invested and



accrued but unpaid interest thereon shall be repaid to the Program Administrator or SCIP Trustee, as appropriate, and (B) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. (“event of insolvency”), the provider’s obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Program Administrator or SCIP Trustee, as appropriate.

### ***Prohibited Investments***

This Policy specifically prohibits the investment of any funds in the following derivative securities as defined in Gov. Code Sec. 53601.6:

Any security that derives its value from an underlying instrument, index, or formula. The derivative universe includes, but is not limited to, structured and range notes, securities that could result in zero interest accrual if held to maturity, variable rate, floating rate or inverse floating rate investments, and mortgage derived interest or principal only strips.

### ***Reporting Requirements***

The Program Administrator shall submit quarterly investment reports to the Authority. The Reports shall include, at a minimum, the following information for each individual investment:

- Description of investment instrument
- Issuer Name
- Yield on cost
- Purchase Date
- Maturity Date
- Purchase Price
- Par Value
- Current market value and the source of the valuation

The quarterly report shall also state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance. The quarterly report shall be submitted within thirty days following the end of the quarter.

The Program Administrator shall also provide quarterly reports to the Local Agencies detailing each Local Agency’s funds on deposit with SCIP.

### ***Safekeeping and Custody***

The assets of SCIP shall be secured through the third-party custody and safekeeping procedures. Bearer instruments shall be held only through third-party institutions. All securities transactions shall settle “delivery versus payment” through the safekeeping agent.

### ***Review of Policy***

The Policy and compliance of the investment portfolio with the Policy shall be reviewed annually by the Authority.

### ***Delegation of Authority***

Responsibility for the implementation of the investment program is hereby delegated to the Program Administrator, who shall establish and act in accordance with written procedures and internal controls for the operation of the investment program consistent with this investment policy. The Program Administrator shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of any subordinate officials, including the establishment of an investment committee. The Program Administrator may also retain and consult with legal, financial and other investment professionals and advisors.

**APPENDIX S**  
**Form of Initial Demand Letter of Delinquent Property Owner**

Date

Property Owner Name  
Address  
City, State ZIP

Re:

California Statewide Communities Development Authority  
Statewide Community Infrastructure Program  
CSCDA SCIP Assessment District No. \_\_\_\_\_  
County of \_\_\_\_\_ Assessor's Parcel Number \_\_\_\_\_

Dear Property Owner:

Your property identified by the referenced assessor's parcel number (the "Parcel") is part of the referenced Assessment District. The **California Statewide Communities Development Authority** (the "Authority") formed the Assessment District under the *Municipal Improvement Act of 1913* and sold bonds under the *Revenue Bond Act* to finance improvements benefiting the Parcel, and each year your assessment for these improvements is placed on your **County** (the "County") property tax bill. Please notify this office immediately if you no longer own the Parcel.

According to data obtained from the County Tax Collector's Office, the first [and/or second] installment of the \_\_\_\_\_ tax year assessments for the Parcel were not paid as of \_\_\_\_\_. If you have recently paid this installment to the County, please disregard this reminder.

If, however, this installment is still unpaid, kindly remit payment of same to the County Tax Collector's Office, [Address] [, or you may pay on-line at www.\_\_\_\_\_]. For information about your tax bill, please contact the County Tax Collector at [Phone Number]. If you have any other questions, please contact the undersigned at (\_\_\_\_) \_\_\_\_\_.

Very truly yours,

[Assessment Administrator]

Delinquency Management

**APPENDIX T**  
**Form of Second Letter of Delinquent Owner**

Date \_\_\_\_\_

Property Owner Name \_\_\_\_\_  
Address \_\_\_\_\_  
City, State ZIP \_\_\_\_\_

Re: California Statewide Communities Development Authority  
Statewide Community Infrastructure Program  
CSCDA SCIP Assessment District Number \_\_\_\_\_  
County of \_\_\_\_\_ Assessor's Parcel Number \_\_\_\_\_

Dear Property Owner:

Your property, identified by the referenced assessor's parcel number (the "Parcel"), is part of the referenced Assessment District. The **California Statewide Communities Development Authority** (the "Authority") formed the Assessment District under the *Municipal Improvement Act of 1913* and sold bonds under the *Revenue Bond Act* to finance improvements benefiting the Parcel, and each year your assessment for these improvements is placed on your **County** (the "County") property tax bill. Please notify this office immediately if you no longer own the Parcel.

According to data obtained from the County Tax Collector's Office, the installment(s) of your Tax Bill for the Parcel for the \_\_\_\_\_ tax year, were not paid as of \_\_\_\_\_. If you have recently paid these installment(s) to the County Tax Collector, please disregard this demand. If, however, these installment(s) are still unpaid, you are being advised that if payment is not made to the County Tax Collector within **thirty (30) days** from the date of this letter, the Authority may authorize the removal of the delinquent special assessment portion of your Tax Bill from the County tax roll in order to start a judicial foreclosure action against the Parcel to collect the special assessment portion of your Tax Bill, in accordance with applicable law. The costs of the removal and the legal fees and expenses occasioned by the judicial foreclosure action are substantial, and will be added to the amounts required for you to redeem (cure) the delinquent special assessments. It is to your advantage to pay your taxes promptly so that you will not incur these expenses.

You can prevent the removal and foreclosure from taking place by paying your entire Tax Bill to the County Tax Collector within **thirty (30) days** from the date of this letter. Kindly remit your tax payment to the County Tax Collector's Office, [Address] [Address], [or you may pay on-line at [www.\\_\\_\\_\\_\\_](http://www._____)]. For information about your tax bill, please contact the County Tax Collector at [Phone Number].

Your immediate attention to this matter is urged. Should you need further assistance, please contact the undersigned at (\_\_\_\_) \_\_\_\_\_.

Very truly yours,

[Assessment Administrator]

Delinquency Management

**APPENDIX U**  
**Form of Lender Demand Letter**

Date

Lender Name  
Address  
City, State ZIP

**Re:** *California Statewide Communities Development Authority*  
*Statewide Community Infrastructure Program*  
*CSCDA SCIP Assessment District Number* \_\_\_\_\_  
*County of* \_\_\_\_\_, *Assessor's Parcel Number* \_\_\_\_\_

Ladies and Gentlemen:

Our firm is the special assessment administrator of the California Statewide Communities Development Authority (the "Authority") with respect to the [name of assessment district] (the "District"). The property described above is subject to a lien in the District that is delinquent in the amount of \$\_\_\_\_\_. The Authority has issued bonds secured by this lien, and has covenanted for the benefit of the bondholders to foreclose any delinquent assessment liens in order to provide funds to pay debt service on the bonds.

Official records show that you have made a loan to the owner of this property, which is secured by a mortgage or deed of trust on the property. We have sent reminder and demand letters to the owner of record of this property on [dates] and the delinquency remains unpaid. We hereby inform you that if the delinquent amount is not cured within 30 days of the date of this letter, the Authority will engage counsel and commence a foreclosure action in Superior Court to enforce the lien. **This assessment lien is senior to your mortgage or deed of trust by operation of law, and if the lien is foreclosed, your mortgage or deed of trust will be extinguished.** If the Authority is forced to commence foreclosure, there will be immediate legal, title and filing costs attached to this lien in an amount estimated to be approximately \$\_\_\_\_\_, and further legal and other costs will be incurred as the foreclosure process continues. All of these costs are recoverable in the foreclosure judgment and will be added to the delinquent assessment amount. In addition, the delinquent assessment bears interest at the rate of 1.5% per month (18% per year).

Should you wish to cure this delinquency and forestall the actions described above, you can pay the delinquent amount and remain free to proceed against your borrower. For information about your borrower's tax bill, please contact the County Tax Collector at [Phone Number]. If you have any other questions, please contact the undersigned at (\_\_\_\_) \_\_\_\_\_.

Please take prompt action in order to avoid additional fees and expenses and protect your security interest in the property.

Sincerely,

[Assessment Administrator]

Cc: [Property Owners]

**APPENDIX V**  
**Form of Disclosure Notice to Subsequent Purchasers**

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM  
ASSESSMENT DISTRICT NO. \_\_\_\_\_  
(COUNTY OF \_\_\_\_\_, CALIFORNIA)

TO: The prospective purchaser of the real property known as:  
Lot No. \_\_\_\_\_ Tract No. \_\_\_\_\_.

**THIS IS A NOTIFICATION TO YOU PROVIDED PRIOR TO, OR AT THE TIME OF, PURCHASE OF THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE, AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.**

The California Statewide Communities Development Authority has established an Assessment District which includes the area in which the new home you are considering purchasing is located. The purpose of the Assessment District is to pay for certain public capital improvements and certain development impact fees imposed as a condition to the development of your prospective new home. Those fees have paid or will pay for the design and construction of major infrastructure such as streets, sewers, storm drain improvements, water systems, parks, a fire station, utilities, and other improvements which benefit the community in general, and the property you are considering purchasing in particular. These improvements may not yet have been constructed or acquired and it is possible that some may not be constructed or acquired.

The amount of the Assessment District lien is directly proportional to the estimated benefit your property receives from the public capital improvements plus the amount of the development impact fees which were imposed on your prospective new home and which were financed through the Assessment District. The Assessment District lien is in addition to the regular property taxes and other charges and benefit assessments on the parcel. The Assessment District lien will be added to the real estate property tax bill distributed annually to each property owner within the Assessment District boundary. The maximum annual amount of this assessment in fiscal years 20\_\_ to 20\_\_ and following will be approximately \$\_\_\_\_\_. If you fail to pay the Assessment District lien when due, the property may be foreclosed upon and sold.

The estimated total principal amount of Assessment District lien applicable to your home (approximately \$\_\_\_\_\_) will be fully amortized over a period of \_\_\_\_\_ years through payments on your real estate tax bill with interest at a rate equal to approximately \_\_\_\_% per year [insert bond rate]. This assessment is used to finance the above mentioned public capital improvements and development impact fees, which were required to be paid in order to allow development on your parcel and which were used to pay for public capital improvements. **YOU SHOULD TAKE THIS LIEN AND THE BENEFITS FROM THE**



**PAYMENT OF THE DEVELOPMENT IMPACT FEES, PUBLIC CAPITAL IMPROVEMENTS AND THE PUBLIC FACILITIES INTO ACCOUNT IN DECIDING WHETHER TO PURCHASE THIS PROPERTY.**

You have the option to pay off the total amount of the Assessment District lien at any time, plus a bond redemption fee. If you wish to pay off the lien in total prior to escrow closing, please notify your escrow officer. If an impound account for taxes and assessments is a requirement of your home loan, you should notify your lender of the total annual amount of the assessment. The annual cost of the special assessments when added to other amounts on your consolidated property tax bill, may exceed the amount collected for the impound account.

You may contact the Authority by calling its Assessment Administrator, \_\_\_\_\_ at telephone number (\_\_\_\_) \_\_\_\_\_ for information concerning the Assessment District or about early assessment district lien retirement after escrow closing.

Please acknowledge receipt of this information at or prior to the time of purchase by signing your name in the space provided below.

Acknowledged:

\_\_\_\_\_

Date

\_\_\_\_\_

Prospective Buyer

\_\_\_\_\_

Date

\_\_\_\_\_

Prospective Buyer

Lot No. \_\_\_\_\_

Tract No. \_\_\_\_\_

**APPENDIX W**  
**Form of Fee Collection Agreement**

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM

This FEE COLLECTION AND DISBURSEMENT AGREEMENT (this “Agreement”), dated as of \_\_\_\_\_ 1, 20\_\_ , by and among the [FEE RECIPIENT] (“Fee Recipient”), a California special district, the [SCIP PARTICIPANT LOCAL AGENCY], a municipal corporation of the State of California (the “SCIP Participant”) and the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (“CSCDA”);

W I T N E S S E T H:

WHEREAS, the Fee Recipient is entitled to receive from time to time certain amounts paid by developers of real property (each a “Developer”) within the jurisdiction of the SCIP Participant as impact fees, connection fees or other capital charges;

WHEREAS, the SCIP Participant is a participant in CSCDA’s Statewide Community Infrastructure Program (“SCIP”);

WHEREAS, as a participant in SCIP, the SCIP Participant has established an account with CSCDA held by Wilmington Trust, National Association, as trustee (the “SCIP Trustee”) and administered by BLX Group LLC (the “SCIP Program Administrator”) in which certain amounts collected on behalf of the SCIP Participant in connection with SCIP are held (the “SCIP Participant SCIP Account”);

WHEREAS, certain fees or capital charges collected by Fee Recipient (the “Fees”) are eligible for financing through SCIP, subject to approval of Bond Counsel (as defined herein);

WHEREAS, the Fees may be paid to Fee Recipient by Developers, for subsequent reimbursement from the proceeds of bonds (the “Bonds”) issued through SCIP, or the Fees may be paid directly to Fee Recipient from proceeds of the Bonds;

WHEREAS, in order to allow the Fees to be financed through SCIP, Fee Recipient has requested that for any Developer which applies for SCIP financing with respect to Fees payable with respect to a development project within the SCIP Participant, SCIP Participant collect the Fees and remit them to CSCDA for deposit in a separate subaccount within the SCIP Participant SCIP Account;

WHEREAS, in accordance with Fee Recipient’s request, and in order to allow the Fees to be financed through SCIP, the SCIP Participant has determined to collect the Fees on Fee Recipient’s behalf and to remit the Fees to CSCDA to be held in a separate subaccount within the SCIP Participant SCIP Account, and to make or cause to be made disbursements from such subaccount in accordance with properly executed requisitions of the Fee Recipient in the form attached as Exhibit B hereto;

NOW, THEREFORE, THE PARTIES HERETO MUTUALLY AGREE AS FOLLOWS:

Section 1. Definitions. As used herein, the following capitalized terms shall have the meanings ascribed to them below:

“Authorized Officer” means (a) when used with respect to CSCDA, any member of the governing board of CSCDA and such additional person or persons, if any, duly designated by CSCDA in writing to act on its behalf, and (b) when used with respect to Fee Recipient, any person or persons duly designated by Fee Recipient in writing to act on its behalf.

“Bond Counsel” means Orrick, Herrington & Sutcliffe LLP, or any other nationally recognized firm appointed by CSCDA to serve as bond counsel in connection with the issuance of Bonds.

“Bonds” means bonds issued by CSCDA to finance development impact fees, including the Fees, in connection with SCIP.

“CSCDA” means the California Statewide Communities Development Authority, its successors and assigns.

“Fee Recipient” means the [Fee Recipient], a California special district.

“Fees” means those certain development-related fees to be financed through SCIP, approved by Bond Counsel and payable from time to time to Fee Recipient.

“SCIP” means the Statewide Community Infrastructure Program, a program of CSCDA.

“SCIP Participant” means the [SCIP Participant Local Agency], California.

“SCIP Participant SCIP Account” means the SCIP Participant’s account with CSCDA held by the SCIP Trustee and administered by the SCIP Program Administrator in which certain amounts collected on behalf of the SCIP Participant in connection with SCIP are held.

“SCIP Funds” means payments of Fees received by Fee Recipient, as more fully described in Section 3, together with all of the investment earnings on such Fees.

“SCIP Program Administrator” means BLX Group LLC, its successors and assigns or any other administrator appointed by CSCDA as the administrator of SCIP.

“SCIP Trustee” means Wilmington Trust, National Association, its successors and assigns.

Section 2. Collection of Fees; SCIP Financing.

(a) Fee Recipient acknowledges that it has the authority to collect and use the Fees for its own benefit. Fee Recipient acknowledges that, subject to approval as set forth in Section 3, the Fees may be financed through SCIP, and agrees to allow the SCIP Participant to collect the Fees from time to time with respect to Developers applying for SCIP financing on the Fee Recipient’s behalf (i) from such Developers prior to the issuance of a particular series of

Bonds, or (ii) from proceeds of a particular series of Bonds following the issuance of such Bonds.

(b) For any Developer applying for SCIP financing of Fees pertaining to a project within the jurisdiction of the SCIP Participant, the SCIP Participant agrees to collect the Fees from time to time for the Fee Recipient's benefit. Upon collection, the SCIP Participant shall remit the Fees to CSCDA, to be deposited as set forth in Section 4.

Section 3. Approval of Fees. The Authorized Officers of Fee Recipient, or their designees, are authorized under this Agreement to approve the financing of Fees through SCIP. No Fee may be financed through SCIP except with the written approval of an Authorized Officer of Fee Recipient or his designee, which approval shall be evidenced by the signature of such Authorized Officer next to each such Fee shown on Exhibit A attached hereto or in such other written form as may be acceptable to the parties hereto. The written approval of an Authorized Officer shall be required only once rather than on a project-by-project basis, and such approval shall constitute approval for the financing of such authorized fees for any and all applications which may be received by CSCDA requesting financing of such authorized fees for a given project.

Section 4. Agreement to Hold Fees in SCIP Participant SCIP Account. CSCDA agrees to receive or cause to be received by the SCIP Trustee the Fees collected by the SCIP Participant on behalf of the Fee Recipient. CSCDA shall establish or cause to be established within the SCIP Participant SCIP Account a separate subaccount (the "[Fee Recipient] Subaccount"). The Fees financed using Bond proceeds shall be deposited in the [Fee Recipient] Subaccount and held there by the SCIP Trustee and segregated from all other funds within the SCIP Participant SCIP Account, and except for investment purposes, shall not be commingled with any other funds held by the SCIP Trustee. Investment earnings on the [Fee Recipient]Subaccount shall be retained in the such subaccount for the benefit of the Fee Recipient except to the extent a portion of such earnings are requested to pay rebate or yield reduction payments to the U.S. Treasury pursuant to the Internal Revenue Code. Amounts on deposit in the [Fee Recipient]Subaccount shall be disbursed only in accordance with Section 5 of this Agreement. All Fees funded through Bond proceeds shall be deemed paid by the Developer in the amount of the Bond proceeds on the date that such Bond proceeds are deposited in the SCIP Participant SCIP Account.

Section 5. Disbursements from SCIP Participant SCIP Account. CSCDA shall disburse or cause to be disbursed moneys on deposit in the [Fee Recipient]Subaccount only as provided herein. Moneys on deposit in the [Fee Recipient]Subaccount shall be disbursed pursuant to written requisitions of the Fee Recipient, in substantially the form attached hereto as Exhibit B and executed by an Authorized Officer of the Fee Recipient. CSCDA, the SCIP Program Administrator and the SCIP Trustee may conclusively rely on such requisitions for purposes of making such disbursements.

All disbursements from the [Fee Recipient] Subaccount to the Fee Recipient shall be made by wire transfer of immediately available funds or by check payable to the Fee Recipient's bank account number at a bank located within the United States on file with the SCIP Trustee, unless another method of payment is requested in writing by the Fee Recipient.

Section 6. Term of this Agreement. This Agreement shall be in full force and effect from this date to and including its termination by mutual written agreement of the parties hereto. CSCDA agrees to terminate this agreement upon request of Fee Recipient upon delivery to CSCDA of an opinion Bond Counsel to the effect that the termination of this Agreement will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 7. Amendment of this Agreement. This Agreement may be amended only by a written instrument executed by the parties hereto; provided that any such amendment shall be conditioned upon delivery to CSCDA of an opinion of Bond Counsel to the effect that such amendment will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 8. Successors in Interest. This Agreement and all of the provisions hereof shall be binding on the parties hereto and their successors and assigns.

Section 9. Third Party Beneficiaries. The SCIP Program Administrator is expressly declared to be a third party beneficiary of this Agreement. No other third party beneficiary of this Agreement is intended or implied. Except as to the express third party beneficiary identified herein, nothing contained in the Agreement shall give or allow any claim or right of action whatsoever by any other third party.

Section 10. Severability. If any section, paragraph, sentence, clause or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Agreement.

Section 11. Choice of Law; Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any legal action arising out of this Agreement shall be filed in and adjudicated by a court of competent jurisdiction in the [SCIP Participant Local Agency], State of California.

Section 12. Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same agreement.

Section 13. Notices. Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to this Agreement shall be addressed to the appropriate party at the addresses set forth below.

Fee Recipient: [Fee Recipient Address]

SCIP Participant: [SCIP Participant Local Agency Address]

CSCDA: California Statewide Communities Development Authority  
1100 K Street, Suite 101  
Sacramento, CA 95814  
Attention: Treasurer

IN WITNESS WHEREOF, each Party has executed this Agreement as of the date set forth beside their signatures below.

Dated: \_\_\_\_\_, 20\_\_

[FEE RECIPIENT]

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Authorized Officer

[LOCAL AGENCY SCIP PARTICIPANT]

---

Authorized Officer

CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY

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Authorized Signatory

**EXHIBIT A TO FORM OF AGREEMENT**

**Approved Fees**

<b>Fee</b>	<b>Project</b>	<b>Expected Amount</b>	<b>Approved by Authorized Officer</b>	<b>Date</b>
		\$		



**EXHIBIT B TO FORM OF AGREEMENT**

**SCIP Disbursement Form**

To: BLX Group LLC  
SCIP Program Administrator  
777 S. Figueroa St., Suite 3200  
Los Angeles, California 90017  
Attention: Vo Nguyen  
Phone: 213-612-2152  
Fax: 213-612-2499

Re: Statewide Community Infrastructure Program

The undersigned, a duly authorized officer of the [Fee Recipient] hereby requests a disbursement from the [Fee Recipient] Subaccount associated with the above captioned financing and certifies that the amounts of development impact fees financed thereby and listed below have been or will be spent by the [Fee Recipient] for public capital improvements as of the date indicated below or within 5 days thereafter:

<b>Subaccount(s)</b>	<b>Amount</b>
----------------------	---------------

Total:

Wiring Instructions:

The undersigned hereby additionally certifies as follows:

1. The use to which these funds have been or will be put is a permitted use pursuant to the fees indicated for public capital improvements, and this disbursement is not being made for the purpose of reinvestment.

2. None of the expenditures for which payment is requested have been reimbursed previously from other sources of funds.

3. If the Total amount above is greater than the funds held by SCIP on behalf of the [Fee Recipient], the Program Administrator is authorized to amend the amount requested to be equal to the amount of such funds.

4. To the extent the disbursement is being made prior to the date the bonds have been issued, this disbursement form serves as the declaration of official intent of the [Fee Recipient], pursuant to Treasury Regulations 1.150-2, to reimburse itself with respect to expenditures made from the Fees Sub-accounts referenced above in the amount requested.

5. The amounts being disbursed pursuant to this request are being used to finance or refinance certain public infrastructure and facilities (the "Improvements"). [Fee Recipient] will own, and for the entire useful life of such Improvements reasonably expects to own, all of such Improvements. To the extent any of such Improvements are sold to an entity that is not a state or local government agency, [Fee Recipient] will seek the advice and approval of bond counsel to the Authority prior to any such sale. [Fee Recipient] will not allow any of such Improvements to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public). All of such Improvements will be used in the performance of essential governmental functions of [Fee Recipient] or another state or local government agency. The average expected useful life of such Improvements is at least 20 years. The representations and covenants contained in this paragraph are intended to support the conclusion that the interest paid on the bonds issued to finance the Improvements is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code").

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

## EXHIBIT C TO FORM OF AGREEMENT

### SCIP Tax Representations

The Fee Recipient hereby makes the following representations of facts and expectations and covenants to comply with the requirements of this Tax Certification in connection with its participation in the Statewide Community Infrastructure Program (the "Program") Revenue Bonds, Series \_\_\_\_, in an aggregate amount (including allocable costs, capitalized interest, reserve fund and original issue premium) of \$\_\_\_\_\_ (the "Participation"). The representations and covenants contained in this Tax Certification are in furtherance of the requirements of the Program and are designed to support the conclusion that the interest paid on the bonds issued to fund the Program and the Participation (the "Bonds") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code").

1.1 Use of Facilities. The proceeds of the Participation (the "Proceeds") will be used to finance the construction or acquisition of certain public improvements (the "Facilities"). The Fee Recipient or another state or local government agency will own, and for the entire useful life of the Facilities reasonably expects to own, all of the Facilities. To the extent any of the Facilities are sold to an entity that is not a state or local government agency, the procedures outlined in the SCIP Reference Manual will be followed. The Fee Recipient will not allow any of the Proceeds or any of the Facilities to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public) and will not loan any of the Proceeds. All of the Facilities will be used in the performance of essential governmental functions of the Fee Recipient or another state or local government agency.

The average expected useful life of the Facilities is at least 20 years.

1.2 Timing of Expenditures. The Fee Recipient reasonably expects that all of the Proceeds will be spent for the governmental purpose of the Participation within three years. In addition, the Fee Recipient reasonably expects that at least 5% of the Proceeds will be spent, or that the Fee Recipient will incur a binding obligation to a third party involving an expenditure of such amount, within six months. The Fee Recipient reasonably expects that construction or acquisition of the Facilities will proceed with due diligence to completion and that the allocation of proceeds to expenditures for the Facilities will proceed with due diligence. None of the Proceeds will be used to pay principal of or interest on any obligations.

1.3 Expenditure of Proceeds. Proceeds and other deposits under the Program are not treated as spent on the Facilities until the Local Agency makes a transfer to a person unrelated to the Local Agency and such transfer represents a payment for the Facilities. A payment for the Facilities will occur if Proceeds or other deposits under the Program are transferred from the Local Agency Accounts (as defined in the Trust Agreement relating to the Participation) either (a) to the Local Agency and actually used to make a payment to a person unrelated to the Local Agency no later than three days after the transfer or (b) directly to a third party at the direction of the Local Agency to pay the cost of the Facilities, or (c) to the Local Agency to reimburse the

Local Agency of costs of the Facilities paid before the date of the transfer. To the extent Proceeds or other deposits under the Program are transferred to the Local Agency to reimburse the Local Agency for costs of Facilities paid before the date of the transfer, Proceeds will only be treated as spent if (i) such costs were originally paid no earlier than 60 days before the date of the respective reimbursement declaration related to such transfer attached hereto as Schedule I, and (ii) the disbursement of Proceeds to reimburse for such costs occurs within 18 months of the date the costs were paid or 18 months of the date the respective Facilities was placed in service (whichever is later), but in no case more than 3 years after the date the costs were paid by the Local Agency.

RAINBOW MUNICIPAL WATER DISTRICT  
NOTICE OF PUBLIC HEARING

Tuesday, May 26, 2020

NOTICE IS HEREBY GIVEN that on May 26, 2020, a public hearing will be held with respect to the proposed participation by the Rainbow Municipal Water District (the "District") in the Statewide Community Infrastructure Program of the California Statewide Communities Development Authority. Participation in said program will enable property owners to finance public capital improvements and/or development impact fees for public capital improvements imposed on new development. Said public capital improvements, if financed, will be among the public capital improvements required in connection with a given development project. Said development impact fees, if financed, will be used by the District to pay for public capital improvements which will serve the District, and which will be of a type and nature authorized under the Municipal Improvement Act of 1913 (codified at California Streets and Highways Code Sections 10000 *et seq.*). Participation in said program does not itself authorize the District to impose additional public capital improvements or new or additional development impact fees on any property owner.

The hearing will commence at 1:00 pm, or as soon thereafter as the matter can be heard, and will be held at 3707 Old Highway 395, Fallbrook, California 92028. Interested persons wishing to express their views on the participation in such program and the financing of public capital improvements and/or development impact fees as described above will be given an opportunity to do so at the public hearing or may, prior to the time of the hearing, submit written comments to 3707 Old Highway 395, Fallbrook, California 92028, Attention: Dawn Washburn.

/s/Dawn Washburn  
Secretary of the Board  
Rainbow Municipal Water District



## BOARD OF DIRECTORS

May 26, 2020

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### SUBJECT

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DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 20-08 — 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 MAY 26, 2020 THROUGH JUNE 30, 2020.

### BACKGROUND

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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.

The job classification for Water Systems Superintendent was reevaluated and updated. Staff recommends changing the title to Water Systems Supervisor to be consistent with other supervisory job titles. Staff has met and conferred with the Exempt Employee Group as required by the Myers-Milias-Brown Act and reached agreement.

Approving Resolution No. 20-08 will change the job title on the salary grade structure.

### DESCRIPTION

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The grade structure included in Resolution No. 20-08 changes and relocates several job titles within the salary grade structure. Resolution No. 20-08 rescinds Resolution No. 20-01.

### POLICY/STRATEGIC PLAN KEY FOCUS AREA

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Updating this document with current information allows the District to comply with CalPERS requirements and California Code of Regulations 570.5 and 571.

### ENVIRONMENTAL

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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

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Resolution 20-08 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. 20-08 as presented.
2. Option 2: Do not approve Resolution No. 20-08. No job title changes will take place as a result of this action.

**STAFF RECOMMENDATION**

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Staff recommends approval of Resolution No. 20-08



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Karleen Harp, COSM  
Human Resources Manager

05/26/2020



**RESOLUTION NO. 20-084**

**RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY RATES OF PAY FOR DISTRICT EMPLOYEES EFFECTIVE ~~JANUARY 28~~MAY 26, 2020 THROUGH JUNE 30, 2020**

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

<b>Non-Exempt Salary Grade</b>	<b>Monthly Salary Range/ Hourly Range</b>	<b>Job Titles</b>
<b>N7</b>	<b>\$6,701.07 - \$9,717.07 /</b> \$38.66 - \$56.06	Customer Service and Communications Supervisor Executive Assistant/Board Secretary Lead Operator Senior Engineering Inspector Technical Services Team Lead
<b>N6</b>	<b>\$5,827.47 - \$8,450.00 /</b> \$33.62 - \$48.75	Crew Leader – Valve Maintenance Crew Leader – Construction & Maintenance Customer Service Supervisor Electronic / Electrical Technician II Information Systems Specialist III System Operator III
<b>N5</b>	<b>\$5,066.53 - \$7,345.87 /</b> \$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
<b>N4</b>	<b>\$4,406.13 - \$6,387.33 /</b> \$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
<b>N3</b>	<b>\$3,830.67 - \$5,555.33 /</b> \$22.10 - \$32.05	Administrative Assistant I Customer Service Representative II 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
<b>N2</b>	<b>\$3,329.73 - \$4,830.80 /</b> \$19.21- \$27.87	Customer Service Representative I Human Resources Assistant
<b>N1</b>	<b>\$2,813.20 - \$4,080.27 /</b> \$16.72 - \$24.25	Interns

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

Resolution No. 20-~~01-08~~ rescinds Resolution No. ~~19-1320-01~~.

**PASSED, APPROVED, AND ADOPTED** in Open Session at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the ~~26<sup>th</sup>~~ day of ~~January~~ May by the following vote, to wit:

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

\_\_\_\_\_  
Helene Brazier, Board President

**ATTEST:**

\_\_\_\_\_  
Dawn Washburn, Board Secretary

**RESOLUTION NO. 20-08**

**RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY RATES OF PAY FOR DISTRICT EMPLOYEES EFFECTIVE MAY 26, 2020 THROUGH JUNE 30, 2020**

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

<b>Non-Exempt Salary Grade</b>	<b>Monthly Salary Range/ Hourly Range</b>	<b>Job Titles</b>
<b>N7</b>	<b>\$6,701.07 - \$9,717.07 /</b> \$38.66 - \$56.06	Customer Service and Communications Supervisor Executive Assistant/Board Secretary Lead Operator Senior Engineering Inspector Technical Services Team Lead
<b>N6</b>	<b>\$5,827.47 - \$8,450.00 /</b> \$33.62 - \$48.75	Crew Leader – Valve Maintenance Crew Leader – Construction & Maintenance Customer Service Supervisor Electronic / Electrical Technician II Information Systems Specialist III System Operator III
<b>N5</b>	<b>\$5,066.53 - \$7,345.87 /</b> \$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
<b>N4</b>	<b>\$4,406.13 - \$6,387.33 /</b> \$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
<b>N3</b>	<b>\$3,830.67 - \$5,555.33 /</b> \$22.10 - \$32.05	Administrative Assistant I Customer Service Representative II 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
<b>N2</b>	<b>\$3,329.73 - \$4,830.80 /</b> \$19.21- \$27.87	Customer Service Representative I Human Resources Assistant
<b>N1</b>	<b>\$2,813.20 - \$4,080.27 /</b> \$16.72 - \$24.25	Interns

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

Resolution No. 20-08 rescinds Resolution No. 20-01.

**PASSED, APPROVED, AND ADOPTED** in Open Session at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 26<sup>th</sup> day of May by the following vote, to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Helene Brazier, Board President

**ATTEST:**

\_\_\_\_\_  
Dawn Washburn, Board Secretary

## BOARD OF DIRECTORS

May 26, 2020

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### SUBJECT

NOTICE OF COMPLETION AND ACCEPTANCE OF DENTRO DE LOMAS ROAD IMPROVEMENT PROJECT AS COMPLETE

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### BACKGROUND

A water main failure occurred in January 2019 on Dentre 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 prepared engineering design plans and specifications and attained the applicable County of San Diego permits. Eagle Paving Company, Inc. dba Toro Engineering was selected through the public bid process and awarded the contract by the Board on January 28, 2020 in the amount of \$69,500 to complete the permanent street improvements.

### DESCRIPTION

The project scope included 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 included acquiring County of San Diego Excavation and Traffic Control permits as well as project status coordination and notification of residents on Dentre De Lomas Road and Felicia Way.

On March 4, 2020, District staff met with County of San Diego staff at the project site and County of San Diego staff stated that the District had damaged additional areas outside of the project footprint. District staff negotiated and agreed to add 680 square feet to the original project footprint of 8,328 square feet for a total of 9,008 square foot area and at a change order cost of \$4,086.46, for a total project budget of \$73,586.46.

The project commenced on May 4 and was completed on May 5, 2020 to the satisfaction of District staff and the County of San Diego inspector. A Notice of Completion has been prepared for the project.

### POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. Repair of the water main break on Dentre 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 and completion of the project requires filing a Notice of Completion with the County of San Diego.

**ENVIRONMENTAL**

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

**BOARD OPTIONS/FISCAL IMPACTS**

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The construction costs of the street improvement totaled \$73,586.46 and was funded through the District’s Operations Fund account number 01-34-72000, which had a budget of \$650,000.

**STAFF RECOMMENDATION**

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District staff recommends that the Board of Director approve the following actions:

- Accept the Dentro De Lomas Road Improvement Project as Completed.
- Approve filing the Notice of Completion.
- Make a finding that the action herein does not constitute a “project” as defined by CEQA.



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

05/26/2020

### BOARD OF DIRECTORS

May 26, 2020

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### SUBJECT

DISCUSSION AND POSSIBLE ACTION TO ADOPT A RESOLUTION OF NECESSITY, RESOLUTION NO. 20-05, AUTHORIZING THE ACQUISITION OF EASEMENT BY EMINENT DOMAIN FOR A PORTION OF THE PROPERTY AT 7650 CAMINO DEL REY, BONSTALL, CA 92003

### BACKGROUND

On April 25, 2017, the Rainbow Municipal Water District (District) Board of Directors approved the award of a professional services agreement for design services for the San Diego County Water Authority Emergency Pump Station Project. One of the identified and approved projects included a future permanent pump station at Moosa Creek crossing off Camino Del Rey. The permanent facility is intended to eliminate the labor and cost required to setup temporary pumps every year and streamline the process of moving water during shutdowns.

The proposed permanent pump station site is located adjacent to Camino Del Rey on real property owned by EWM Investments, LLC, a Nevada Limited Liability Company and located at 7650 Camino Del Rey, Bonsall, CA 92003 (Attachment 1). In order to install the permanent pump station (hereinafter, the "Project"), the District must acquire a 15,000 square foot permanent easement from EWM Investments, LLC.

On November 6, 2019, District staff hired a surveyor to prepare a legal description of the proposed easement and plat map (Exhibits A & B). An appraiser was also hired to determine the fair market value of the easement. District staff contacted Mr. Ernest W. Moody, principle of EMW Investments, LLC, on December 12, 2019 seeking purchase of the aforementioned easement and received, through his representatives, a positive response.

On March 12, 2020, the full appraised value of \$6,000 was presented to Mr. Moody as an offer to purchase the easement. Mr. Moody disagrees with the fair market value of the easement and to date, though District staff continue to work with Mr. Moody to negotiate a resolution, the District and Mr. Moody have not come to an agreement on the easement.

### DESCRIPTION

The Board of Directors is being asked to consider the adoption of a Resolution of Necessity to acquire the property interested described below for the Project. The Project is required to ensure that the District can continue to provide reliable water service to its customers. In order to construct and operate the Project, the District must acquire an interest in a portion of the property commonly known as 7650 Camino Del Rey, located in Bonsall, California, as follows:

Resolution of Necessity	Property Owner	Assessor Parcel Number	Property Interests To Be Acquired By the District
20-05	EWM Investments, LLC	127-511-03	15,000 square foot Permanent Easement Acquisition

The property interest sought is more fully described and depicted in the Exhibits attached to Resolution of Necessity No. 20-05.

Pursuant to applicable requirements of law, the District had the easement interest it proposes to acquire appraised. The appraisal resulted in an offer being sent to Owner for the full appraisal amount, the sum of \$6,000.00, along with a summary of information from the appraisal. The power of eminent domain is used by the District only as a last resort to obtain the property interest necessary for the Project. The District has attempted to negotiate with Owner and will continue to do so throughout the process. However, a negotiated purchase has not been achieved and the District must adopt a Resolution of Necessity and file an eminent domain action as expeditiously as possible.

California eminent domain law provides that a public entity may not commence an eminent domain proceeding on a property until its governing body has adopted a Resolution of Necessity. That resolution may only be adopted after the governing body has given each party with an interest in the affected property, or its representatives, a reasonable opportunity to appear and be heard on the following matters, and the governing body makes the following findings:

- Whether the public interest and necessity require the project for which the property is sought to be acquired
- Whether the project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury
- Whether the property sought to be acquired by eminent domain and described in the Resolution of Necessity is necessary for the proposed project
- Whether the offer required by Section 7267.2 of the California Government Code has been made to the property owner

A notice of this hearing was sent by certified mail to the property owner(s) as prescribed by law. The notice stated the District's intent to consider the adoption of a Resolution of Necessity, the right of the property owner to appear and be heard on the issues set forth above, and that failure to file a written request to appear would result in a waiver of the right to appear and be heard.

**POLICY/STRATEGIC PLAN KEY FOCUS AREA**

Strategic Focus Area Two: Asset Management. Installation of the pump station will allow the District to move water from northern zone to southern zone, which is crucial during San Diego Water Authority aqueduct shutdowns. An easement is required to install the pump station.

Strategic Focus Area Five: Customer Service. Installation of pump station will allow the District to reliably serve the District's southern zone during San Diego Water Authority aqueduct shutdowns.



## **ENVIRONMENTAL**

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The pursuit of the eminent domain process does not constitute a project subject to CEQA guidelines. The installation of the pump station is not a project subject to CEQA guidelines.

## **BOARD OPTIONS/FISCAL IMPACTS**

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Pursuit of the eminent domain process and associated expenses are considered part of the District's CIP and is budgeted in the 5-Year Capital Fund with sufficient funds currently allocated in the Water Capital Fund Budget.

Option 1:

- Receive public testimony
- Make a determination that the eminent domain process does not constitute a project that is subject to CEQA guidelines Make a determination that the installation of the pump station is not a project that is subject to CEQA guidelines
- Adopt a Resolution of Necessity, Resolution No. 20-05, by a two-thirds vote for the acquisition by eminent domain an easement at 7650 Camino Del Rey, Bonsall, CA 92003
- Authorize the General Manager to proceed with all condemnation filings and proceedings necessary to acquire the interests in the subject parcel

Option 2:

- Provide other direction to staff
- 

## **STAFF RECOMMENDATION**

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Staff recommends Option 1.



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

May 26, 2020



**RESOLUTION NO. 20-05**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF RAINBOW MUNICIPAL WATER DISTRICT  
FINDING AND DETERMINING THAT THE PUBLIC INTEREST AND  
NECESSITY REQUIRE THE ACQUISITION BY EMINENT DOMAIN OF AN  
INTEREST IN REAL PROPERTY FOR PUBLIC USE AND AUTHORIZING AND  
DIRECTING CONDEMNATION OF A PORTION OF SAN DIEGO COUNTY  
ASSESSOR PARCEL NUMBER 127-511-03**

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

**WHEREAS**, public safety, welfare, convenience, interest and necessity require the acquisition by the District of the property hereinafter described for public use, to wit: Acquisition of property in Bonsall, an unincorporated community within the County of San Diego, for the Moose Creek Pump Station Project (the “Project”); and

**WHEREAS**, the property interest described hereinafter is to be acquired for public use, namely, for public water system purposes, pursuant to the authority conferred upon the District to acquire property by eminent domain by Article I, Section 19, of the California Constitution, California Water Code section 71693 and 71694, and California Code of Civil Procedure sections 1240.010-1273.050; and

**WHEREAS**, the property to be acquired represents an interest in a portion of the property commonly known as 7650 Camino del Rey, located in Bonsall, an unincorporated community within the County of San Diego, State of California, which bears San Diego County Assessor’s Parcel Number 127-511-03, which is legally described in Exhibit A attached hereto and incorporated herein by this reference, and consists of a 15,000 square foot permanent easement interest, as described and depicted more specifically in Exhibit B attached hereto (the “Property”), for the purposes of all necessary and convenient activities associated with the construction and operation of the Project; and

**WHEREAS**, pursuant to California Code of Civil Procedure section 1245.235 and the Executive Order N-29-20 Issued by Governor Gavin Newsom, the District scheduled a hearing for May 26, 2020, at 1:00 p.m. to take place via Zoom (accessible by videoconference and teleconference), and on May 8, 2020, mailed a Notice of Hearing to the owner or owners of the Property in order to provide them a reasonable opportunity to appear at said hearing and to be heard on the matters referred to in section 1240.030 of the California Code of Civil Procedure; and

**WHEREAS**, said hearing has been held by the District and the owners of the Property to be acquired by eminent domain were afforded an opportunity to be heard on those matters specified in the District’s Notice of Hearing as referred to in section 1240.030 of the California Code of Civil Procedure.

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

1. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.
2. The Exhibits attached hereto legally describing and depicting the Property and the parcel of which the Property is a part, are incorporated herein by reference.
3. The District has complied with the requirements of California Code of Civil Procedure Section 1245.235 regarding notice and hearing.
4. In accordance with California Code of Civil Procedure Section 1245.230, the District finds, determines and declares each of the following:
  - a. The public interest and necessity require the proposed Project;
  - b. The proposed Project is planned or located in the manner that will be most compatible with the greatest public good and least private injury;
  - c. The above-described Property, legally described and depicted in Exhibit B, is necessary for the proposed Project;
  - d. The offer required by section 7267.2 of the California Government Code has been made to the owner or owners of record.
5. Pursuant to sections 1240.510 and 1240.610 of the Code of Civil Procedure, to the extent the Property is already devoted to a public use, the use proposed by this Project is a more necessary public use than the use to which the Property, or any portion thereof, is already devoted, or, in the alternative, is a compatible public use which will not unreasonably interfere with or impair the continuance of the public use to which the Property, or any portion thereof, is already devoted.
6. The District is hereby authorized and empowered to acquire the Property by eminent domain for the Project.
7. Legal Counsel for the District ("Counsel") is hereby authorized, empowered and directed to take all steps necessary to acquire the Property in the name of and on behalf of the District by eminent domain, and is authorized to institute and prosecute to completion such legal proceedings as may be required in connection therewith. Counsel is also authorized to take such steps as may be authorized and required by law, and to make such security deposits as may be required by order of court and to permit the District to take possession of and use the Property at the earliest possible time. Counsel is further authorized to correct any errors or to make or agree to any non-material changes to the legal description of the Property that are deemed necessary for the conduct of the condemnation action or other proceedings or transactions required to acquire the Property. Counsel is further authorized, subject to the approval of the District, to compromise and settle such eminent domain proceedings, if such settlement can be reached, and in that event, to take all necessary action to complete the acquisition, including entering into stipulations as to judgment and other matters, and cause all payments to be made.

8. This Resolution shall take effect upon adoption.

**PASSED AND ADOPTED** at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 26th day of May 2020 by the following vote, to wit:

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

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Helene Brazier, Board President

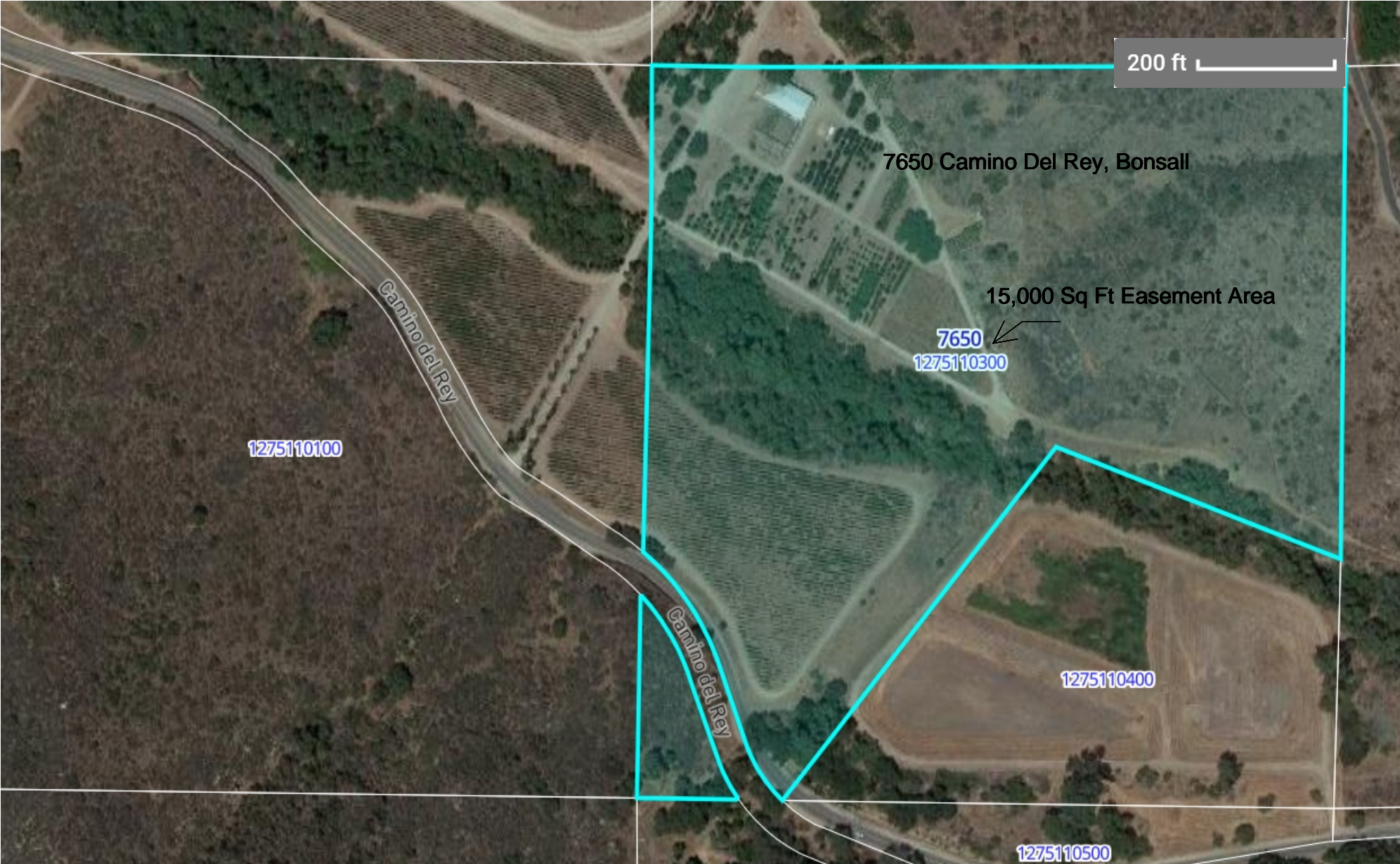
**ATTEST:**

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Dawn Washburn, Board Secretary



ATTACHMENT 1: LOCATION MAP



1" = 308 ft

7650 Camino Del Rey,  
Bonsall



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.





# **PERMANENT EASEMENT**

**RECORDING REQUESTED BY:**

Rainbow Municipal Water District

**WHEN RECORDED RETURN TO:**

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

APN: 127-511-03

**GRANT OF EASEMENT (Exclusive Only)**

NO FEE REQUIRED PER GOVERNMENT CODE SECTION 6103  
DEED TRANSFER TAX: \$ -0-  
EXEMPT UNDER SEC. 11922 OF REVENUE TAXATION CODE

For valuable consideration **EWM Investments, LLC. A Nevada Limited Liability Company** (hereinafter "GRANTOR"), hereby grants to Rainbow Municipal Water District (hereinafter "GRANTEE"), a municipal water district formed pursuant to the Municipal Water District Act of 1911 as amended, as GRANTEE, its successors and assigns, an easement, upon, over, under, and across the lands hereinafter described, to erect, install, construct, reconstruct, replace, repair, alter, operate, maintain, inspect and use a pressure-reducing station, pipeline or pipelines for any and all purposes, together with any easement roads and appurtenances within the easement including but not limited to conduits and cables for communication purposes, at such location and elevations, upon, along, over and under the hereinafter described easement as GRANTEE may now or hereafter deem convenient and necessary from time to time, together with right of ingress thereto and egress therefrom to and along said easement by a practical route or routes, in, upon, over, and across the hereinafter described lands, together with the right to clear and keep clear said easement from buildings and structures.

The lands in which said easement is hereby granted are situated in the County of San Diego, State of California, more commonly known as 7650 Camino Del Rey, Bonsall, California, 92003 and are particularly described as follows:

(SEE ATTACHED LEGAL DESCRIPTION EXHIBIT A, AND PLAT EXHIBIT B  
MADE A PART HEREIN)

GRANTOR hereby also grants to GRANTEE the temporary use of such adjacent land of GRANTOR as is necessary to install the facilities provided for under the terms of the easement granted herein.

It is further understood and agreed that no other easement or easements shall be granted on, under, over said land by the GRANTOR to any person, firm or corporation without the previous consent of said GRANTEE.

GRANTOR, his/her heirs, successors and assigns shall not erect or construct, or permit to be erected or constructed, any building, fences, walls, or other structures of any kind and no trees shall be installed, constructed, erected, placed, planted or maintained in any portion of the easement, and no shrubs or other, plants or vegetation shall be placed, planted or maintained in the portion of the easement which is included within any road, and that no changes in the alignment or grading of any such road will be made without prior written consent of GRANTEE. It is further understood and agreed the GRANTOR shall not drill any well or wells within the limits of said easement.

GRANTEE may at any time increase its use of the easement, change the location of pipelines or other facilities within the boundaries of this easement, or modify the size of existing pipelines or other improvements as it may determine in its sole discretion from time to time without paying any additional compensation to GRANTOR or GRANTOR's heirs, successors, or assigns, provided GRANTEE does not expand its use of the easement beyond the easement boundaries described above.

GRANTEE shall have the right to construct and utilize an access road within said easement and shall have the right to erect, maintain and use gates in all of GRANTOR's fences which now cross or shall hereafter cross said route or routes, and to trim and cut and clear away any trees and brush whenever in its judgment the same shall be necessary for the convenient and safe exercise of the rights hereby granted, the right to transfer and assign this easement in whole or in part being hereby granted to the GRANTEE.

It is also understood and agreed by the parties hereto that the GRANTOR and successors or assigns, shall not increase or decrease, or permit to be increased or decreased the existing ground elevations of the above described easement, existing at the time this document is executed, without the previous written consent of the GRANTEE.

GRANTOR expressly warrants and represents that GRANTOR has the power to grant this easement in accordance with his terms.

IN WITNESS WHEREOF, the GRANTOR(s) executed this instrument this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

Owner: \_\_\_\_\_  
EWM Investments, LLC.

By: \_\_\_\_\_  
Ernest W. Moody Date

Its: Owner

(Signatures must be notarized. Notary form attached.)

Approved as to Form  
Rainbow Municipal Water District

\_\_\_\_\_  
Alfred E. Smith, District Counsel

\_\_\_\_\_  
Date

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

State of California )

County of San Diego )

)

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

Signature of Notary Public

**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in real property conveyed by the Grant of Easement

dated \_\_\_\_\_ from \_\_\_\_\_

to the Rainbow Municipal Water District, formed pursuant to the Municipal Water District Act of 1911, is hereby accepted by order of Board of Director's Resolution No.02-13, dated July 3, 2002, authorizing the General Manager to accept and record Grants of Easement on behalf of said District.

RAINBOW MUNICIPAL WATER DISTRICT

Dated \_\_\_\_\_

By \_\_\_\_\_

Tom Kennedy, General Manager

Project Name: \_\_\_\_\_

Water Atlas Page No. \_\_\_\_\_ Checked by: \_\_\_\_\_ Date: \_\_\_\_\_

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

ASSESSOR PARCEL NUMBER: 127-511-03

VESTING: EWM INVESTMENTS, LLC. A NEVADA LIMITED LIABILITY COMPANY

**EASEMENT**

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 35 TOWNSHIP 10 SOUTH RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 35 AS SHOWN ON RECORD OF SURVEY 15336, RECORDED OCTOBER 18, 1996 AS FILE NO. 1996-530048 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER SOUTH 88°52'42" EAST 208.27 FEET;

THENCE LEAVING SAID SOUTH LINE NORTH 25°01'01" EAST 813.62 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE NORTH 59°08'35" WEST 79.25 FEET;

THENCE NORTH 30°51'25" EAST 121.05 FEET;

THENCE NORTH 77°57'51" EAST 124.10 FEET;

THENCE SOUTH 28°33'37" EAST 54.30 FEET;

THENCE SOUTH 77°57'51" WEST 79.73 FEET;

THENCE SOUTH 30°51'25" WEST 123.62 FEET TO THE **TRUE POINT OF BEGINNING**.

CONTAINING 15,000 SQUARE FEET MORE OR LESS.

ATTACHED HERETO AND MADE A PART HEREOF IS A PLAT LABELED EXHIBIT "B".

THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS ACT.

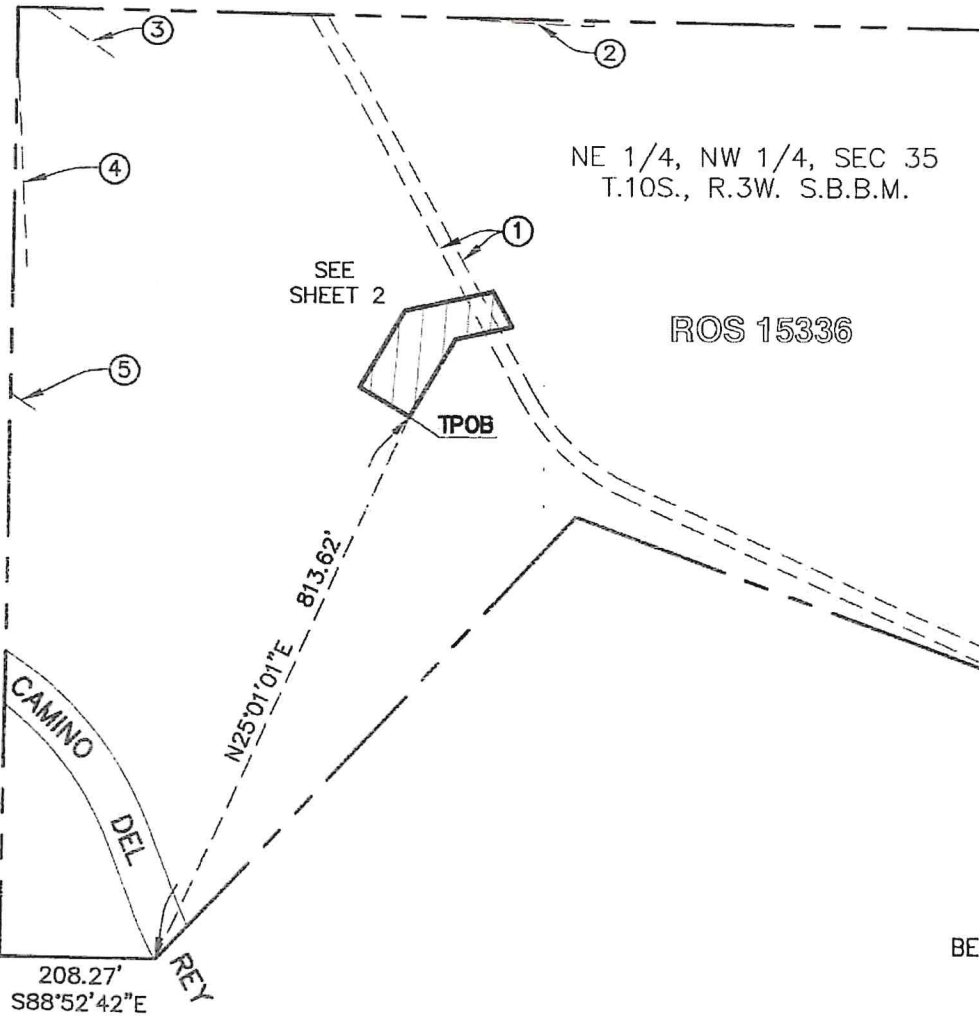


MICHAEL SCHLUMPBERGER, LS 7790  
RIGHT-OF-WAY ENGINEERING SERVICES, INC.

March 12, 2020  
DATE



# EXHIBIT "B"



POC  
SW COR,  
NE 1/4,  
NW 1/4,  
SEC 35

208.27'  
S88°52'42"E

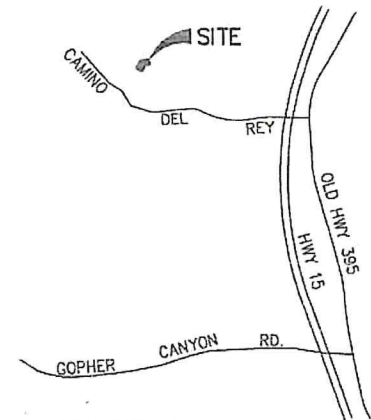


DENOTES AREA OF EASEMENT  
15,000 SQ.FT. MORE OR LESS

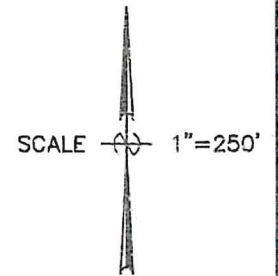
**Right-Of-Way Engineering Services, Inc.**

815 South Tremont Street · Oceanside, CA 92054  
(760) 637-2700 row@roweng.net  
Job No.: 1911-0035-11

○ SEE SHEET 2 FOR  
EXISTING EASEMENT  
DESCRIPTIONS



VICINITY MAP  
NO SCALE



THIS PLAT WAS PREPARED BY ME OR UNDER  
MY DIRECTION IN CONFORMANCE WITH  
THE PROFESSIONAL LAND SURVEYOR'S ACT

*Michael L. Schlumberger* March 12, 2020

MICHAEL L. SCHLUMBERGER, PLS 7790

BEARINGS AND DIMENSIONS SHOWN HEREON ARE BASED  
ON RECORD DATA FROM RECORD OF SURVEY 15336  
ASSESSORS' PARCEL NO.: 127-511-03

**RAINBOW MUNICIPAL WATER DISTRICT**

VESTING: EWM INVESTMENTS, LLC. A NEVADA  
LIMITED LIABILITY COMPANY

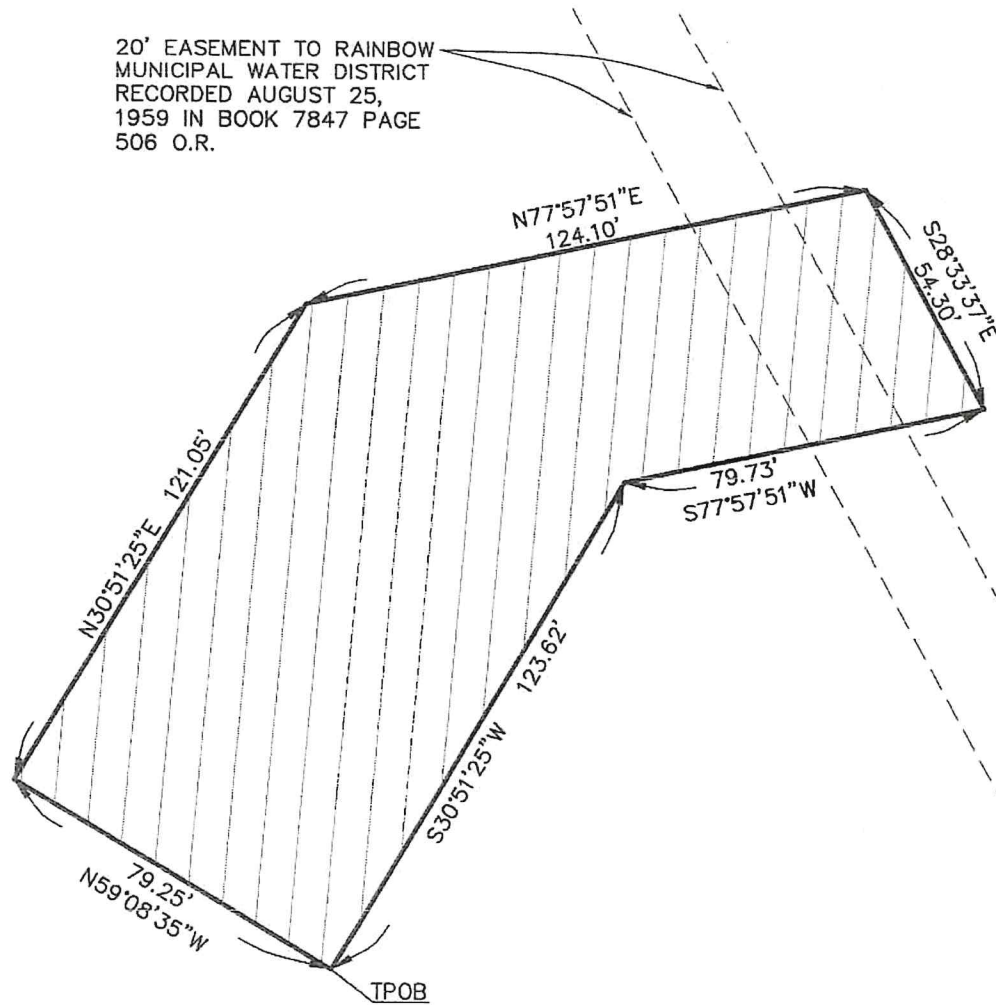
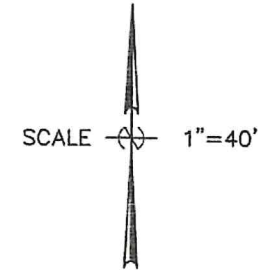
DATE: MARCH 12, 2020

SHEET 1 OF 2

Page 216 of 338

# EXHIBIT "B"

20' EASEMENT TO RAINBOW MUNICIPAL WATER DISTRICT  
RECORDED AUGUST 25,  
1959 IN BOOK 7847 PAGE  
506 O.R.



## EXISTING EASEMENTS

- ① 20' EASEMENT TO RAINBOW MUNICIPAL WATER DISTRICT RECORDED AUGUST 25, 1959 IN BOOK 7847 PAGE 506 O.R.
- ②  $\odot$  12' WIDE ELECTRIC AND ACCESS EASEMENT TO SDG&E RECORDED AUGUST 14, 1961 AS FILE/PAGE NO. 139156
- ③  $\odot$  12' WIDE ELECTRIC AND ACCESS EASEMENT TO SDG&E RECORDED NOVEMBER 7, 1978 AS FILE/PAGE NO. 78-482114
- ④  $\odot$  ELECTRIC AND ACCESS EASEMENT TO SDG&E (NO WIDTH SPECIFIED) RECORDED APRIL 27, 1950 IN BOOK 3599 PAGE 362 O.R.
- ⑤  $\odot$  12' WIDE ELECTRIC AND ACCESS EASEMENT TO SDG&E RECORDED APRIL 19, 1984 AS 84-144175 O.R.

BEARINGS AND DIMENSIONS SHOWN HEREON ARE BASED ON RECORD DATA FROM RECORD OF SURVEY 15336 ASSESSORS' PARCEL NO.: 127-511-03



DENOTES AREA OF EASEMENT  
15,000 SQ.FT. MORE OR LESS

**Right-Of-Way Engineering Services, Inc.**

615 South Tremont Street - Oceanside, CA 92054  
(760) 637-2700 row@roweng.net  
Job No.: 1911-0035-11

**RAINBOW MUNICIPAL WATER DISTRICT**

VESTING: EWM INVESTMENTS, LLC. A NEVADA LIMITED LIABILITY COMPANY

DATE: MARCH 12, 2020

SHEET 2 OF 2





**BOARD OF DIRECTORS**

May 26, 2020

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**SUBJECT**

DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE THE AWARD OF THE CONSTRUCTION CONTRACT FOR THE RAINBOW HEIGHTS PUMP STATION REHABILITATION PROJECT

**BACKGROUND**

The Rainbow Heights Pump Station is the largest of the Rainbow Municipal Water District's (RMWD) seven potable water pump stations. It pumps water from the North Zone to the four-million-gallon Rainbow Heights Tank. The Rainbow Heights Zone extends north to the Magee Pump Station, which serves the Magee Zone, and is separated from the Gomez Zone to the east and south by closed valves. The Rainbow Heights Zone is the sole supply to the Magee Zone and serves as an emergency supply for the Gomez, Vallecitos, and North Zones. Demands in the Rainbow Heights Zone are approximately 0.54 MGD and are a mix of domestic and agriculture use.

The Rainbow Heights Pump Station Rehabilitation Project was initiated due to two large natural gas motors requiring replacement. The need for replacement was caused by issues with age, Air Pollution Control Board permitting, and maintenance costs. The station was built in 1974, expanded in 1978, and is extremely inefficient. The existing gas-powered motors have not been manufactured for years and are extremely difficult to maintain. During design, the Metropolitan Water District directed the District to remove two existing pumps with electric motors and the associated canopy from their easement which covers a large portion of the pump station site.

The project scope includes the demolition of the existing Rainbow Heights Pump Station and demolition of the abandoned 8<sup>th</sup> Street Pump Station which is across the street from the Rainbow Heights Pump Station site, purchasing and installing a factory-built booster pump station, necessary site improvements including grading, yard piping, valves, flow meter, paving and fencing, and ancillary electrical and controls upgrades including an engine driven electric generator.

**DESCRIPTION**

Staff prepared a bid package and advertised for a formal bid only to contractors on the District's prequalified contractor's list. The bid document was emailed to the list of contractors and posted on the District's website on April 16, 2020. The bid opening was held at 2:30 pm on May 11, 2020 through a Zoom teleconference from the District's Board Room. Instructions on how to attend the bid opening via teleconference were provided in an email to the prequalified list of contractors and posted on the District's website. The results were as follows:

<b>Contractor</b>	<b>Bid Amount</b>
1. ORION CONSTRUCTION	\$2,637,397
2. PACIFIC HYDROTECH	\$2,693,200
3. SCW CONTRACTING	\$2,721,700
4. THARSOS, INC.	\$2,754,000

5. JAMES W. FOWLER CO.	\$2,894,950
6. TC CONSTRUCTION	\$3,017,000

The Engineer's Opinion of Probable Cost was \$2,700,000 with the lowest bid being \$2,637,397, \$62,603 under the estimated cost for this project. Staff has evaluated bids and there were no irregularities with the lowest bidder Orion Construction. The bid was complete, and the licenses and bonding were correct and in place. Staff recommends award to the lowest bidder, Orion Construction.

**POLICY/STRATEGIC PLAN KEY FOCUS AREA**

Strategic Focus Area Two: Asset Management. Construction of the Rainbow Heights Pump Station Rehabilitation Project will allow the District to maintain reliable service to the Rainbow Heights Zone. In addition, the District will comply with the requirements of Metropolitan Water District and the Air Pollution Control Board.

**ENVIRONMENTAL**

The project is categorically exempt from CEQA in accordance with State CEQA Guidelines Section 15300, under the three categories listed below. With the inclusion of environmental commitments, such as avoidance of nesting birds during the breeding season; limitation of ground disturbing activity within fenced limits, development of a hazardous materials spill and prevention plan, a traffic control plan, and dust and noise minimization measures, the project would not result in a significant effect on the environment. A Notice of Exemption (NOE) was filed for the Rainbow Heights Pump Station Rehabilitation Project on January 25, 2018 with the San Diego County Clerk. The exemption status was described as follows:

- Class 2 Categorical Exemption per Sec. 15302 – Replacement or Reconstruction
- Class 3 Categorical Exemption per Sec. 15303 – New Construction or Conversion of Small Structure
- Class 4 Categorical Exemption per Sec. 15304 – Minor Alterations of Land

**BOARD OPTIONS/FISCAL IMPACTS**

This project has been identified in the 5-Year Capital Fund Budget and \$2,200,00 was budgeted for construction of the project. The lowest bid for construction was \$2,637,397, \$437,397 more than the cost identified in the 5-Year Capital Fund Budget. Sufficient funds currently exist in the Water Capital Fund.

Option 1:

- Allocate funding and award the construction contract for the Rainbow Heights Pump Station Rehabilitation Project to Orion Construction in accordance with the California Public Contracting Code for a not to exceed amount of \$2,637,397.
- Make a finding that the project is Categorical Exempt from CEQA
- Authorize General Manager to execute contract for the construction of the Rainbow Heights Pump Station Rehabilitation Project to Orion Construction.

Option 2:

- Provide other direction to staff

**STAFF RECOMMENDATION**

Staff recommends Option 1.



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

May 26, 2020

### BOARD OF DIRECTORS

May 26, 2019

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### SUBJECT

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 ANNEX THE PARDEE "MEADOWOOD" DEVELOPMENT FROM THE VALLEY CENTER MUNICIPAL WATER DISTRICT INTO THE RAINBOW MUNICIPAL WATER DISTRICT

### BACKGROUND

In 2004 the District entered into a Pre-Annexation Agreement with Pardee homes related to Pardee's residential development known as Meadowood. This development is located just north of Hwy 76 along what is now Horse Ranch Creek Road just east of I15. At that time, the land was located within the San Luis Rey Municipal Water District (SLRMWD) but since SLRMWD had no capacity to provide water or wastewater service to the project, the District and Pardee agreed to process an application to the San Diego Local Agency Formation Commission (SDLAFCO) to detach the project from SLRMWD and annex it into Rainbow MWD. The agreement contemplated the construction of a wastewater treatment plant to serve the project.

After a series of discussions over the succeeding years, in December 2008, the Board approved and executed with Pardee a mutual termination agreement with Pardee which ended the Pre-Annexation Agreement.

Pardee homes then contacted the Valley Center Municipal Water District (VCMWD) to discuss an annexation process into the VCMWD service area. These discussions ultimately resulted in SDLAFCO approving the detachment of the Pardee property from SLRMWD and annexation of the property into VCMWD in 2014. During that process, the District and VCMWD entered into a Memorandum of Understanding in November 2013 to study the provision of water and wastewater services to the project through RMWD's water distribution and wastewater collection system.

Recently, the Pardee development obtained all of its required permits and commenced grading. This prompted the parties to again discuss options related to how to most effectively serve the project within the various constraints described above. After a series of discussions, the preferred option was to prepare the agreements that are the subject of this Board Action letter. At the April 2020 Board meeting the RMWD Board approved an Out of Agency Service Agreement with Valley Center MWD that transferred service responsibility to RMWD. The Board also approved an Annexation Agreement with Pardee that provided the terms and conditions for the full annexation of the territory into the RMWD service area. As part of the Annexation Agreement the Board agreed to adopt a Resolution of Application.

## **DESCRIPTION**

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The Resolution of Application under consideration in this agenda item will authorize the General Manager to prepare an application to the San Diego Local Agency Formation Commission (SDLAFCO) for the annexation of the Pardee development into RMWD and the detachment of the same area from Valley Center MWD. The resolution provided here was an exhibit to the Annexation Agreement from the April 2020 Board meeting, although some minor modifications have been made by the District's General Counsel since the April Board meeting.

Should the Board adopt the resolution, RMWD staff will work with both Pardee and the District's General Counsel to add any refinements needed to the application documents. As of the time of the writing of this Action Letter, a few technical documents are still being prepared. These documents include most of the technical subdivision maps and other County permit related documentation that Pardee is putting together. We expect to have them by the Board meeting date.

In addition, Valley Center MWD is scheduled to adopt a Resolution of Support for our application at their June 1, 2020 meeting. That document will also be included in the application.

It should be noted that by adopting this resolution the Board is not approving the application, per se, but authorizing the General Manager to prepare and submit the application documents as well as make modifications that may be required through the LAFCO process.

## **APPLICATION COSTS**

SDLAFCO has an application fee of \$21,135.50 to cover the expected costs to process the application. This represents the fee for a reorganization "with full consent" which is the case here. Pardee has the responsibility to pay for up to \$50,000 in LAFCO fees as part of our Annexation Agreement, so should there be additional costs at LAFCO Pardee will cover those costs.

Pardee is also indemnifying the District against any legal costs associated with a challenge to the reorganization. There is no known opposition to this action by LAFCO.

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

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Strategic Focus Area Two: Asset Management – This annexation will provide much needed funds and infrastructure for our water and wastewater systems.

Strategic Focus Area Four: Fiscal Responsibility – This annexation will add approximately 10% to our current customer count providing a source of revenue that will help spread our operating costs across more customers.

## **ENVIRONMENTAL**

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The Board's action on the Resolution is not a project approval, as defined by Public Resources Code section 21065 and State CEQA Guidelines sections 15378 and 15352, and is therefore not subject to CEQA. On April 28, 2020, the Rainbow Municipal Water District Board of Directors reviewed and considered the environmental effects of the Annexation Agreement between Rainbow Municipal Water District and Pardee Homes (Annexation Agreement), as shown in the Final Environmental Impact Report (FEIR) for the Meadowood Master Planned Community Project (State Clearinghouse Number 2004051028), adopted the Addendum to the FEIR prepared for the Meadowood Water Pipeline Infrastructure Project: Rice Canyon Transmission Pipeline, adopted formal CEQA Findings in connection with the Annexation Agreement, and approved the Annexation Agreement. The Board's action on the Resolution is consistent with and implements the Annexation Agreement between Rainbow Municipal Water District and Pardee Homes and no further CEQA compliance is required.

**BOARD OPTIONS**

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The Board has several options:

1. Approve the Resolution of Application that directs the General Manager to prepare and submit an application to San Diego LAFCO for the annexation of the Pardee development project, pay the filing fees 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.
2. Direct staff to make modifications to the Resolution of Application and supporting documents and bring them back to the Board for consideration at a future date.

**STAFF RECOMMENDATION**

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Staff recommends Option 1



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Tom Kennedy  
General Manager

May 26, 2020



**RESOLUTION NO. 20-09**

**RESOLUTION OF APPLICATION BY THE BOARD OF DIRECTORS  
OF THE RAINBOW MUNICIPAL WATER DISTRICT REQUESTING  
THE LOCAL AGENCY FORMATION COMMISSION TO INITIATE PROCEEDINGS  
FOR A REORGANIZATION TO DETACH CERTAIN PROPERTY FROM THE VALLEY  
CENTER MUNICIPAL WATER DISTRICT AND ANNEX SAID PROPERTY  
INTO THE RAINBOW MUNICIPAL WATER DISTRICT SERVICE AREA**

On May 26, 2020, on motion of Director \_\_\_\_\_, duly seconded by Director \_\_\_\_\_ and carried, the following resolution is adopted by the Board of Directors of Rainbow Municipal Water District.

**WHEREAS**, Rainbow Municipal Water District (“RMWD”), a California municipal water district, and Pardee Homes (“Pardee”), a California corporation (individually referred to herein as “Party” and collectively as “Parties”) entered into a certain Annexation Agreement dated April 30, 2020 (“Annexation Agreement”) with respect to real property located in the unincorporated County of San Diego, State of California as described in further detail in Exhibit A and depicted on Exhibit B, and within the Valley Center Municipal Water District (“VCMWD”) service area for water and sewer services (“Project Site”); and

**WHEREAS**, Pardee owns the Project Site and has been issued certain discretionary approvals and permits related to the development of a residential project commonly referred to as “Meadowood” (the “Project”); and

**WHEREAS**, on May 4, 2020, VCMWD and RMWD entered into that certain out-of-agency service agreement (“RMWD Service Agreement”) for the provision of water and sewer services to the Project Site; and

**WHEREAS**, existing water and sewer system facilities in the vicinity of the Project Site are operated by RMWD through the recent expansion of the facilities attributable to the development of the Horse Creek Ridge residential project; and

**WHEREAS**, the Project will, subsequently, be able to make use of this expanded water and sewer system; and

**WHEREAS**, the Parties desire the Project Site be detached from VCMWD and annexed into the jurisdictional boundaries of RMWD; and

**WHEREAS**, no city and/or district sphere(s) of influence must be amended or adopted in conjunction with approval of the proposed change of reorganization, and LAFCO is in the process of conducting a municipal service review for territory including the Project Site; and

**WHEREAS**, the proposed reorganization is made pursuant to Government Code section 56654 and will not conflict with any existing RMWD services; and,

**WHEREAS**, it is desired that the proposed reorganization be subject to the following terms and conditions:

- A. RMWD shall assume all rights, duties, responsibilities, personal property, contracts, equipment, assets, liabilities, obligations, functions, executory provisions related to water and sewer services, except as otherwise outlined in Conditions of Approval by LAFCO; and
- B. The Plan for Service to be included with RMWD's application pursuant to Government Code section 56653 outlines the general approach and parameters for delivering water and sewer services to serve the Project Site. RMWD will assume all responsibility for providing sustainable service to the residents and businesses of the Project Site as a condition of the annexation and for providing the personnel, facilities, equipment and oversight necessary for providing sustainable service on an ongoing basis.
- C. All previously authorized charges, fees, assessments, and/or taxes currently in effect, now levied or collected related to water and sewer services, including any future community facilities district, shall continue to be levied and collected by RMWD; and,
- D. The standard terms and conditions imposed by LAFCO upon all proposals or such additional conditions as may be deemed appropriate or necessary by LAFCO in its consideration; and,

**WHEREAS**, the reasons for this proposed reorganization are to provide effective, safe and financially sustainable water and sewer services to the Project Site and permit the subject agencies to streamline water and sewer services to the subject territory so as to provide orderly growth and development within the subject territory; and to permit all agencies authorized to provide the scope of municipal services to extend their boundaries to cover the subject territory in one action; and

**WHEREAS**, all legal prerequisites to the adoption of this Resolution have occurred; and,

**NOW THEREFORE, BE IT RESOLVED BY THE RAINBOW MUNICIPAL WATER DISTRICT BOARD OF DIRECTORS AS FOLLOWS:**

This resolution is hereby adopted and approved by the Board of Directors of the Rainbow Municipal Water District. The Local Agency Formation Commission of San Diego County is hereby requested to commence proceedings pursuant to Government Code section 56654 for the reorganization of territory as described above, according to the terms and conditions stated above, and in the manner provided by the Cortese -Knox -Hertzberg Local Government Reorganization Act of 2000 (Government Code sections 56000 *et seq.*).



**PASSED AND ADOPTED** at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 26<sup>th</sup> day of May 2020 by the following vote, to wit:

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

\_\_\_\_\_  
Helene Brazier, Board President

**ATTEST:**

\_\_\_\_\_  
Dawn M. Washburn, Board Secretary

**PASSED AND ADOPTED** by the Board of Directors of the Rainbow Municipal Water District, County of San Diego, State of California, by the following vote:

**AYES:** DIRECTORS -  
**NOES:** DIRECTORS –  
**ABSENT:** DIRECTORS –

\_\_\_\_\_  
STATE OF CALIFORNIA    )  
                                  )  
COUNTY OF SAN DIEGO    )

I, \_\_\_\_\_, Secretary of the Board of Directors of the Rainbow Municipal Water District, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Directors, by vote of the members present as the same appears in the Official Minutes of said Board at its meeting held on May 26, 2020, Item No. \_\_\_\_\_.

EXHIBIT A  
Legal Description and Depiction

THAT PORTION OF FRACTIONAL SECTION 36, TOWNSHIP 9 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, TOGETHER WITH A PORTION OF MONSERATE, ACCORDING TO MAP NO. 827 ON FILE IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY, CALIFORNIA BEING DESCRIBED AS FOLLOWS:

COMMENCING AT CORNER NO. 1 AS SHOWN ON MAP OF A PORTION OF RANCHO MONSERATE, ACCORDING TO MAP NO. 827 ON FILE IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY, CALIFORNIA, THE EAST  $\frac{1}{4}$  CORNER OF FRACTIONAL SECTION 36 BEARS NORTH  $02^{\circ}12'43''$  EAST A DISTANCE OF 2612.27 FEET; THENCE LEAVING SAID POINT OF COMMENCEMENT AND ALONG THE EASTERLY LINE OF SAID SECTION 36, NORTH  $02^{\circ}12'43''$  EAST 112.10 FEET TO THE POINT OF BEGINNING;

THENCE LEAVING SAID EASTERLY LINE NORTH  $72^{\circ}47'22''$  WEST 369.00 FEET;

THENCE NORTH  $47^{\circ}47'22''$  WEST 536.00 FEET;

THENCE SOUTH  $44^{\circ}12'00''$  WEST 703.00 FEET;

THENCE SOUTH  $15^{\circ}13'42''$  EAST 228.00 FEET;

THENCE SOUTH  $81^{\circ}12'38''$  WEST 93.00 FEET;

THENCE SOUTH  $55^{\circ}42'38''$  WEST 93.00 FEET;

THENCE NORTH  $67^{\circ}47'22''$  WEST 760.00 FEET;

THENCE SOUTH  $64^{\circ}12'38''$  WEST 823.59 FEET TO THE WESTERLY SIDELINE OF THE 60.00 FOOT WIDE EASEMENT DESCRIBED IN THE DEED RECORDED APRIL 13, 1981 AS FILE NO. 81-112046 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY;

THENCE ALONG SAID WESTERLY SIDELINE THE FOLLOWING COURSES: SOUTH  $25^{\circ}20'32''$  EAST 208.85 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 170.00 FEET;

THENCE SOUTH  $12^{\circ}02'28''$  WEST 248.63 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 230.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF  $08^{\circ}02'00''$  A DISTANCE OF 32.25 FEET;

THENCE SOUTH  $04^{\circ}00'28''$  WEST 665.08 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 230,00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF  $24^{\circ}46'00''$  A DISTANCE OF 99.42 FEET;

THENCE SOUTH 20°45'32" EAST 174.56 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 170.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10°19'48" A DISTANCE OF 30.65 FEET;

THENCE SOUTH 10°25'44" EAST 301.07 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 230.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°09'59" A DISTANCE OF 44.82 FEET;

THENCE SOUTH 21°35'43" EAST 1098.52 FEET TO THE NORTHERLY SIDELINE OF COUNTY HIGHWAY COMMISSION ROUTE 18, DIVISION 1 (PALA ROAD);

THENCE LEAVING THE WESTERLY SIDELINE OF SAID 60.00 FOOT WIDE EASEMENT SOUTH 21°35'43" EAST 329.97 FEET TO THE BEGINNING OF A NON- TANGENT 1722.44 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY TO WHICH A RADIAL LINE BEARS SOUTH 21°24'34" EAST;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 10°45'45" A DISTANCE OF 323.55 FEET;

THENCE NON-TANGENT TO SAID CURVE NORTH 15°00'00" WEST 21.19 FEET;

THENCE SOUTH 83°00'00" WEST 51.00 FEET;

THENCE SOUTH 05°00'00" EAST 21.00 FEET;

THENCE SOUTH 40°00'00" WEST 3.96 FEET TO THE BEGINNING OF A NON- TANGENT 1722.44 FOOT RADIUS CURVE CONCAVE NORTHERLY TO WHICH A RADIAL LINE BEARS SOUTH 08°43'46" EAST;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 04°09'14" A DISTANCE OF 124.88 FEET;

THENCE NON-TANGENT TO SAID CURVE NORTH 04°34'32" WEST 6.57 FEET;

THENCE SOUTH 85°25'28" WEST 143.14 FEET;

THENCE SOUTH 89°37'04" WEST 314.40 FEET TO THE WESTERLY BOUNDARY OF LAND DESCRIBED IN DEED RECORDED APRIL 14, 1978 AS FILE NO. 78-149646 OF OFFICIAL RECORDS, BEING THE SOUTHERLY TERMINUS OF THE LINE DESCRIBED AS NORTH 03°49'46" WEST 2479.80 FEET IN SAID DEED;

THENCE ALONG SAID WESTERLY BOUNDARY NORTH 03°49'38" WEST 2480.11 FEET;

THENCE CONTINUING ALONG SAID WESTERLY BOUNDARY NORTH 26°41'47" WEST 1561.66 FEET TO THE SOUTHERLY BOUNDARY OF LAND DESCRIBED AS PARCEL 1A OF CERTIFICATE OF COMPLIANCE, RECORDED MARCH 25, 1983 AS FILE NO. 83-095254 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY;

THENCE ALONG THE BOUNDARY OF SAID PARCEL 1A NORTH 26°41'47" WEST 32.19 FEET;

THENCE NORTH 00°02'58" EAST 1328.09 FEET;

THENCE NORTH 65°22'42" EAST 681.59 FEET TO THE SOUTHERLY TERMINUS OF A LINE DESCRIBED AS NORTH 06°09'01" WEST 239.79 FEET ACCORDING TO DEED TO DAON CORPORATION, RECORDED MARCH 27,1981 AS FILE NO. 81-092782 OF OFFICIAL RECORDS;

THENCE ALONG THE EASTERLY BOUNDARY OF DAON CORPORATION PROPERTY THE FOLLOWING COURSES: NORTH 06°12'08" WEST 239.82 FEET;

THENCE NORTH 14°06'59" EAST 123.37 FEET;

THENCE NORTH 49°12'04" EAST 664 .01 FEET;

THENCE NORTH 47°46'04" EAST 221.11 FEET;

THENCE NORTH 24°37'43" WEST 1588.78 FEET TO THE NORTHERLY BOUNDARY OF RANCHO MONSERATE;

THENCE LEAVING SAID BOUNDARY OF DAON CORPORATION PROPERTY, AND ALONG THE NORTHERLY BOUNDARY OF RANCHO MONSERATE SOUTH 87°28'07" EAST 83.69;

THENCE LEAVING SAID NORTHERLY BOUNDARY SOUTH 24°50'26" EAST 211.82 FEET;

THENCE SOUTH 41°21'02" EAST 325.65 FEET;

THENCE SOUTH 36°24'13" EAST 65.36 FEET;

THENCE SOUTH 01 °11'40" EAST 74.70 FEET;

THENCE SOUTH 12°08'24" EAST 184 .62 FEET;

THENCE SOUTH 02°57'41" EAST 52.62 FEET;

THENCE SOUTH 24°42'16" EAST 135.96 FEET;

THENCE NORTH 60°55'02" EAST 543.16 FEET;

THENCE NORTH 10°05'56" EAST 213.68 FEET;

THENCE NORTH 54°29'09" EAST 39.24 FEET;

THENCE NORTH 13°57'35" EAST 227.25 FEET;

THENCE SOUTH 81 °00'42" EAST 306.31 FEET;

THENCE SOUTH 43°25'25" EAST 195.38 FEET;

THENCE SOUTH 08°45'22" WEST 181.25 FEET;

THENCE SOUTH 51°37'59" EAST 130.66 FEET;

THENCE SOUTH 06°33'25" EAST 263.91 FEET  
THENCE SOUTH 18°50'50" WEST 225.70 FEET;  
THENCE SOUTH 37°43'08" WEST 144.16 FEET;  
THENCE SOUTH 04°58'13" WEST 229.66 FEET;  
THENCE SOUTH 19°37'26" EAST 181.55 FEET;  
THENCE SOUTH 39°57'08" EAST 149.31 FEET;  
THENCE SOUTH 74°23'30" EAST 360.80 FEET;  
THENCE SOUTH 39°27'16" EAST 104.27 FEET;  
THENCE NORTH 47°44'11" EAST 154.49 FEET;  
THENCE NORTH 81°11'35" EAST 30.32 FEET;  
THENCE SOUTH 06°43'27" EAST 235.00 FEET;  
THENCE NORTH 87°10'13" EAST 101.01 FEET;  
THENCE SOUTH 03°53'00" EAST 442.76 FEET;  
THENCE SOUTH 81°23'41" EAST 200.27 FEET;  
THENCE SOUTH 01°42'24" EAST 178.15 FEET;  
THENCE SOUTH 16°27'33" WEST 81.56 FEET;  
THENCE SOUTH 04°24'51" WEST 7.93 FEET;  
THENCE SOUTH 07°38'10" EAST 331.12 FEET;  
THENCE SOUTH 47°14'35" WEST 156.53 FEET;  
THENCE SOUTH 06°57'11" WEST 201.93 FEET;  
THENCE SOUTH 60°30'31" EAST 358.64 FEET;  
THENCE SOUTH 11°43'16" EAST 65.63 FEET;  
THENCE NORTH 75°17'30" EAST 89.34 FEET;  
THENCE NORTH 43°06'44" EAST 217.42 FEET;  
THENCE NORTH 38°04'39" WEST 153.54 FEET;  
THENCE NORTH 19°20'33" WEST 87.97 FEET;

THENCE NORTH 86°24'00" WEST 194.59 FEET;

THENCE NORTH 00°00'06" WEST 583.43 FEET;

THENCE NORTH 89°59'54" EAST 243.50 FEET;

THENCE SOUTH 08°06'39" EAST 541.42 FEET;

THENCE SOUTH 19°24'11" EAST 388.03 FEET;

THENCE SOUTH 80°23'38" EAST 208.46 FEET TO THE EASTERLY LINE OF FRACTIONAL SECTION 36;

THENCE ALONG SAID EASTERLY LINE, SOUTH 02° 12'43" WEST 564.52 FEET TO THE POINT OF BEGINNING.

CONTAINING 266.945 ACRES, MORE OR LESS.



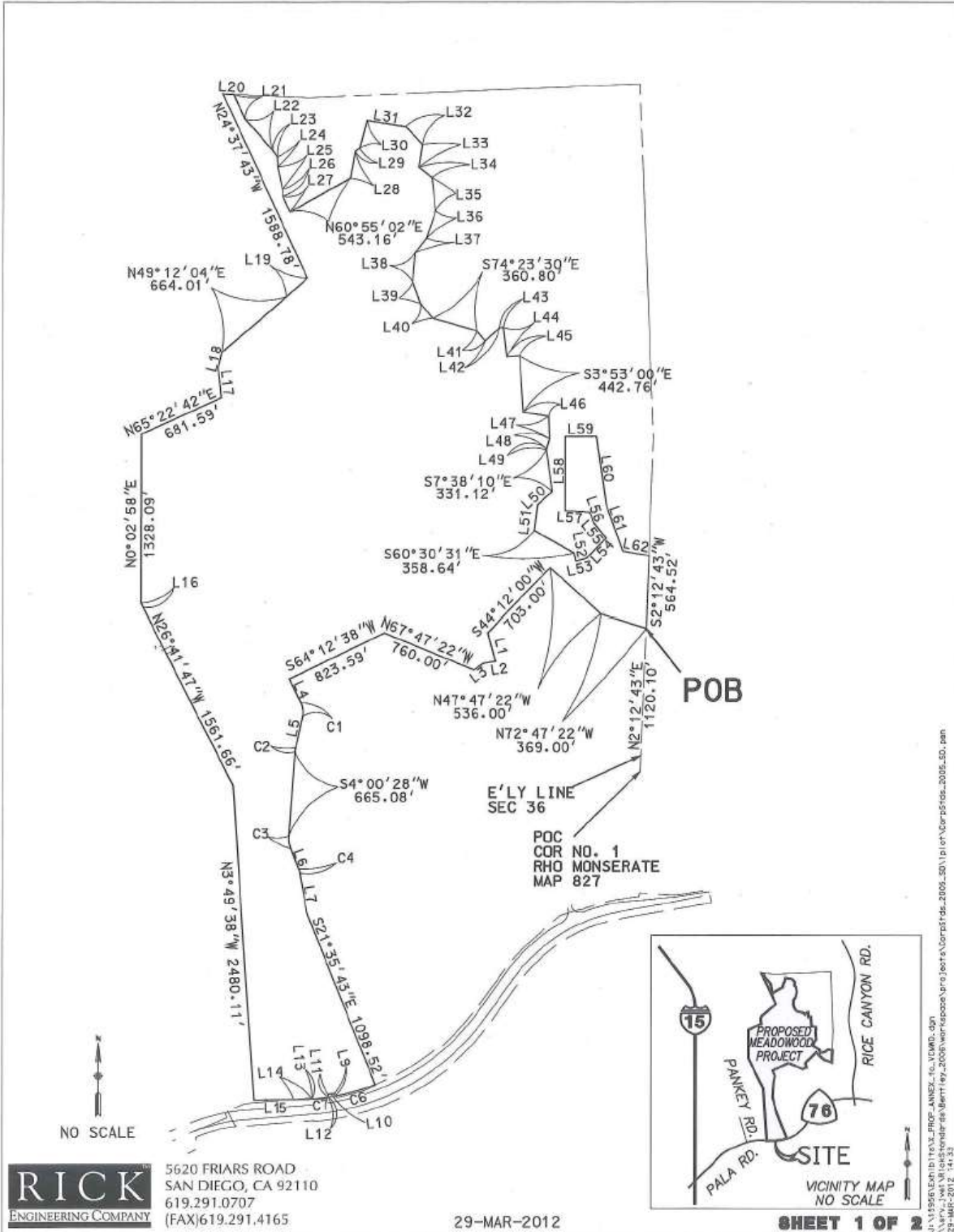
Patrick A. McMichael, L.S. 6187

3-28-2012

Date



# EXHIBIT B Project Site Depiction





SAN DIEGO LOCAL AGENCY FORMATION COMMISSION  
**CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION**

The **following information must be submitted** when filing a change of organization or reorganization proposal with the San Diego Local Agency Formation Commission (LAFCO); additional information may be requested during review of the proposal.

- 1. **Completed CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION.**
- 2. (a) A **certified resolution of application** from an affected city or district; **or**  
(b) A **landowner or registered voter petition** making application to San Diego LAFCO (available from LAFCO or <http://www.sdlafco.org/forms/petition.pdf>).
- 3. A **metes-and-bounds legal description of the proposal territory perimeter** for the proposed boundary change(s), a **reproducible parcel/plat map**, and a **vicinity map**. For information about mapping requirements, refer to: [http://www.sdlafco.org/forms/legal\\_description.pdf](http://www.sdlafco.org/forms/legal_description.pdf), and contact the County Assessor's Mapping Division at 619/531-5588. The Thomas Brother's Guide may be used for the vicinity map.
- 4. **Environmental documentation** to comply with the California Environmental Quality Act (CEQA); submit documents for applicable category only:
  - (a) INITIAL STUDY: Submit completed form (available from LAFCO) if no environmental review has been conducted;
  - (b) CATEGORICAL EXEMPTION: Submit document if an agency has certified that the project qualifies for a categorical exemption from CEQA;
  - (c) NEGATIVE DECLARATION (ND): Submit document with certifying resolution and Initial Study\*;
  - (d) ENVIRONMENTAL IMPACT REPORT (EIR): Submit 15 copies of the Final EIR and certifying resolution, plus one copy of the EIR Appendix\*.

\* For an ND or EIR, a copy of the receipt for the fee paid to the California Department of Fish and Game must be submitted.
- 5. If annexation to a city is proposed, submit one copy of the **city resolution approving rezoning and general plan land-use designations** for the proposal territory.
- 6. **JURISDICTIONAL CONFLICTS:** If the response to question number 6 on page 3 is "Yes", complete and sign the Policy L-107 form at [http://www.sdlafco.org/forms/Legislative\\_Policy\\_L\\_107.pdf](http://www.sdlafco.org/forms/Legislative_Policy_L_107.pdf).
- 7. **Completed CAMPAIGN CONTRIBUTION DISCLOSURE FORM AND EVALUATION CHECKLIST for DISCLOSURE OF POLITICAL EXPENDITURES** (pages 7 and 8 of application).
- 8. **PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY** (page 9 of application).
- 9. Completed **SUBJECT AGENCY SUPPLEMENTAL INFORMATION FORM** (pages 10-12 of application) from **each** subject agency.
- 10. **LAFCO processing fees.** The San Diego LAFCO FEE SCHEDULE is available at <http://www.sdlafco.org/document/feeschedule.pdf>, or contact LAFCO staff.

**SAN DIEGO LOCAL AGENCY FORMATION COMMISSION**  
**9335 Hazard Way · Suite 200 · San Diego, CA 92123**  
**(858) 614-7755 · [www.sdlafco.org](http://www.sdlafco.org)**

# CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION

The information in this application is used by LAFCO staff to evaluate proposals for changes of government organization. Please respond to **all** items in this form, indicating "NA" when an item does **not** apply.

SUBJECT AGENCY(IES) (City or Special District)	PROPOSED CHANGE OF ORGANIZATION/ACTION (Annexation, detachment, sphere amendment, etc.)
1. <u>Valley Center MWD</u>	1. <u>Detachment</u>
2. <u>Rainbow MWD</u>	2. <u>Annexation</u>
3. _____	3. _____
4. _____	4. _____

As part of this application, the City of \_\_\_\_\_ or the Rainbow Municipal Water District, \_\_\_\_\_ (the applicant), and/or the \_\_\_\_\_ (real party in interest): subject landowner and/or registered voter agrees to defend, indemnify, hold harmless, and release the San Diego LAFCO, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any or all of them, the purpose of which is to attack, set aside, void, or annul San Diego LAFCO's review, approval or denial of this application or adoption of or refusal to adopt the environmental document which accompanies it or any other action San Diego LAFCO takes with respect to this application. This defense and indemnification obligation shall include, but not be limited to, attorneys' fees, expert witness fees and other costs of defense, damages, costs, and expenses, including attorney fees payable to another party. Applicant and/or real party in interest agree that San Diego LAFCO shall have the right to appoint its own counsel to defend it and conduct its own defense in the manner it deems in its best interest and that San Diego LAFCO's taking such action does not limit the obligations to indemnify and reimburse San Diego LAFCO's defense costs. This defense and indemnification obligation shall apply whether or not there is concurrent passive or active negligence on the part of the San Diego LAFCO, its agents, officers, attorneys, or employee. The person signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. San Diego LAFCO's acceptance of this application is sufficient to make this agreement a binding, bilateral contract between us.

I acknowledge that annexation to the city of \_\_\_\_\_ or the Rainbow Municipal Water district may result in the imposition of taxes, fees and assessments **existing within the (city or district)** on the effective date of annexation. I hereby waive any rights I may have under Articles XIII C and XIII D of the State Constitution (Proposition 218) to a hearing, assessment ballot proceeding or an election on those **existing taxes, fees and assessments**.

Agreed:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print/Type Name: Tom Kennedy

Address: 3707 Old Highway 395, Fallbrook, CA 92028

Telephone: (760) 728-117

Property Address: \_\_\_\_\_

Cross Street(s): north of SR-76, approximately one-quarter mile east of I-15 in the Fallbrook Community Planning Area.

Assessor Parcel Number(s): 108-122-03,08,09,13,14,15,17;108-120-15,52,53,54;125-061-04,07;125-062-07 Acres: 374.7-acres

Indicate below if anyone, in addition to the person signing this application, is to receive notices of these proceedings.

Name: Jimmy Ayala - Division President Pardee Homes San Diego

Address: 13400 Sabre Springs Parkway, Suite 200, San Diego CA 92128

Telephone: (858) 794-2579

## A. PROPOSAL DESCRIPTION/JUSTIFICATION

1. Explain in detail why the proposal is necessary **at this time** (e.g., condition of an approved tentative map, an existing structure requires new services, etc.). \_\_\_\_\_

The subject development is currently within the Valley Center MWD (VCMWD). VCMWD and Rainbow MWD (RMWD) have executed an Out of Agency Service Agreement as VCMWD lacks facilities

in the area to serve the project, whereas RMWD has water and sewer facilities immediate adjacent to the project site. The annexation will allow RMWD to seve future Meadowood residents in perpetuity.

2. Describe the use of **developed** property within the proposal territory, including details about existing structures. Describe anticipated development of **vacant** property, including types of buildings, number of units, supporting facilities, etc., and when development is scheduled to occur. \_\_\_\_\_

Development of Meadowood is anticipated to include 844 units (886 units if a school site is not built).

Development is anticipated to include 101 multi-family detached units, 370 multi-family attached units,

3. Describe the topography and physical features of the proposal territory, as well as its general location in relation to communities, major freeways/highways, roads, etc. \_\_\_\_\_

The territory is just east of I-15 and north of Hwy 76. It abuts a similar community as well as open space

to the east. It is gently sloped land with steep hillsides behind development.

4. How many residents live within the proposal territory? currently, zero

5. How many of these residents are registered voters? NA

6. Are there any jurisdictional issues associated with the LAFCO proposal or pending LAFCO action?

NO  YES (If yes, please complete the Policy L-107 form at [http://www.sdlafco.org/forms/Legislative\\_Policy\\_L\\_107.pdf](http://www.sdlafco.org/forms/Legislative_Policy_L_107.pdf))

## B. LAND USE INFORMATION

### GENERAL PLAN AND ZONING:

If the proposal territory is **not** within an incorporated city, San Diego County General Plan and zoning information may be obtained by calling (858) 565-5981 or toll-free (888) 267-8770 with the Assessor Parcel Number(s) of the subject property. If the proposal territory is within a city, please call the appropriate city's planning department for General Plan and zoning information.

1. COUNTY:

(a) The territory is within the Fallbrook community plan.

(b) The County General Plan or community plan designation and allowed density: Meadowood is designated for Urban Development including residential, open space and recreation

(c) Current County zoning and allowed density: The project site includes RV-10, S-80, RU-20 and RS-3 zoning

2. CITY:

(a) The territory is within the general plan area for the City of NA

(b) The City General Plan land use designation and allowed density: NA

(c) Current City zoning and allowed density: NA

(d) Current City rezoning and allowed density: NA

3. Indicate below **all** permits or approvals that will be needed by the County or any city to complete the project. If already granted, please note the date of approval and attach a copy of each resolution of approval. If approval is pending, please note the anticipated approval date.

Type of Approval or Permit	File No.	Approval Date	Is Resolution Attached?
Tentative Subdivision Map	VTM 5354	8/18/09	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Tentative Parcel Map	S04-005	8/18/09	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Major Use Permit	2008-0403486	6/24/11	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
City/County General Plan Amendment	12-003	1/11/12	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
City Rezoning			<input type="checkbox"/> YES <input type="checkbox"/> NO
County Rezone	10196	1/9/12	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
(Other)	12-004	1/11/12	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

4. Describe the land uses surrounding the proposal territory (e.g., residential, commercial, agricultural, industrial, open space, etc.).

North: Residential/Open space East: Open space/agricultural

South: agricultural, residential West: residential, open space

5. Indicate with a  if any portion of the proposal territory contains the following:

- Agricultural land uses       Agricultural Preserve
- Open Space Easement       Slopes greater than 25%
- Sewer moratorium area       Coastal Permit Zone
- Unusual features such as: \_\_\_\_\_

6. For city annexation proposals: Is any part of the proposal territory under a Williamson Act contract? If yes, please contact the LAFCO office for special instructions regarding petition/resolution of application requirements.  YES  NO

## C. PUBLIC SERVICES INFORMATION

### SEWER SERVICE:

1. (a) Is the proposal territory within a district or city that provides public sewer service?  YES  NO  
(b) **If yes**, which agency? Valley Center MWD
2. (a) Is a developed parcel in need of annexation due to failed septic system?  YES  NO  
(b) **If yes**, include a copy of any letters from the San Diego County Department of Environmental Health or private septic-system company.  
(c) **If no**, is annexation for sewer service part of this application?  YES  NO
3. If annexation for sewer service is proposed, which district or city would serve the territory if this jurisdictional change is approved? Rainbow MWD
4. (a) Has the agency that will be providing service issued a letter of sewer availability?  YES  NO  
(b) **If yes**, please provide a copy of the letter with this application. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)
5. (a) Will the agency be prepared to furnish sewer service upon annexation?  YES  NO  
(b) **If no**, please explain: \_\_\_\_\_  
\_\_\_\_\_

### WATER SERVICE:

1. (a) Is the proposal territory within a district or city that provides public water service?  YES  NO  
(b) **If yes**, which agency? Valley Center MWD
2. Is a well or other on-site water system currently used on the property?  YES  NO
3. Is an on-site system proposed to be used when the property is developed?  YES  NO
4. (a) Is annexation for water service part of this application?  YES  NO  
(b) **If yes**, which district or city would serve the territory if this jurisdictional change is approved? Rainbow MWD  
(c) Will the agency that will be providing service be prepared to furnish water service upon annexation?  YES  NO
5. (a) Has the agency that will be providing service issued a letter of water availability?  YES  NO  
(b) **If yes**, please provide a copy of the letter with this application. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)

**FIRE PROTECTION SERVICES:** NOTE: Complete the following section **only** if annexation to a fire protection service provider is proposed—or if the current fire protection service provider is proposed to change.

1. (a) Is the proposal territory **currently** within an agency that provides fire protection?  YES  NO

(b) **If yes**, provide name and address/location of current fire service provider

---

---

(c) Provide estimated response times to the proposal territory:

priority \_\_\_\_\_ minutes; non-priority \_\_\_\_\_ minutes

2. Is annexation for fire protection service part of this application?  YES  NO

3. Which city or district would serve the proposal territory if this jurisdictional change is approved?

---

(a) Location/address of the proposed fire service provider: \_\_\_\_\_

---

(b) Estimated response times to the proposal territory:

Priority \_\_\_\_\_ minutes; non-priority \_\_\_\_\_ minutes

**POLICE PROTECTION SERVICES:** NOTE: Complete the following section **only** if the police protection provider is proposed to change.

1. Which police agency **currently** serves the proposal territory?

---

(a) Location/address of nearest police station: \_\_\_\_\_

---

(b) Estimated response times to the proposal territory: priority \_\_\_\_\_ minutes; non-priority \_\_\_\_\_ minutes

2. Which police agency would serve the proposal territory if this jurisdictional change is approved?

---

(a) Location/address of nearest police station: \_\_\_\_\_

---

(b) Estimated response times to the proposal territory:

Priority \_\_\_\_\_ minutes; non-priority \_\_\_\_\_ minutes

## CAMPAIGN CONTRIBUTION DISCLOSURE PROVISIONS

LAFCOs are subject to the campaign disclosure provisions detailed in Government Code Section 84308, and the Regulations of the Fair Political Practices Commission (FPPC), Section 18438.

**Please carefully read the following information to determine if the provisions apply to you. If you determine that the provisions are applicable, the Campaign Disclosure Form must be completed and returned to San Diego LAFCO with your application.**

1. No LAFCO commissioner shall accept, solicit, or direct a contribution of more than \$250 from any party<sup>1</sup> or agent<sup>2</sup> while a change of organization proceeding is pending, and for three months subsequent to the date a final decision is rendered by LAFCO. This prohibition commences when your application has been filed, or the proceeding is otherwise initiated.

2. A party to a LAFCO proceeding shall disclose on the record of the proceeding any contribution of more than \$250 made to any commissioner by the party, or agent, during the preceding 12 months. No party to a LAFCO proceeding, or agent, shall make a contribution to a commissioner during the proceeding and for three months following the date a final decision is rendered by LAFCO.

3. Prior to rendering a decision on a LAFCO proceeding, any commissioner who received contribution of more than \$250 within the preceding 12 months from any party, or agent, to a proceeding shall disclose that fact on the record of the proceeding, and shall be disqualified from participating in the proceeding. However, if any commissioner receives a contribution that otherwise would require disqualification, and returns the contribution within 30 days of knowing about the contribution and the relevant proceeding, that commissioner shall be permitted to participate in the proceeding.

<sup>1</sup> "Party" is defined as any person who files an application for, or is the subject of, a proceeding.

<sup>2</sup> "Agent" is defined as a person who represents a party in connection with a proceeding. If an individual acting as an agent also is acting as an employee or member of a law, architectural, engineering, or consulting firm, or a similar entity or corporation, both the individual and the entity or corporation are agents. When a closed corporation is a party to a proceeding, the majority shareholder is subject to these provisions.

To determine whether a campaign contribution of more than \$250 has been made by you or your agent to a commissioner within the preceding 12 months, all contributions made by you or your agent during that period must be aggregated.

Names of current LAFCO commissioners are available at <http://www.sdlafco.org/document/CommRoster.pdf>. If you have questions about Government Code Section 84308, FPPC regulations, or the Campaign Disclosure Form, please contact San Diego LAFCO at 9335 Hazard Way, Suite 200, San Diego, CA 92123, (858) 614-7755.

## CAMPAIGN CONTRIBUTION DISCLOSURE FORM

(a) Proposed change(s) of organization: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(b) Name and address of any party, or agent, who has contributed more than \$250 to any commissioner within the preceding 12 months:

1. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(c) Date and amount of contribution:

Date \_\_\_\_\_ Amount \$ \_\_\_\_\_  
Date \_\_\_\_\_ Amount \$ \_\_\_\_\_

(d) Name of commissioner to whom contribution was made:

1. \_\_\_\_\_
2. \_\_\_\_\_

(e) I certify that the above information is provided to the best of my knowledge.

Printed Name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_ Phone \_\_\_\_\_

To be completed by LAFCO:

Proposal:

Ref. No.

## DISCLOSURE OF POLITICAL EXPENDITURES

Effective January 1, 2008, expenditures for political purposes, which are related to a change of organization or reorganization proposal that will be or has been submitted to LAFCO, are subject to the reporting and disclosure requirements of the Political Reform Act of 1974 and the Cortese-Knox-Hertzberg Act of 2000.

*Please carefully read the following information to determine if reporting and disclosure provisions apply to you.*

- Any person or combination of persons who, for political purposes, directly or indirectly contributes \$1,000 or more, or expend \$1,000 or more in support of, or in opposition to a proposal for a change of organization or reorganization that will be submitted to the Commission, shall disclose and report to the Commission to the same extent and subject to the same requirements of the Political Reform Act of 1974 (Government Code Section 81000 et seq.) as provided for local initiative measures, and Section 56700.1 of the Cortese-Knox-Hertzberg Act of 2000.
- Pursuant to Government Code Section 57009, any person or combination of persons who directly or indirectly contributes \$1,000 or more, or expends \$1,000 or in support of, or in opposition to, the conducting authority proceedings for a change of organization or reorganization, must comply with the disclosure requirements of the Political Reform Act of 1974, (Government Code section 81000 et seq.). Applicable reports must be filed with the Secretary of State and the appropriate city or county clerk. Copies of the report must also be filed with the Executive Officer of San Diego LAFCO.
- A roster of current San Diego LAFCO commissioners is available from the LAFCO office: 9335 Hazard Way, Suite 200, San Diego, CA 92123, (858) 614-7755, or from <http://www.sdlafco.org/document/CommRoster.pdf>

## EVALUATION CHECKLIST FOR DISCLOSURE OF POLITICAL EXPENDITURES

The following checklist is provided to assist you in determining if the requirements of Government Code Sections 81000 et seq. apply to you. For further assistance contact the Fair Political Practices Commission at 428 J Street, Suite 450, Sacramento, CA 95814, (866) 275-3772 or at <http://www.fppc.ca.gov>.

1. Have you directly or indirectly made a contribution or expenditure of \$1,000 or more related to the support or opposition of a proposal that has been or will be submitted to LAFCO?

Yes

No

Date of contribution \_\_\_\_\_ Amount \$ \_\_\_\_\_

Name/Ref. No. of LAFCO proposal \_\_\_\_\_  
\_\_\_\_\_

Date proposal submitted to LAFCO \_\_\_\_\_

2. Have you, in combination with other person(s), directly or indirectly contributed or expended \$1,000 or more related to the support or opposition of a proposal that has been or will be submitted to LAFCO?

Yes

No

Date of contribution \_\_\_\_\_ Amount \$ \_\_\_\_\_

Name/Ref. No. of LAFCO proposal \_\_\_\_\_  
\_\_\_\_\_

Date proposal submitted to LAFCO \_\_\_\_\_

3. If you have filed a report in accordance with FPPC requirements, has a copy of the report been filed with San Diego LAFCO?

Yes

No



## PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY

Note: Processing of jurisdictional boundary change proposals, which involve **uninhabited**<sup>1</sup> territory, can be expedited by approximately 60 days if all affected landowners consent to the proposal. If you wish to take advantage of this option, please return the completed PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY to San Diego LAFCO with your application for a jurisdictional boundary change. If consenting signatures of **100%** of the affected property owners are affixed and LAFCO does not receive any opposition from subject agencies, the Commission may consider the proposal without public notice, public hearing and/or an election.

<sup>1</sup> Territory included within a proposed boundary change that includes less-than 12 registered voters is considered **uninhabited** (Government Code 56045).

The undersigned owners(s) of property hereby consent(s) to inclusion of that property within a proposed change of organization or reorganization consisting of:

(Please list all proposed actions)

Annexation to: 1. Rainbow MWD  
 2. \_\_\_\_\_  
 3. \_\_\_\_\_

Detachment from: 1. Valley Center MWD  
 2. \_\_\_\_\_  
 3. \_\_\_\_\_

<u>Date</u>	<u>Signature</u>	<u>Assessor's Parcel Number(s)</u>
1. _____	_____	108-122-03,08,09,13,14,15,17;108-120-15,52,53,54;125-061-04,07;125-062-07
2. _____	_____	
3. _____	_____	
4. _____	_____	
5. _____	_____	

Attach additional sheets if necessary

## SUBJECT AGENCY SUPPLEMENTAL INFORMATION FORM

NOTE: A copy of this form must be completed and signed by **each** local agency that will gain or lose territory as a result of the proposed jurisdictional boundary change. Attach additional sheets if necessary.

<b>Signature of agency representative</b> General Manager	Tom Kennedy <b>Print name</b>
<b>Title</b> 760-728-1178	<b>Date</b>
<b>Telephone</b>	<b>Date</b>

### A. JURISDICTIONAL INFORMATION:

Name of agency:

Rainbow MWD

1. Is the proposal territory within the agency's sphere of influence? Yes  No
2. Upon annexation, will the proposal territory be included within an assessment district and be subject to assessment for new or extended services? Yes  No
3. Does the agency have plans to establish any new assessment district that would include the proposal territory? Yes  No
4. Will the proposal territory assume any existing bonded indebtedness? Yes  No   
*If yes, indicate any taxpayer cost: \$ RMWD tax of \$10.54/yr per parcel or acre*
5. Will the proposal territory be subject to any special taxes, benefit charges, or fees? Yes  No   
*If yes, please provide details of all costs: \_\_\_\_\_*  
 \_\_\_\_\_
6. Is the agency requesting an exchange of property tax revenues as a result of this proposal? Yes  No
7. Is this proposed jurisdictional change subject to a master property tax agreement or master enterprise district resolution? Yes  No
8. FOR CITY ANNEXATIONS: Does the proposal territory contain existing commercial development that generates retail sales of ten million dollars or more per year? Yes  No
9. FOR CITY ANNEXATIONS: If any part of the proposal territory is under a Williamson Act contract, please contact the LAFCO office for special instructions regarding petition or resolution of application requirements.

**EXPEDITED PROPOSAL PROCESSING:** *Processing of jurisdictional boundary change proposals can be expedited by approximately 60 days if all affected landowners consent to the waiver of protest and termination (conducting authority) proceedings and subject agencies do not oppose the waiver. If you do NOT want to waive these proceedings, then attach a written statement to the subject agency information form containing a signature, date, and declaration of opposition to a waiver of such proceedings.*

**B. SEWER SERVICE:**

1. What is the agency's current wastewater treatment capacity (expressed in million gallons per day and equivalent dwelling units)? \_\_\_\_\_  
\_\_\_\_\_
2. What is the average volume of influent currently being treated by the agency (expressed in million gallons per day and equivalent dwelling units)? \_\_\_\_\_  
\_\_\_\_\_
3. (a) What is the agency's peak flow volume (expressed in million gallons per day)?  
\_\_\_\_\_  
(b) What is the agency's peak flow capacity (expressed in million gallons per day)?  
\_\_\_\_\_  
(c) Has the agency exceeded the flow (peak) capacity within the past two years?  
(d) **If yes**, please describe the frequency and volume of incidents that exceeded the agency's peak capacity: \_\_\_\_\_  
\_\_\_\_\_  YES  NO
4. (a) Has the agency issued a letter of sewer availability for the proposal territory?  YES  NO  
(b) **If yes**, please provide a copy of the letter. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)
5. (a) How many future equivalent dwelling units have been reserved or committed for proposed projects? \_\_\_\_\_  
(b) Can all projects that have received commitments of sewer availability (e.g., "will serve letters") be accommodated with planned capacity?  YES  NO
6. (a) Does the agency have the necessary contractual and/or operational treatment capacity to provide sewer service to the proposal territory?  YES  NO  
(b) **If yes**, please specify the proposal territory's estimated sewer demand and the agency's available sewer capacity (expressed in million gallons per day and equivalent dwelling units):  
\_\_\_\_\_  
\_\_\_\_\_  
(c) **If no**, please describe the agency's plans to upgrade capacity to resolve any capacity related issues: \_\_\_\_\_  
\_\_\_\_\_
7. Will the proposal territory be annexed to a sewer improvement district?  YES  NO
8. (a) The distance for connection of the proposal territory to the agency's existing sewer system is \_\_\_\_\_ feet.  
(b) Describe the location of the connection to the agency's existing sewer system:  
\_\_\_\_\_

C. WATER SERVICE:

1. (a) Does the subject agency have adequate water supply and sufficient contractual and/or operational capacity available to serve the proposal territory?  YES  NO

(b) **If yes**, describe the proposal territory's estimated water demand and the agency's available water supply and capacity (expressed in acre-feet or million gallons per day):

Current demands are about 14,000 AF/YR. SDCWA connection capacity is approximately 35,000 AF/YR

(c) **If no**, what plans does the agency have to increase its water capacity?

2. Specify any improvements (on and off-site) that will be necessary to connect and serve the anticipated development. Indicate the total cost of these improvements and method of financing (e.g., general property tax, assessment district, landowner or developer fees):  YES  NO

Rice Canyon Pipeline. Cost estimated to be approximately \$1.5 million. Paid by developer fees.

3. (a) Has the agency issued a letter of water availability for the proposal territory?  YES  NO

(b) **If yes**, please provide a copy of the letter. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)

4. (a) The distance for connection of the proposal territory to the agency's existing water system is approximately 100 feet.

(b) Describe the location of the connection to the agency's existing water system: Horse Ranch Creek Road, but also to the Rice Canyon Tank Line

5. (a) Is the agency currently under any drought-related conditions and/or restrictions?  YES  NO

(b) **If yes**, describe the conditions and specify any related restrictions:

6. (a) Will the proposal territory utilize reclaimed water?  YES  NO

(b) **If yes**, describe the proposal territory's reclaimed water use and the agency's available reclaimed water supply and capacity (expressed in acre-feet or million gallons per day):

(c) The distance for connection of the proposal territory to the agency's existing reclaimed water system is \_\_\_\_\_ feet.

(d) Describe the location of the connection to the agency's existing reclaimed water system: \_\_\_\_\_

- (e) **If no**, has the agency considered availability of reclaimed water to the proposal territory?  YES  NO

(f) What restrictions prevent use of reclaimed water? Distance from treatment plant makes

reclaimed water non-viable

7. Will the proposal territory be annexed to an improvement district?  YES  NO

# MEADOWOOD

## VESTING SITE PLAN S04-005

**LEGAL DESCRIPTION**  
 PARCEL 1A: THAT PORTION OF THE RANCHO MENAHEITE, IN THE COUNTY OF SAN DIEGO, CALIFORNIA, ACCORDING TO MAP THEREOF RECORDED IN BOOK 1, PAGE 106 OF THE PUBLIC RECORDS OF SAN DIEGO, BEING DESCRIBED AS PARCELS 1A AND 1B OF CERTIFICATE OF COMPLIANCE RECORDED ON MARCH 25, 1943 AS FILE NO. 83-195254 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY.  
 PARCEL 2A: THAT PORTION OF FRACTIONAL SECTION 36, TOWNSHIP 9 SOUTH, RANGE WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, TOGETHER WITH A PORTION OF RANCHO MENAHEITE, ACCORDING TO MAP NO. 827 ON FILE IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY, CALIFORNIA.

**ASSESSOR'S PARCEL NO.'S**  
 108-120-52, 53, 54  
 108-121-17  
 108-120-03, 04, 05, 06, 07, 08, 09, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19  
 125-081-04, 07  
 125-082-04

**LEGEND**  
 PROJECT BOUNDARY \_\_\_\_\_  
 RIGHT OF WAY \_\_\_\_\_  
 LOT LINE \_\_\_\_\_  
 UNIT LINE \_\_\_\_\_  
 PLANNING AREA LINE \_\_\_\_\_

**OWNER'S CERTIFICATE**  
 WE HEREBY CERTIFY THAT WE ARE THE RECORD OWNERS OF THE PROPERTY SHOWN ON THE TENTATIVE SUBDIVISION MAP AND THAT SAID MAP SHOWS ALL OUR CONSIDERABLE INTERESTS IN SAID MAP HAVE BEEN FULLY AND COMPLETELY CONSIDERED IN THE PREPARATION OF THIS CERTIFICATE OF COMPLIANCE. WE WILL COMPLY WITH THE PLANNING AND LAND DEVELOPMENT ORDINANCE.  
 DATE: 8-18-09

**Owner / Developer**  
 PARADEE HOMES  
 6025 EDGEWOOD BEND COURT  
 SAN DIEGO, CA 92130  
 (619) 794-2000

**Engineer of Work**  
 RICK ENGINEERING COMPANY  
 5630 Friars Road  
 San Diego, California 92110  
 (619) 291-0707  
 MICHAEL S. WALL, P.E. 49885



**PROPOSED USES**

PLANNING AREA	USE
PLANNING AREA 1:	MULTI-FAMILY DETACHED
PLANNING AREA 2:	SCHOOL SITE
PLANNING AREA 3:	NEIGHBORHOOD PARK
PLANNING AREA 4:	SINGLE-FAMILY ATTACHED
PLANNING AREA 5:	SINGLE-FAMILY DETACHED
PLANNING AREA 6:	AGRICULTURE
PLANNING AREA 7:	OPEN SPACE

**DWELLING UNITS**

PLANNING AREA	MAXIMUM NUMBER
1	164
2	0
4	325
5	325
TOTAL	814

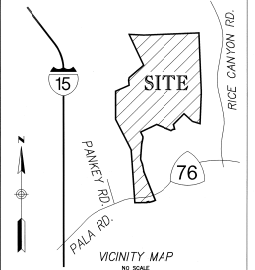
**DWELLING UNITS (F SCHOOL IS NOT BUILT)**

PLANNING AREA	MAXIMUM NUMBER
1	164
2	42
4	325
5	325
TOTAL	856

**SHEET SUMMARY**  
 SHEET 1 VESTING SITE PLAN SHEET / DETAILS  
 SHEET 2 THRU 8 VESTING SITE PLAN

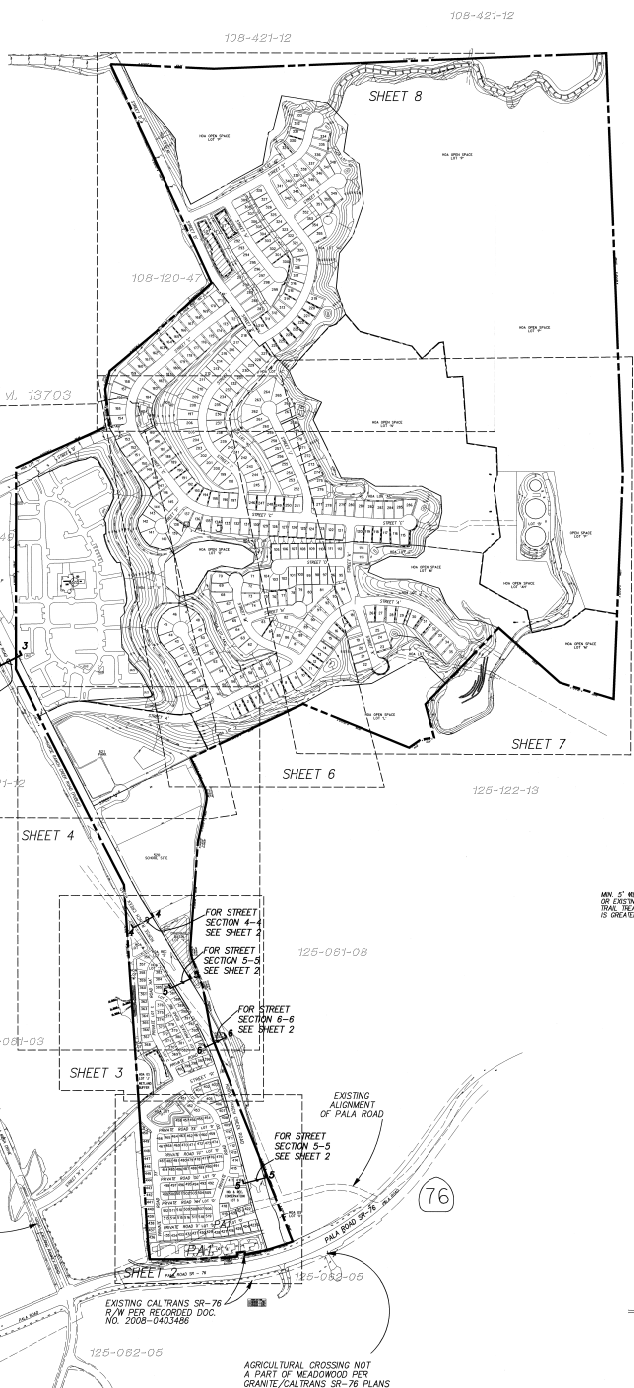
### MEADOWOOD

Prepared By: Rick Engineering Company  
 Name: \_\_\_\_\_  
 Address: 5630 Friars Road, San Diego, California 92110  
 Phone #: 619-291-0707  
 Project Address: PALA ROAD EAST OF INTERSTATE 15, COUNTY OF SAN DIEGO  
 Project Name: MEADOWOOD  
 Sheet Title: VESTING SITE PLAN, TITLE SHEET / DETAILS  
 Original Date: 2/23/04  
 Sheet: 1 of 8  
 COUNTY OF SAN DIEGO  
 PROJECT NO. 1704-034-005.1

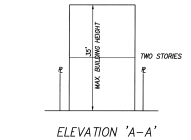


**LEGEND**  
 PROJECT BOUNDARY \_\_\_\_\_  
 RIGHT OF WAY \_\_\_\_\_  
 LOT LINE \_\_\_\_\_  
 UNIT LINE \_\_\_\_\_  
 LOT NUMBER \_\_\_\_\_  
 TRAIL CROSS SECTIONS SEE SHEET 2  
 PLANNING AREA BOUNDARY \_\_\_\_\_  
 PLANNING AREA \_\_\_\_\_  
 PUBLIC TRAIL \_\_\_\_\_  
 PRIVATE TRAIL \_\_\_\_\_  
 STREET SECTIONS SEE SHEET 2

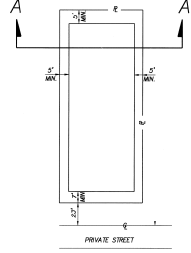
**SHEET SUMMARY**  
 SHEET 1 VESTING TENTATIVE MAP TITLE SHEET  
 SHEET 2 LOT AREAS AND DETAILS  
 SHEET 3 EXISTING CONDITIONS / EASEMENTS  
 SHEETS 4 THRU 8 VESTING TENTATIVE MAP  
 SHEET 9 OFFSITE IMPROVEMENTS  
 SHEET 10 PLANNING AREA 2 OPTION



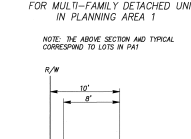
#### PLANNING AREA 1:



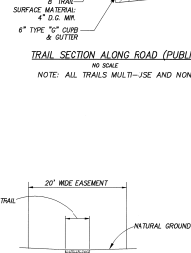
NOTE: REFER TO THE 'B' DESIGNATOR SITE PLAN FOR DETAILED ELEVATIONS.



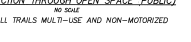
#### PLANNING AREA 5:



NOTE: REFER TO THE 'B' DESIGNATOR SITE PLAN FOR DETAILED ELEVATIONS.



#### TRAIL SECTION THROUGH OPEN SPACE (PUBLIC)



NOTE: ALL TRAILS MULTI-USE AND NON-MOTORIZED

#### TRAIL SECTION ALONG ROAD (PUBLIC)



NOTE: ALL TRAILS MULTI-USE AND NON-MOTORIZED

#### TRAIL SECTION THROUGH OPEN SPACE (PUBLIC)



NOTE: ALL TRAILS MULTI-USE AND NON-MOTORIZED

#### TRAIL SECTION THROUGH OPEN SPACE (PUBLIC)



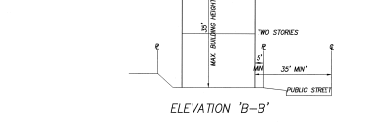
NOTE: ALL TRAILS MULTI-USE AND NON-MOTORIZED

#### TRAIL SECTION THROUGH OPEN SPACE (PUBLIC)

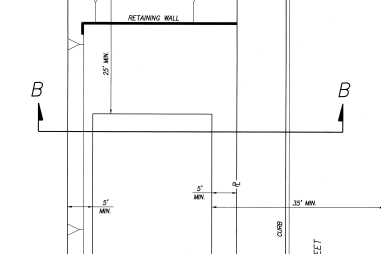


NOTE: ALL TRAILS MULTI-USE AND NON-MOTORIZED

#### PLANNING AREA 1:



NOTE: REFER TO THE 'B' DESIGNATOR SITE PLAN FOR DETAILED ELEVATIONS.



#### TRAIL SECTION THROUGH OPEN SPACE (PUBLIC)



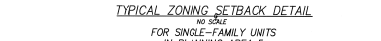
NOTE: ALL TRAILS MULTI-USE AND NON-MOTORIZED

#### TRAIL SECTION ALONG ROAD (PUBLIC)



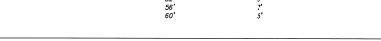
NOTE: ALL TRAILS MULTI-USE AND NON-MOTORIZED

#### TRAIL SECTION THROUGH OPEN SPACE (PUBLIC)



NOTE: ALL TRAILS MULTI-USE AND NON-MOTORIZED

#### TRAIL SECTION THROUGH OPEN SPACE (PUBLIC)



NOTE: ALL TRAILS MULTI-USE AND NON-MOTORIZED



**LEGEND**

PROJECT BOUNDARY: [Symbol]

PLANNING AREA: [Symbol]

PLANNING AREA LINE: [Symbol]

RIGHT OF WAY: [Symbol]

LOT LINE: [Symbol]

CURB: [Symbol]

SLOPES 2:1 MAX (11%)

DAYLIGHT LINE: [Symbol]

LOT NUMBER: 363

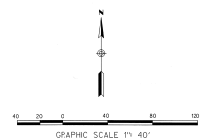
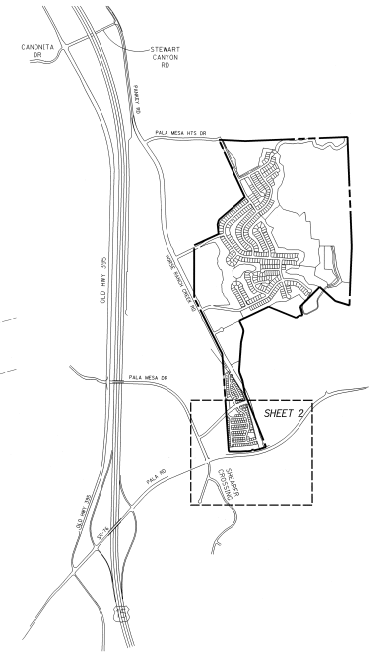
TRAIL PUBLIC (SEE DETAIL ON SHEET 1)

EASEMENT: [Symbol]

FUTURE SIGNAL: [Symbol]

PRIVATE TRAIL: [Symbol]

NOTE: ALL EASEMENTS ARE PUBLIC UNLESS OTHERWISE NOTED.



**MEADOWOOD**

Prepared By: Rick Engineering Company

Address: 5425 Friant Road, San Diego, California 92118

Project Address: PALA ROAD EAST OF INTERSTATE 15, COUNTY OF SAN DIEGO

Project Name: MEADOWOOD

Sheet Title: YESING SITE PLAN PLANNING AREA 1

Original Date: 02/2004

Revision 14:	
Revision 13:	
Revision 12:	
Revision 11:	
Revision 10:	
Revision 9:	
Revision 8:	
Revision 7:	
Revision 6:	8/31/2004
Revision 5:	6/19/2004
Revision 4:	4/9/2004
Revision 3:	4/9/2004
Revision 2:	4/13/2004
Revision 1:	9/15/2003

Sheet: 2 of 8

TRACT NO. 27M 235-025-1

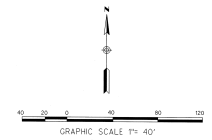
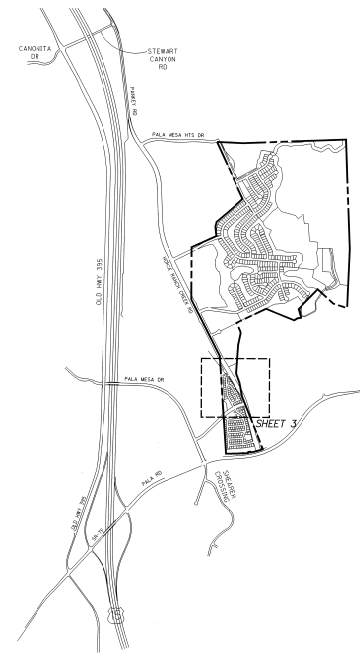
**BOUNDARY DATA TABLE**

L1	N89°00'00"W	3.26'
L2	N05°00'00"W	21.00'
L3	N83°00'00"E	51.00'
L4	N15°00'00"W	21.19'

LEGEND

- PROJECT BOUNDARY
- PLANNING AREA PAT
- PLANNING AREA LINE
- RIGHT OF WAY
- LOT LINE
- CURB
- SLOPES 2 : 1 MAX (70%)
- DAYLIGHT LINE
- LOT NUMBER 363
- TRAIL PUBLIC (SEE DETAIL ON SHEET 1)
- EASEMENT
- FUTURE SIGNAL S
- PRIVATE TRAIL

NOTE: ALL EASEMENTS ARE PUBLIC UNLESS OTHERWISE NOTED.

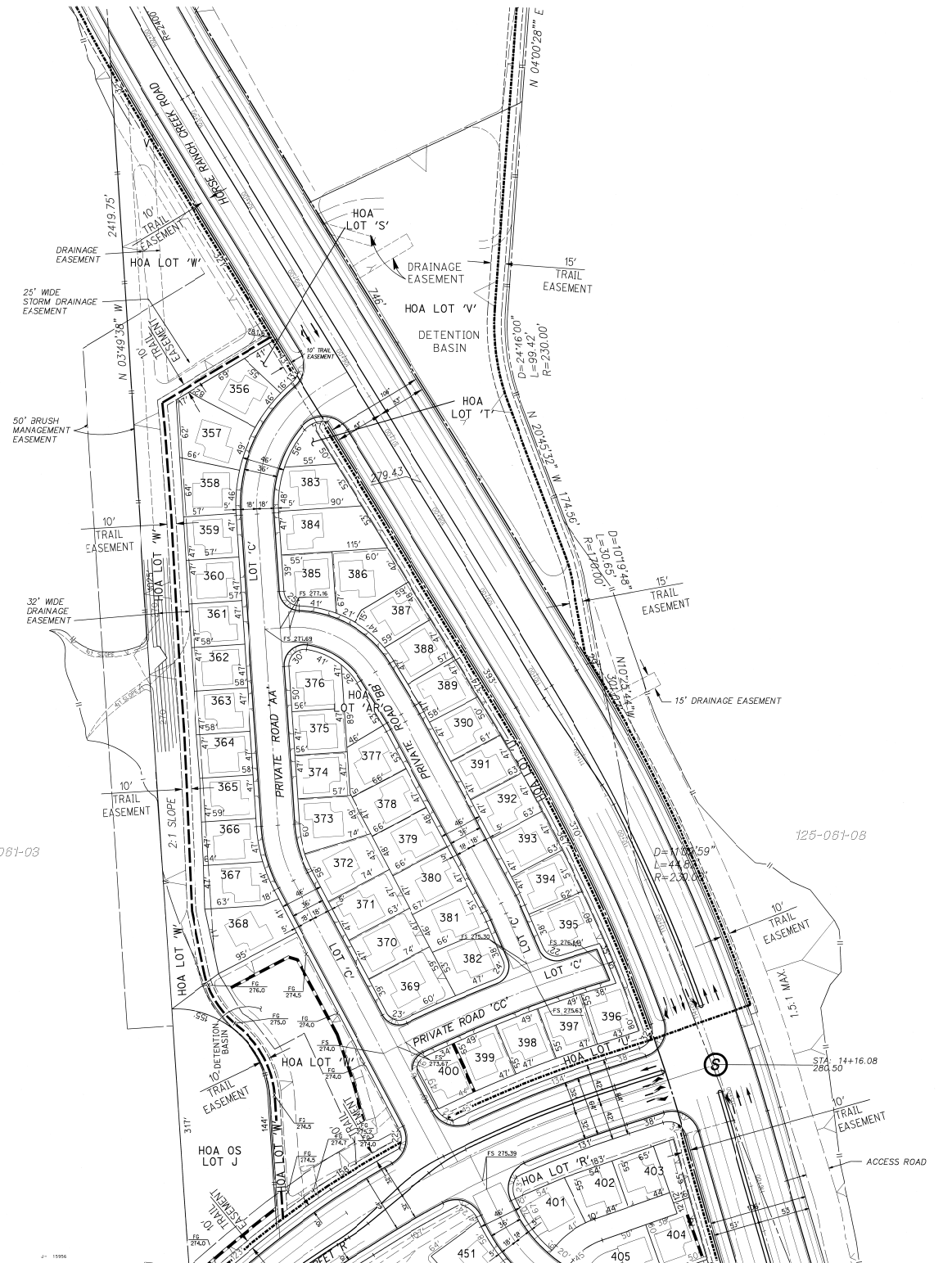


### MEADOWOOD

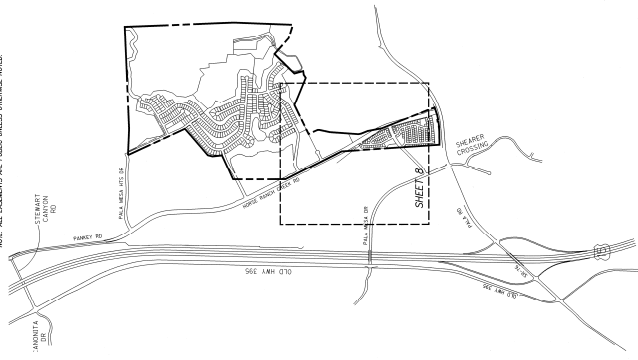
Prepared By: Rick Engineering Company	Revision 14:	
Name: 3430 Wilson Road	Revision 13:	
Address: San Diego, California 92110	Revision 12:	
Phone #: (619) 591-0707	Revision 11:	
Project Address: PALMA ROAD PART OF INTERSTATE 15	Revision 10:	
COUNTY OF SAN DIEGO	Revision 9:	
Revision 8:	8/21/2009	
Revision 7:	8/19/2009	
Revision 6:	4/9/2009	
Revision 5:	4/9/2008	
Revision 4:	4/15/2007	
Revision 3:	8/19/2005	
Revision 2:		
Revision 1:	3/23/2004	
Original Date:		
Sheet Title: <b>VESTING SITE PLAN</b>	Sheet	3 of 8
PLANNING AREA 1	TRACT No. 17M 25549PL-1	

125-081-03

125-081-08



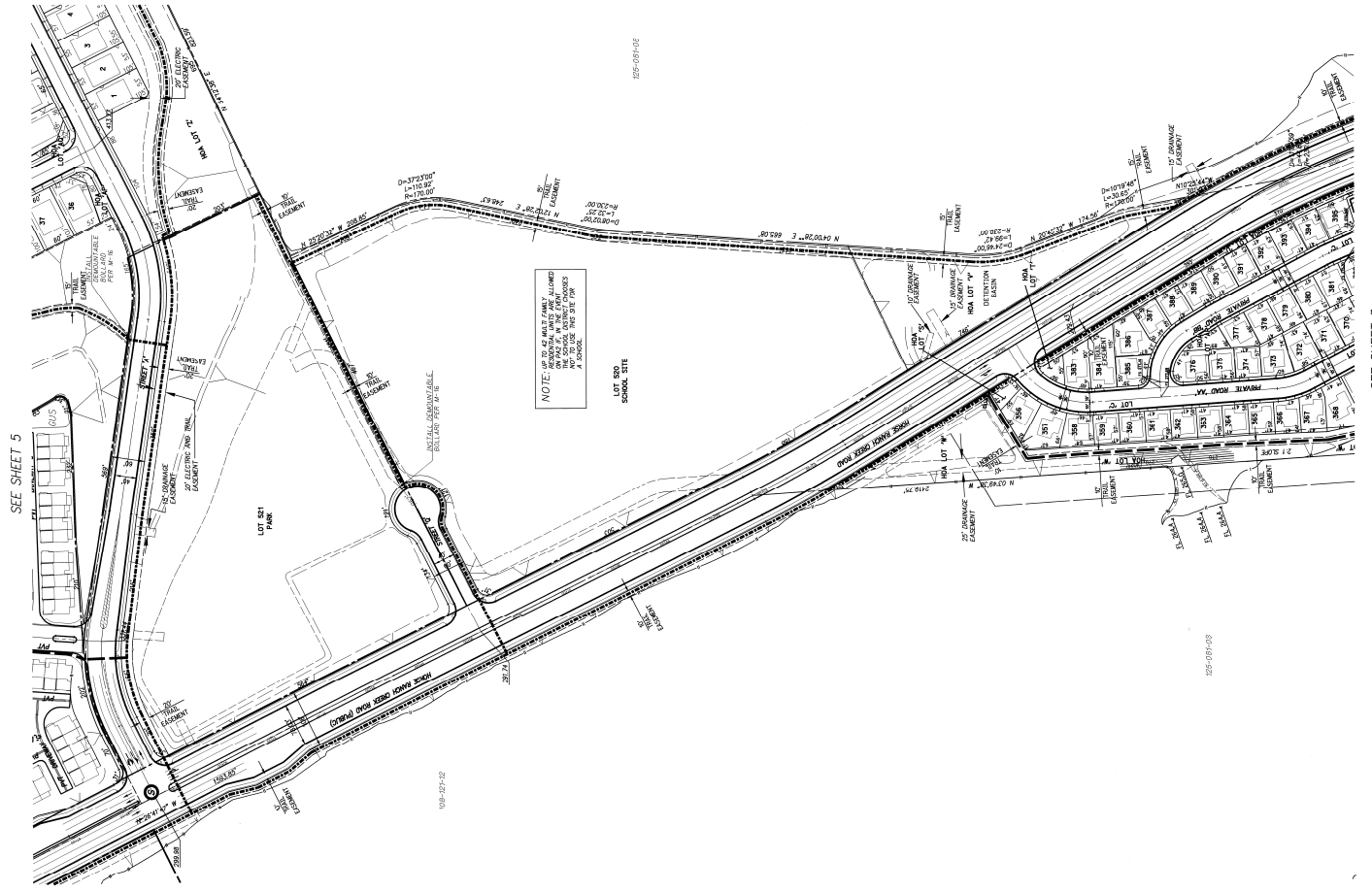
**LEGEND**  
 PROJECT BOUNDARY  
 PLANNING AREA  
 BOUNDARY LINE  
 RIGHT OF WAY  
 LOT LINE  
 CURB  
 SLOPE 2:1 MAX (TPC)  
 STRAIGHT LINE  
 LOT NUMBER  
 ROAD PUBLIC  
 COLLECTOR (AS SHOWN)  
 EXISTING  
 FUTURE SIGNAL  
 PRIVATE TRAIL  
 NOTE: ALL EXISTING ARE PUBLIC UNLESS OTHERWISE NOTED.



**MEADOWOOD**

Prepared By: Rick Engstrom, Director	Revision 14:
Address: 1525 1/2 Street, Suite 200	Revision 13:
City: Salt Lake City, Utah 84119	Revision 12:
Phone #: 801.572.1212	Revision 11:
Fax #: 801.572.1212	Revision 10:
Project Name: MEADOWOOD	Revision 9:
Project Number: 1525-1/2 STREET, SUITE 200	Revision 8:
Project Date: 4/11/2011	Revision 7:
Original Date: 5/11/2010	Revision 6:
Sheet: 4	Revision 5:
Project: MEADOWOOD	Revision 4:
Project: MEADOWOOD	Revision 3:
Project: MEADOWOOD	Revision 2:
Project: MEADOWOOD	Revision 1:

SEE SHEET 5

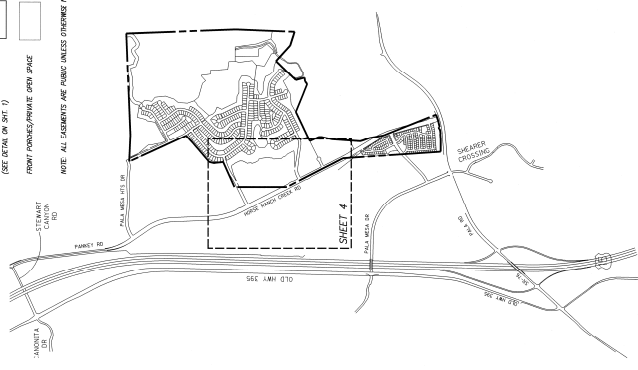


SEE SHEET 3



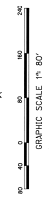
**LEGEND**

- PROJECT BOUNDARY
  - PLANNING AREA
  - PLANNING AREA LINE
  - BOUNDARY OF 1/4
  - LOT LINE
  - COOR
  - CURVE: P, R, M, (TYP)
  - DRAINAGE LINE
  - LOT NUMBER
  - TRAIL PUBLIC (SEE SHEET ON SITE)
  - EASEMENT
  - TRUCK SIGNAL
  - PRIVATE TANK
  - RELEVANCE ELEVATION (SEE SHEET ON SITE)
  - FRONT DRIVE/PRIVATE DRIVE PAUSE
- NOTE: ALL EASEMENTS ARE PUBLIC UNLESS OTHERWISE NOTED.



**MEADOWWOOD**

Prepared By: [redacted] ENGINEERING COMPANY  
 Address: [redacted]  
 Project Name: MEADOWWOOD  
 Sheet Title: MEADOWWOOD PLANNING AREA 4  
 Original Date: 2/1/2004  
 Date: 5/1/2004  
 Sheet No.: 8  
 Project No.: [redacted]



**108-120-49**  
**P.M. 13703**

7-12036

**RICK**  
 CONSULTING ENGINEERS  
 2301 BRASS FORD  
 SAN DIEGO, CA 92108  
 (619) 441-4545

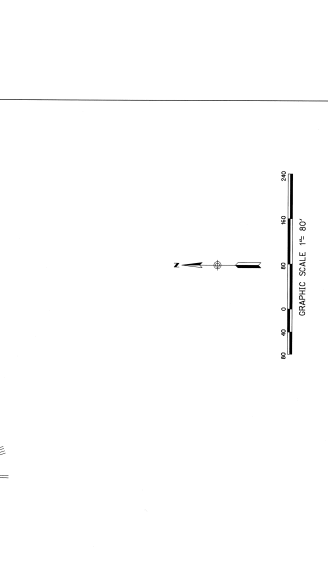
Professional Engineer License No. 10817  
 Professional Engineer License No. 10817

**LEGEND**

- PROJECT BOUNDARY
- PLANNING AREA LINE
- RIGHT OF WAY
- LOT LINE
- CONV.
- SLOPE 2:1 MAX (TYP)
- DAYLIGHT LINE
- LOT NUMBER
- TRAIL FABRIC
- SEE DETAIL ON SHEET 1
- EASEMENT
- EXISTING SIGNAL
- PRIVATE MAIL
- EXISTING DRIVEWAY (SEE DETAIL ON SHEET 1)

**NOTES:**

- (1) ALL EASEMENTS ARE INDICATED UNLESS NOTED OTHERWISE.
- (2) ALL EASEMENTS ARE INDICATED UNLESS NOTED OTHERWISE.
- (3) ALL EASEMENTS ARE INDICATED UNLESS NOTED OTHERWISE.
- (4) ALL EASEMENTS ARE INDICATED UNLESS NOTED OTHERWISE.
- (5) ALL EASEMENTS ARE INDICATED UNLESS NOTED OTHERWISE.



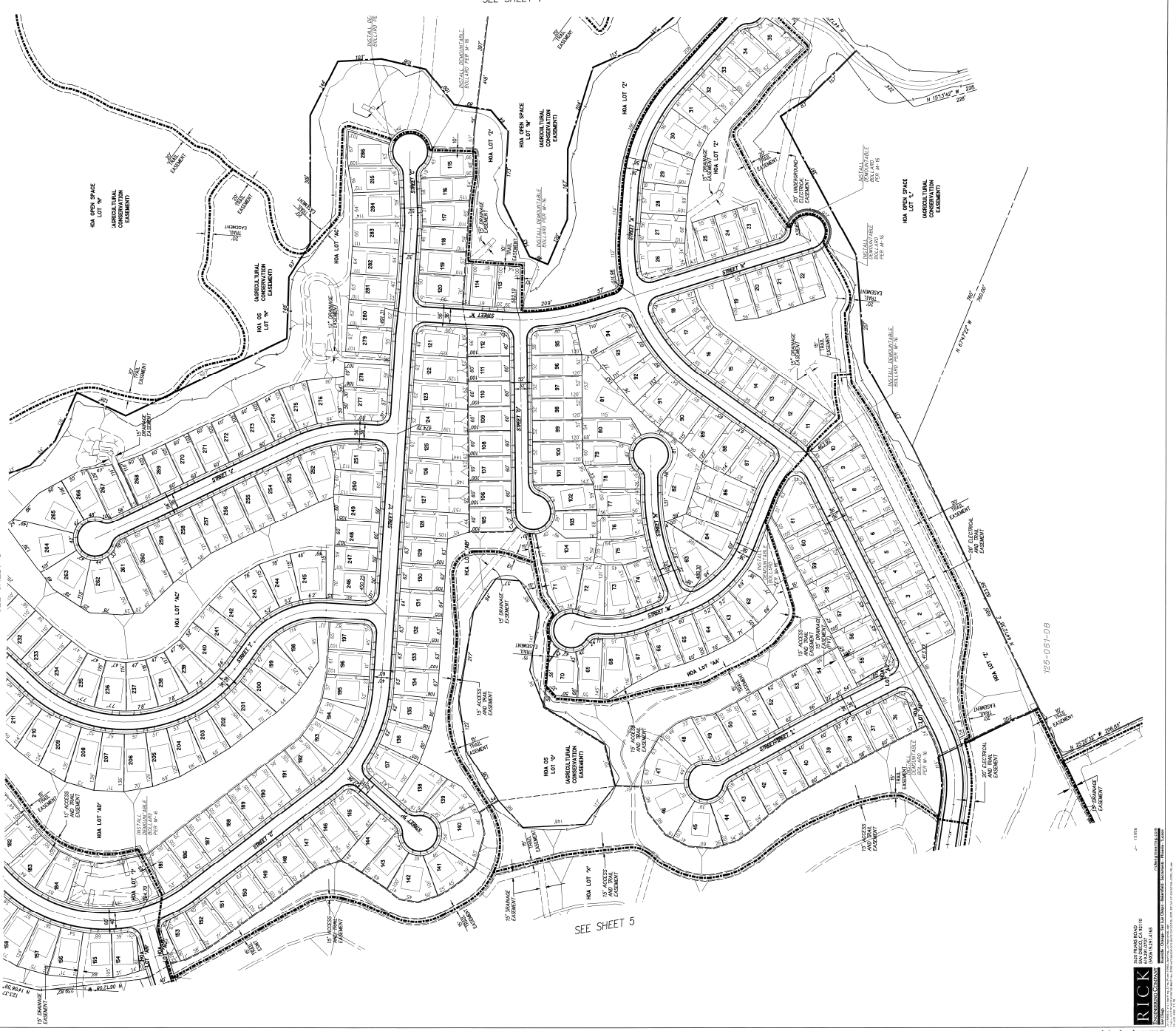
**MEADOWWOOD**

Prepared By: Rick Engstrom & Company  
 Address: 1225 S. 22ND AVENUE  
 Phone #: 360.271.2377  
 Project: PARKWAY EAST OF INTERSTATE 5, COUNTY OF SAN DIEGO

Project Name: MEADOWWOOD

Sheet Title: SITE PLAN  
 Planning Area: 6

Revision 1	3/21/2019
Revision 2	4/10/2019
Revision 3	4/10/2019
Revision 4	4/10/2019
Revision 5	4/10/2019
Revision 6	4/10/2019
Revision 7	4/10/2019
Revision 8	4/10/2019
Revision 9	4/10/2019
Revision 10	4/10/2019
Revision 11	4/10/2019
Revision 12	4/10/2019
Revision 13	4/10/2019
Revision 14	4/10/2019
Revision 15	4/10/2019
Revision 16	4/10/2019
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Revision 91	4/10/2019
Revision 92	4/10/2019
Revision 93	4/10/2019
Revision 94	4/10/2019
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Revision 97	4/10/2019
Revision 98	4/10/2019
Revision 99	4/10/2019
Revision 100	4/10/2019



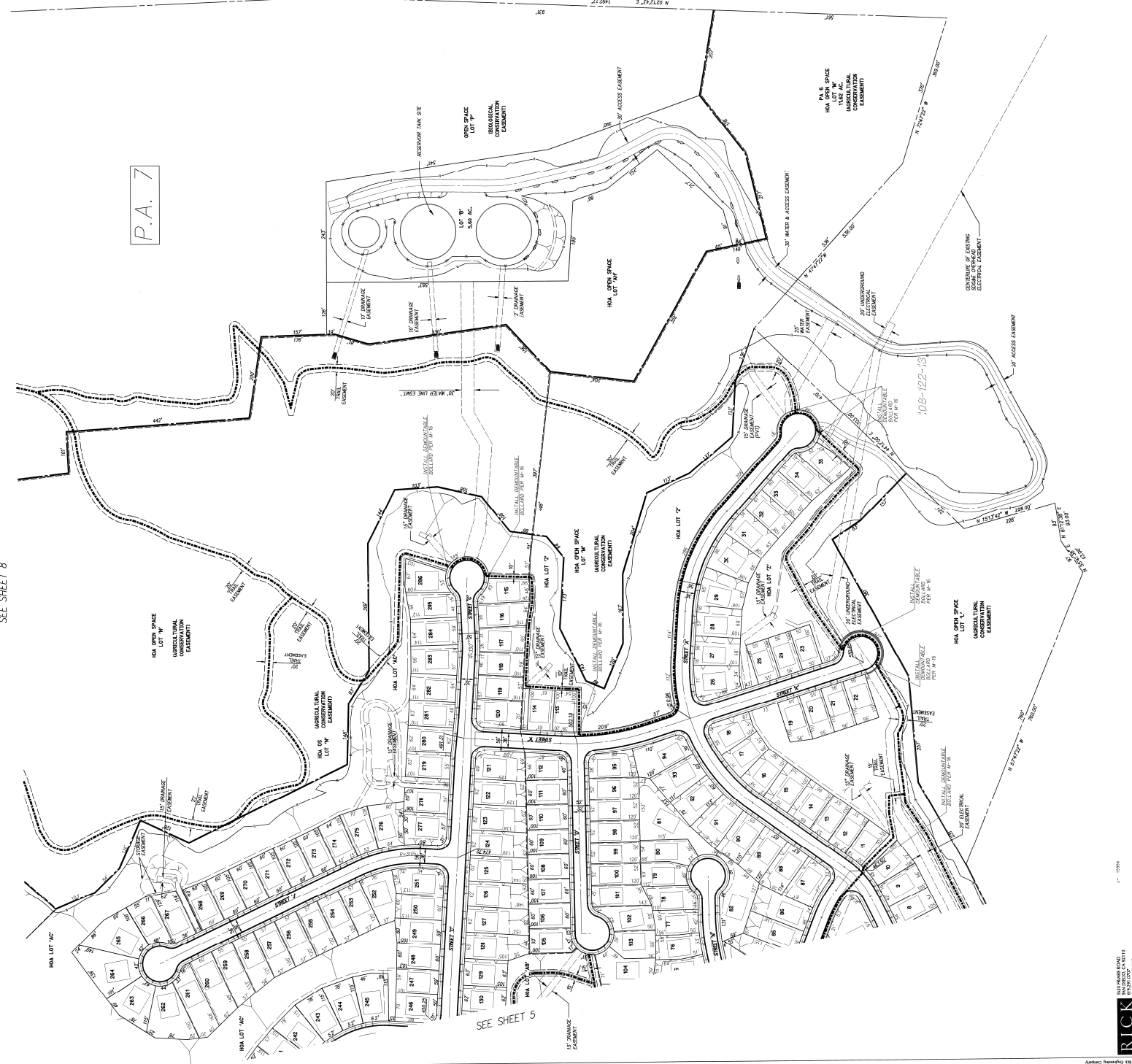
**rick**  
 ENGINEERING ARCHITECTS  
 1225 S. 22ND AVENUE  
 SAN DIEGO, CA 92108  
 TEL: 360.271.2377 FAX: 360.271.2378  
 WWW.RICKENGINEERINGARCHITECTS.COM

San Diego Building 198 800 1 877 353 2363  
 2019

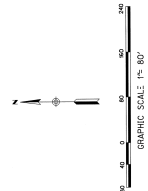
LEGEND

- PROJECT BOUNDARY
- PLANNING AREA
- RIGHT OF WAY
- LOT LINE
- CONTOUR
- SECTION 2 - 1" MAC (7MP)
- DESIGN LINE
- LOT NUMBER
- SEE DETAIL ON SHEET 1
- EASEMENT
- FUTURE SIGNAL
- PRIVATE TRAIL
- RELIABLE ENVELOPE (SEE DETAIL ON SHEET 1)
- FENCE

NOTES: COMMENTS ARE SHOWN UNLESS OTHERWISE NOTED  
 (1) EASING STANDARDS ARE PRELIMINARY. STANDARDS MAY VARY BASED ON LOCAL REGULATIONS.  
 (2) EASING STANDARDS ARE PRELIMINARY. STANDARDS MAY VARY BASED ON LOCAL REGULATIONS.



P.A. 7



MEADOWWOOD

Prepared By:	URS Engineers & Constructors
Date:	1/25/2013
Address:	1425 17th Street, Suite 100, Colorado Springs, CO 80902
Phone #:	719.579.2123
Project Name:	MEADOWWOOD
Project No.:	108-122-13
Sheet No.:	7
Sheet Title:	TYPE PLAN
Project No.:	108-122-13
Original Date:	1/25/2013
Revision 1:	1/25/2013
Revision 2:	1/25/2013
Revision 3:	1/25/2013
Revision 4:	1/25/2013
Revision 5:	1/25/2013
Revision 6:	1/25/2013
Revision 7:	1/25/2013
Revision 8:	1/25/2013
Revision 9:	1/25/2013
Revision 10:	1/25/2013
Revision 11:	1/25/2013
Revision 12:	1/25/2013
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Revision 14:	1/25/2013
Revision 15:	1/25/2013
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Revision 40:	1/25/2013
Revision 41:	1/25/2013
Revision 42:	1/25/2013
Revision 43:	1/25/2013
Revision 44:	1/25/2013
Revision 45:	1/25/2013
Revision 46:	1/25/2013
Revision 47:	1/25/2013
Revision 48:	1/25/2013
Revision 49:	1/25/2013
Revision 50:	1/25/2013

SEE SHEET 8

SEE SHEET 5

**RICK CONSULTANTS**  
 1425 17th Street, Suite 100  
 Colorado Springs, CO 80902  
 Phone: 719.579.2123  
 Fax: 719.579.2124  
 Email: info@rickconsultants.com  
 Website: www.rickconsultants.com





# BOARD ACTION

## BOARD OF DIRECTORS

May 26, 2020

### SUBJECT

DISCUSSION AND POSSIBLE ACTION REGARDING “AS NEEDED” LAND SURVEY SERVICES CHANGE ORDERS

### BACKGROUND

The activities and operations of Rainbow Municipal Water District (District) regularly require services that must be performed by a California State licensed Land Surveyor. On August 28, 2018, the Board of Directors awarded “As Needed” contracts with a value of \$50,000 each for professional land survey services to KDM Meridian, Inc., Right-Of-Way Engineering, Inc., and Johnson-Frank & Associates, Inc. The term of the “As Needed” contracts is for a period of three years that will expire on August 28, 2021. District staff has been able to utilize these contracts effectively and efficiently to complete projects.

### DESCRIPTION

Two of the three consultants have come close to reaching the limits of their “As Needed” contract budgets. KDM Meridian, Inc. and Right-Of-Way Engineering, Inc. have been selected repeatedly by District staff as a result of their responsiveness to District requests and competitive proposals. The other consultant on the “As Needed” list with existing budget capacity was either non-responsive to District requests for proposals, schedules were not competitive, or costs were much higher than the other consultants.

A summary of each consultant requiring a change order to increase budget capacity is provided below.

### “AS NEEDED” SERVICES-LAND SURVEY

**Consultant:** KDM Meridian, Inc. **Contract No.:** 18-14 **Contract Award Date:** 8/29/18

**Contract Expiration Date:** 8/29/2021 **Budget Amount:** \$50,000

**Remaining Budget:** \$9,038.75

**Tasks Completed/Expense:**

No.	Task/Description	Invoiced to Date
1	Stake easement on Morro Hills due to 20” watermain failure	\$7,278.75
2	RMWD “Base Map” to perform in-house design of proposed water facilities on Via Ararat	\$5,800.00
3	Stake easement on Gird Road for construction project	\$5,400.00
4	Legal and plat for Campbell-Via Ararat	\$1,195.00
5	Stake easement on Via Oeste Drive and Laketree Drive	\$7,725.00
6	Easements for new PS on W. Lilac/Via Ararat	\$1,100.00
7	Linda Vista Drive-Mainline Break	\$5,562.50
8	Gird Road-Winery easement analysis and exhibit	\$6,900.00
	<b>Total</b>	<b>\$40,961.25</b>

**Reason for Repeated Selection:** Proposals are cost competitive, schedules are aggressive, and work is high quality.

**Request for Change Order for KDM Meridian, Inc.:** Increase budget by \$50,000 to a not to exceed contract amount of \$100,000.

**Consultant:** Right-Of-Way Engineering, Inc. **Contract No.:** 18-15 **Contract Award Date:** 8/29/18

**Contract Expiration Date:** 8/29/2021 **Budget Amount:** \$50,000 **Remaining Budget:** \$13,123.50

**Tasks Completed/Expense:**

No.	Task/Description	Invoiced to Date
1	Title reports, legals, plats-Los Sicomoros	\$7,705.00
2	Adams property easement-Ranger Road	\$1,885.00
3	Pardee easement-North River	\$2,875.00
4	Easement survey-Grove View Road	\$3,285.00
5	Easement survey-Pala Mesa/Tecalote/Fire Road/ Pala Lake	\$15,451.30
6	Easement survey-Moosa Creek Pump Station including re-stake and reconfigure easement	\$5,405.20
7	Lemonwood easement location	\$270.00
	<b>Total</b>	<b>\$36,876.50</b>

**Reason for Selection:** Proposals are cost competitive, schedules are aggressive, and work is of high quality.

**Request for Change Order for Right-Of-Way Engineering, Inc.:** Increase budget by \$50,000 to a not to exceed contract amount of \$100,000.

The requested change orders for the two consultants listed above would enable to the District to cost effectively continue to complete projects efficiently.

**POLICY/STRATEGIC PLAN KEY FOCUS AREA**

Strategic Focus Area Four: Fiscal Responsibility. By increasing the budget for each of the consultants, the District can continue to receive cost competitive proposals from all consultants listed on the “As Needed” land survey professional services contracts.

**BOARD OPTIONS/FISCAL IMPACTS**

The original contract amount for the “As Needed” land survey professional services contracts were \$50,000 each. The change orders under discussion adds \$50,000 each to KDM Meridian, Inc. and Right-Of-Way Engineering, Inc. for a total budget of \$100,000 each. The source of funds for both change orders are from the District’s CIP Program Budget.

- 1) Option 1:
  - Approve Change Orders in the amount of \$50, 000 each for KDM Meridian, Inc. and Right-Of-Way Engineering, Inc. to continue to provide professional services to the District.
  - Authorize the General Manager to execute Change Orders for the “As Needed” contracts with KDM Meridian, Inc. and Right-Of-Way Engineering, Inc.
  - Make a determination that the action identified herein does not constitute a “project” as defined by CEQA.
  
- 2) Option 2:
  - Provide other direction to District staff.

**ENVIRONMENTAL**

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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**

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Staff recommends Option 1.



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

05/26/2020





### BOARD OF DIRECTORS

May 26, 2020

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### SUBJECT

DISCUSSION AND POSSIBLE ACTION ON AGREEMENT TO APPROVE AND EXECUTE JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION COUNTY OF SAN DIEGO TRACT NO. 5354-1

### BACKGROUND

The Meadowood development within the Rainbow Municipal Water District (“District”) boundaries has been in process for several years but was previously planning to receive water and wastewater service from another agency. Now it will be served by the District. The development consists, generally, of 844 residences, that include some high-density homes.

This residential development is located immediately east of the Horse Creek Ridge development, east of I-15, and north of SR-76. Portions of the Improvement plans for the development have been approved by the District and will be submitted in stages as the project progresses.

The owners agreed to construct public improvements per the “Joint Agreement to Improve Major Subdivision County of San Diego Tract 5354-1.” (See “Exhibit 1”)

### DESCRIPTION

The owners of the development must sign agreements with the relevant public agencies with jurisdiction over the project, including Rainbow Municipal Water District. As part of the project, the developer will be constructing significant water and sewer infrastructure and paying capacity fees.

In order to construct a subdivision in San Diego County, an agreement must be signed by the affected parties/agencies and the developer. Execution of this agreement falls under the purview of the Board.

This agreement was presented to District staff after the agenda for the May 26, 2020 meeting was already sent out, but the timing of this agreement is important to the overall progress of the development. Our Annexation Agreement that was approved at the April meeting contains certain financial provisions that benefit the District’s ratepayers if the development progresses quickly. In addition, based on the Out of Agency Service Agreement approved by the Board in April 2020, Rainbow MWD is now the water retailer for the development, replacing Valley Center MWD. Valley Center MWD had been the water and sewer provider in previous approvals by the County. This action is needed to formalize the standard County agreements for this type of development. Pardee is expected to receive final approval of their subdivision map showing Rainbow as the water and sewer service provider at the June San Diego County Board of Supervisors meeting, and this agreement will be part of that package. Any delay on our end could add a month to the final step needed to complete regulatory approval of the project.

This is a standard agreement that follows the County's joint template agreement for public works to be owned by the County and District and built by the developer. As of the writing of this action letter District staff have not fully analyzed the dollar values of improvements contained in the agreement. While we have no expectation that the improvement values are presented incorrectly in the attached agreement, should staff not be able to complete their analysis prior to the Board meeting to confirm the values presented in the agreement, staff requests that the Board approve this item with an allowance for the General Manager, District Engineer, and District Counsel to validate all of the key values presented and make minor adjustments as needed prior to execution.

**POLICY/STRATEGIC PLAN KEY FOCUS AREA**

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Strategic Focus Area Two: Asset Management. Construction of this project will add new customers to the District, ensuring long-term viability. The development will also help system looping within our distribution system which aids in flexibility in operations and system water quality.

**ENVIRONMENTAL**

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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**

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There is no additional direct Fiscal Impact to this action. Board options include:

Option #1:

- Approve the Agreement to Assume Joint Agreement To Improve Major Subdivision.
- Make a determination that the action before the Board today does not constitute a "project" as defined by CEQA.
- Authorize the General Manager, District Engineer, and General Counsel to make appropriate adjustments to certain details contained in the agreement and then execute the agreement once adjustments, if any, are completed.

Option #2:

- Provide other direction to staff.

**STAFF RECOMMENDATION**

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Staff Recommends Option 1.



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

5/26/2020

**JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION  
COUNTY OF SAN DIEGO  
TRACT NO. 5354-1**

(HRCR, PANKEY PL, SHIRE CT, PDS2017-LDMJIP-50037)

This Joint Agreement ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between the County of San Diego, State of California ("County"), the RAINBOW MUNICIPAL WATER DISTRICT ("District") and PARDEE HOMES, A CALIFORNIA CORPORATION ("Owner").

**WITNESSETH:**

**WHEREAS**, in the near future, Owner will file with the Board of Supervisors of the County ("Board") a Final Map of Subdivision of County of San Diego Tract No. 5354-1, ("Final Map") for the Board's approval and for recording; and

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

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

1. The improvement of the streets and/or easements within the subdivision as shown on the attached plans and specifications as Exhibit 1 and incorporated into this Agreement by reference, together with the improvement of any other streets and/or easements specifically designated by the plans and specifications to be improved.

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

(a) Owner shall convey to District easements covering the property in which the Facilities are located, in all instances where the Facilities are not located in a dedicated street. Owner's engineer shall provide a legal description and an 8½" X 14" plat of easement for approval by District. The plat shall be a reproducible transparency with the appropriate District's title block and fully locate and describe the easement. The standard easement processing fee and costs of a policy of title insurance insuring title to the easement in the District shall be paid by Owner.

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

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

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

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

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

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

surveyor for setting the final monuments from the cash deposit if so directed by Director upon the request of Owner.

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

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

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

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

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

(c) As soon as grading is completed, but not later than October 1, the entire area not to be paved immediately will be treated with two to four tons per acre straw mulch, 50 lbs. per acre annual rye grass seed or equivalent as determined by the Director at the time of planting, and 100 lbs. per acre actual nitrogen and phosphate (ammonia phosphate 16-20-0). The mulch shall be tacked in place with a sheepsfoot roller and lightly irrigated. On cut and fill slopes, jute matting shall be installed over the mulch to hold it in place and cutting from small leaf ice plants, or approved equivalent ground cover, shall be planted with spacing approved by Director prior to October 15.

(d) An irrigation system shall be installed in accordance with

County's standard drawings for irrigation systems and approved by Director not later than May 15 following the planting of the slopes.

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

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

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

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

5. Incomplete Offsite Street and Utility Improvements.

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

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

**SECOND:** INSPECTION, ACCEPTANCE AND COST ESTIMATE. Owner agrees that the work and improvements required in the First Paragraph, subparagraph 2, above shall be done subject to inspection by and to the satisfaction of the District to whom the improvements will be dedicated, and the improvements shall not be deemed completed until approved and accepted as completed by the accepting District. Owner agrees that all other work and improvements required in the First Paragraph shall be done subject to inspection by and to satisfaction of Director and the improvements shall not be deemed completed until approved and accepted as completed by the Board. District and Director shall be allowed to inspect their respective facilities during all stages of the construction. District and Director shall be notified a minimum of forty-eight (48) hours prior to the commencement of construction of their respective facilities. The estimated costs of the work and improvements specified in the First Paragraph are

itemized as follows:

Improvements of the Streets and/or Easements	\$ 5,431,200.00
Improvements of the Sewer Facilities	\$ 60,400.00
Improvements of the Water Facilities	\$ 606,300.00
Setting of Monuments	\$ 4,000.00
Erosion Control Work, if any	\$ N/A
Total Estimated Amount	\$ 6,101,900.00

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

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

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

If fees alone are to be paid, or fees are to be paid in combination with the dedication of land, pursuant to Section 810.107 (a) and (c) of the San Diego County Code, Owner agrees to pay the full amount specified above prior to the issuance of any building permit or prior to the date upon which all subdivision improvements are to be completed, whichever occurs first. Owner further agrees to secure the obligation to pay the amount required by this Paragraph, by providing security for faithful performance, as set forth in the section herein entitled "Amounts of Security" below, at the time of submitting this Agreement and Final Map for approval by the Board.

**FOURTH: DRAINAGE FEES.** (  ) If the preceding blank is checked, drainage fees are required for this project. Government Code Section 66483 and Section 810.208 of the San Diego County Code require the payment of drainage fees. Owner agrees to pay drainage fees to County in the amount of \$N/A in satisfaction of

these requirements. Owner agrees to pay the full amount specified prior to approval of the Final Map if a reimbursement agreement exists for the Local Drainage Area. If no reimbursement agreement exists, Owner agrees to pay the fees prior to the earliest of the following:

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

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

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

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

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

**SIXTH: OWNER'S LIABILITY FOR DAMAGES.** County, District, and their respective officers or employees shall not be liable or responsible for any accident, loss



or damage happening or occurring to the work or improvements specified in this Agreement prior to their completion and acceptance. Nor shall County, District, or their respective officers or employees be liable for any person or property injured by reason of the work or improvements. All of the aforesaid liability shall be assumed by Owner. Owner further agrees to protect County, District, and their respective officers and employees from all liability or claim because of, or arising out of, the use of any patent or patented article in conjunction with the construction of the improvements required by this Agreement.

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

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

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

1. Bond or bonds by one or more duly authorized corporate sureties;
2. A deposit with the District and the Clerk of the Board of money or negotiable bonds of the kind approved for securing deposits of public moneys;
3. An instrument of credit from one or more financial institutions subject to regulation by the state or federal government and pledging that the funds necessary to carry out the obligations of this Agreement are on deposit and guaranteed for payment;  
or
4. An irrevocable standby letter of credit from one or more financial institutions

subject to regulation by the state or federal government.

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

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

Work and Improvements	\$ 6,101,900.00
Park Land and/or Dedication Fees	\$ N/A
Drainage Fees	\$ N/A
Tax and Assessment Liens	\$ by separate instrument
Total Estimated Amount	\$ 6,101,900.00

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

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

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

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

(b) Release of Security

(1) Completion of Work and Improvements Specified in the First Paragraph. Pursuant to Section 81.408 of the San Diego

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

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

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

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

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

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

give a right of action to them or their assigns in any suit brought upon this security.

This security for shall, after passage of the time within which claims of lien are required to be recorded pursuant to Article 3 (commencing with Section 8410) of Chapter 4 of Title 2 of Part 6 of Division 4 of the Civil Code and after acceptance of the work by County and District, be reduced to an amount not less than the total claimed by all claimants for whom claims of lien have been recorded and notice thereof given in writing to County and District, and if no such claims have been recorded, the security may be released in full.

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

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

**ELEVENTH: CHANGES**. Upon consent by Owner, County or District may make changes, alterations, or additions to the plans and specifications for the work and improvements of their respective facilities specified in the First Paragraph which do not exceed ten percent (10%) of the original estimated cost of the work and improvements and which Director or District determines to be necessary and desirable for the proper completion of their respective facilities. No changes, alterations, or additions shall relieve any security obligations given for the faithful performance of this Agreement.

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

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

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

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

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

COUNTY OF SAN DIEGO

APPROVED AS TO FORM AND LEGALITY  
COUNTY COUNSEL

By: \_\_\_\_\_  
Clerk, Board of Supervisors

By: T Brooke Miller  
SENIOR DEPUTY

RAINBOW MUNICIPAL WATER DISTRICT

By: \_\_\_\_\_  
Printed Name  
Printed Title

PARDEE HOMES, A CALIFORNIA CORPORATION, as Owner

By: \_\_\_\_\_  
JIMMY AYALA, DIVISION PRESIDENT

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

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**BOARD OF DIRECTORS**

May 26, 2020

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**SUBJECT**

HEADQUARTERS SITE DEVELOPMENT PROGRESS

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**DESCRIPTION**

At the March 24<sup>th</sup>, 2020 Board Meeting, an informational item was provided to the Board (attached) describing the background issues with headquarters and the detailing the release of a Request for Qualifications (RFQ) to the public. The RFQ was also sent to the Building Industry Association in San Diego, CA for dissemination in their newsletter. On March 19<sup>th</sup>, 2020, the District held an online informational meeting for potential submitters to ask questions of staff and the GM concerning the RFQ. Submittals were due electronically to the District March 30, 2020.

Three (3) firms submitted proposals in response to the District's RFQ; Shopoff, Horine Group and Mastercraft/Blackstar Contractors, Inc. ("Mastercraft"). Staff reviewed and evaluated the submittals. The Engineering and Operations Committee members were provided electronic copies of the RFQ, and the three submittals in early April for their independent review.

At the May 6<sup>th</sup>, 2020 Engineering and Operations Committee meeting, the Committee discussed the submittals and offered their input. The Committee indicated that the Horine Group and Mastercraft's proposals most closely matched the District's needs, and were the highest ranked, which was also the determination of staff. The committee suggested that the District conduct interviews with the top two firms to determine which firm could provide a better "fit" of services.

Following the Engineering and Operations Committee meeting, staff invited the two top-ranked firms (Horine Group and Mastercraft) to an interview, conducted via "Go To Meeting" on May 13<sup>th</sup>, 2020. A panel of staff members conducting the interview included the General Manager, the District Engineer and the Associate Engineer. The District's development consultant Chris Brown also attended the interviews but was not part of the team that asked questions. A series of the same predetermined questions was asked of each company, and the panel evaluated the answers. The panel unanimously ranked Mastercraft the higher of the two.

At this time, the GM and staff will develop a scope of work for Mastercraft. Staff will bring a Board Action item with a contract back to the Board at the June 23<sup>rd</sup>, 2020 meeting.



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Steven E. Strapac  
District Engineer

05/26/2020





### BOARD OF DIRECTORS

March 24, 2020

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### SUBJECT

INFORMATIONAL UPDATE ON THE REQUEST FOR QUALIFICATIONS (RFQ) FOR DEVELOPMENT OF RAINBOW MUNICIPAL WATER DISTRICT (DISTRICT) HEADQUARTERS PROPERTY

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### BACKGROUND

The current District headquarters facility dates to the early 1970's and was constructed based on the needs of the District at that time. Over time, the needs of the District have changed significantly and the current facility presents a number of challenges to the operation of the District:

1. The existing headquarters facility lacks sufficient space to accommodate the current staff. The majority of employees are located in temporary portable trailer offices and even the main women's restroom is in a trailer, requiring a trip outside to use the restroom.
2. The facility has a number of accessibility issues that present a significant challenge for any customer or employee who requires ADA compliant access.
3. Maintenance costs for the buildings are increasing yearly, including failing roofs, plumbing problems, HVAC failures etc.
4. The two main buildings were constructed in such a way that water intrusion is an issue. The main walkway into the main office floods at each rainstorm, and improper grading lead to the flooding of building two which, due to excessive restoration costs, have rendered it unusable since September of 2019.
5. The facility has no meeting spaces other than the Board room which presents challenges when there are multiple meetings (small or larger) occurring at the same time.
6. The Board Room is undersized (too small to fit all employees for all hands meetings) and its layout makes public meeting presentations a challenge due to the low ceiling height and configuration of the room.
7. The current facility was not designed with security in mind and while the staff has taken steps to put some protections in place, the building is not well designed for dealing with security issues.

Even prior to the flooding of Building 2, the Board has recognized the need to upgrade the facility and has given the General Manager the goal to identify a path forward that will result in a new headquarters facility at the lowest possible cost to the ratepayers. In a number of discussions at the Board level, the concept of leveraging the land that the District owns at the current headquarters site for some sort of development activity to offset the cost of the new facility is the current preferred alternative.

In 2016 the District hired a firm to perform a space planning study to identify how much space in terms of land and building footprint would be necessary to serve the needs of the District. This study showed that a facility of about 12 acres could meet the needs of the District. The District owns four contiguous parcels estimated at 33 acres near the southwest quadrant of SR-76 and Old Highway 395 in Fallbrook (See Exhibit #1) thus presenting an opportunity to leverage some of the District owned lands for development. Another alternative could include a relocation of the District headquarters to a different site entirely..

## **DESCRIPTION**

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By working with the development community, the District will be able to leverage some of its lands to offset the cost to the ratepayers of replacing the existing headquarters. One scenario could be the development of mixed-use buildings with commercial/retail on the ground floor that the District owns and leases, and the upper floors are high-density housing. This could provide the District with a large offset to the cost of new facilities, as well as an income stream. There are a number of other possible development scenarios that could be available and this RFQ is intended to identify a development partner to help explore those possibilities.

On February 27, 2020, District staff released a public RFQ for the development of the subject parcels. The RFQ is soliciting submittals from qualified development entities to assist the District in identifying the range of options and, once an option is selected by the Board, working through the permitting process. This project will likely require a County of San Diego General Plan Amendment to support the District's interest in moving forward with various development alternatives as described earlier. The current zoning regulations allows the District only to renovate the existing buildings. The four parcels are currently zoned "A-72" which is agricultural, with government-use exemption for the District.

As part of the RFQ process, an informational meeting was held on March 19, 2020 at 9:30 AM in the Boardroom for all interested parties. The meeting was intended to answer questions related to the RFQ. RFQs are due to the District's Engineering Department by 3:00pm on March 30, 2020. Upon review of the RFQs, District staff intends to return to the Board with the selection of a qualified firm to enter into a professional services agreement to help guide the District in selecting the most suitable alternatives for the development of the headquarters.

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

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**Strategic Focus Area Two: Asset Management.** This project will help improve one of our most visible assets – our HQ building – and leverage the land assets owned by the District to offset costs.

**Strategic Focus Area Four: Fiscal Responsibility.** By utilizing land owned by the District for development, costs to ratepayer for new facilities will be minimized. This also reduces the amount of land District staff must work to maintain, saving additional ratepayer money.

**Strategic Focus Area Five: Customer Service.** This project will not only improve the customer service "experience" for ratepayers coming to the District offices, but depending on the final development, could provide the community with retail, commercial and residential opportunities that currently do not exist nearby. The headquarters could also have rooms and or meeting halls available for public rental – also a resource that currently is not in abundant availability nearby.

## **BOARD OPTIONS/FISCAL IMPACTS**

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With an increasing number of new homes being constructed very near the District's headquarters site, and with the site being at a major intersection of Hwy 76 and I15, the value of this land to potential commercial or housing developers is increasing. This presents the District with a unique opportunity to not only create revenue to offset the cost of dealing with outdated and nonfunctional facilities, but also to create commercial and public spaces to serve our community. The exact fiscal impact of any eventual project is unknown at this time, but the objective of this project would be to develop the new facility at little or no cost to the ratepayers.

**ENVIRONMENTAL**


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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**

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This is an informational item only, but any feedback from the Board on the process is appreciated.



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

3/24/2020



## MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

<b>VARIABLE</b>					
<b>DATE</b>	<b>2020</b>	<b>MEETING</b>	<b>LOCATION</b>	<b>ATTENDEES</b>	<b>POST</b>
June	11	SDCWA Special Board Meeting	SDCWA	GM	N/A
June	*	CSDA – San Diego Chapter	The Butcher Shop – 6:00 p.m. 5255 Kearny Villa Road San Diego, CA 92123	Mack	N/A
June	*	LAFCO Special Meeting	County Admin Center, Room 302 – 9:30am	(As Advised by GM)	N/A
June	*	Santa Margarita River Watershed Watermaster Steering Committee	Rancho California Water District	Hamilton	N/A

\* To Be Announced

## MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

<b>RECURRING</b>					
<b>DATE</b>	<b>2020</b>	<b>MEETING</b>	<b>LOCATION</b>	<b>ATTENDEES</b>	<b>POST</b>
June	1	LAFCO	County Admin. Center Room 302 9:00 am	As Advised by GM	N/A
June	3	Engineering & Operations Committee Meeting	RMWD Board Room 3:00 p.m.	Appointed Director, General Manager	5/28
June	4	Communications & Customer Service Committee Mtg.	RMWD Board Room 3:30 p.m.	Appointed Director, General Manager	5/28
June	9	Budget & Finance Committee Mtg.	RMWD Board Room 1:00 p.m.	Appointed Director, General Manager	5/28
June	16	SDCWA GM's Meeting	SDCWA, San Diego 9:00 a.m.	General Manager	N/A
June	16	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
June	19	NC Managers	Golden Egg 7:45 a.m.	General Manager	N/A
June	23	RMWD General Board	RMWD Board Room (Start Time to Be Determined)	All Directors	N/A
June	24	North County Work Group (NCWG)	Rincon Del Diablo, Escondido 7:30 a.m.	General Manager	N/A
June	24	San Luis Rey Watershed Council	Pala Administration Building 1:00 p.m.	Appointed Director	N/A
June	25	SDCWA Full Board Meeting	SDCWA Board Room, 3-5 p.m.	General Manager	N/A

## MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

- **CHANGES – ADDITIONS - DELETIONS:**

~NOTE~ Some or all the meetings listed may be held via teleconference or cancelled due to the current COVID-19 situation. Please contact the District with any inquiries.







May 5, 2020

The Honorable John M.W. Moorlach  
 Senator, 37<sup>th</sup> District  
 State Capitol, Room 2048  
 Sacramento, CA 95814

**RE: SB 1386 (Moorlach): Protecting Fire Hydrant System Funding- Support**

Dear Senator Moorlach:

We, the undersigned coalition of statewide associations, cities, water suppliers and regional stakeholders, are writing to express our support for SB 1386 and to thank you for authoring this important measure which would protect fire hydrant system funding and ensure public water suppliers are able to operate sufficiently sized and pressurized water system to supply water to their customers

The Honorable John M.W. Moorlach  
Senator, 37<sup>th</sup> District  
May 5, 2020  
Page 2

and to fight fires. This measure affirms that existing law allows water suppliers to include the costs of operating and maintaining these systems, as well as the costs associated with fire hydrant and the water served through them, in their property-related service charges. Because of lawsuits that threaten California water providers' ability to fund water services used in fire protection, this measure is critical to preventing these costs from being passed on to fire protection agencies.

Our cities and water agencies are some of the 81 local governments being sued to challenge the long-standing method of funding water service used in firefighting through property-related water service charges. The lawsuits allege that including these costs in our water rates is prohibited by Article XIII D of the California Constitution (i.e. "Proposition 218").

In our opinion, these lawsuits are without merit and threaten to force all of California's public retail water service providers to charge fire protection agencies directly for these costs. If that occurs, the ability of fire protection agencies to fund essential equipment and personnel would be greatly impacted. Our property-related service charges are legitimate under existing law, but in order to avoid lengthy and expensive legal battles with costs that will be passed on to our customers and to avoid additional burdens on fire protection agencies, the law needs to be affirmed by the Legislature.

Proposition 218 placed provisions into the California Constitution that limit local governments' authority to impose and increase taxes, fees, assessments, and charges. We faithfully abide by the requirements of Proposition 218 and are serious about our responsibility to provide services to our customers in an efficient and cost-effective manner. Including the costs of operating and maintaining fire hydrant systems, as well as the costs associated with the water distribution system and the water that is needed to fight fires, within property-related water service charges is legitimate and appropriate under Proposition 218. Ensuring water rates cover these costs is critical for the safety of all of our customers.

SB 1386 reinforces our authority under the law to use property-related service charges for funding water services related to fire protection. SB 1386 does this by amending Proposition 218's implementing statute to reflect a recent court case that concluded that these costs are in fact a property-based service.

For these reasons, we strongly support your bill and urge your colleagues to vote "Aye" on SB 1386. Please do not hesitate to contact Christine Compton with the Irvine Ranch Water District (IRWD) at (949) 453-5338, Glenn Farrel with the San Diego County Water Authority (SDCWA) at (916) 216-1747, or either IRWD's Sacramento advocate Pilar Oñate-Quintana at (916) 230-4470 or SDCWA's Sacramento advocate Steve Cruz at (916) 307-7741 if you have questions regarding this measure.

Sincerely,

Association of California Cities, Orange County Chapter  
Association of California Water Agencies  
California Municipal Utilities Association  
California Special Districts Association  
California Water Association  
California Water Service

The Honorable John M.W. Moorlach  
Senator, 37<sup>th</sup> District  
May 5, 2020  
Page 3

City of Escondido  
City of Fountain Valley  
City of Oceanside  
City of Pasadena  
City of Poway  
City of Santa Rosa  
Coachella Valley Water District  
Cucamonga Valley Water District  
Eastern Municipal Water District  
El Toro Water District  
Elsinore Valley Municipal Water District  
Helix Water District  
Irvine Ranch Water District  
Las Virgenes Municipal Water District  
Otay Water District  
Padre Dam Municipal Water District  
Rainbow Municipal Water District  
Regional Water Authority  
San Diego County Water Authority  
San Francisco Public Utilities Commission  
Santa Ana Public Works Agency  
Santa Margarita Water District  
Trabuco Canyon Water District  
Valley Center Municipal Water District  
Vista Irrigation District  
Walnut Valley Water District



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## SENATE COMMITTEE ON GOVERNANCE AND FINANCE

Senator Mike McGuire, Chair

2019 - 2020 Regular

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**Bill No:** SB 1386  
**Author:** Moorlach  
**Version:** 4/1/20  
**Consultant:** Favorini-Csorba

**Hearing Date:** 5/21/20  
**Tax Levy:** No  
**Fiscal:** No

### ***LOCAL GOVERNMENT: ASSESSMENTS, FEES, AND CHARGES: WATER***

*Provides that fire hydrants are a part of water service for the purposes of Proposition 218.*

### **Background**

**Proposition 218.** The California Constitution requires voter approval for taxes and many other fees and charges. Proposition 218 (1996) added Article XIID to the California Constitution, which imposed voter approval requirements for most “property-related fees”—any levy other than an *ad valorem* tax, a special tax, or an assessment imposed by an agency on a parcel or on a person as an incident of property ownership, including a user fee or charge for a property-related service.

Before a local government can charge a new property-related fee, or increase an existing one, Proposition 218 requires local officials to:

- Identify the parcels to be charged.
- Calculate the fee for each parcel.
- Notify the parcels’ owners in writing about the fees and the hearing.
- Hold a public hearing to consider and count protests.
- Abandon the fees if a majority of the parcels’ owners protest.

New, increased, or extended property-related fees generally require voter approval by one of the following: a majority-vote of the affected property owners; two-thirds registered voter approval; or weighted ballot approval by the affected property owners.

Fees or charges for property related services cannot exceed the proportional cost of providing service to the parcel and must be used only for the purposes for which they were collected. Property-related fees must also only fund services actually used by or immediately available to the property owner, not based on potential or future use. Finally, Proposition 218 prohibits local governments from imposing fees or charges for general governmental services—including fire, police, ambulance, or library services—if the service is available to the public at large in substantially the same manner as it is to property owners.

Water, sewer, and refuse collection services are exempt from Proposition 218’s voter approval requirements, but must meet all other procedural and substantive requirements in Proposition 218.

**Proposition 218 Omnibus Implementation Act.** Proposition 218 is a complex statute and has been the subject of many court cases and rulings that often conflict with one another. In the past, the Legislature has weighed in to provide clarity on how to apply Proposition 218’s provisions and statutorily reinforced court rulings that align with the Legislature’s priorities. In particular, immediately after the passage of Proposition 218, the Legislature enacted the Proposition 218 Omnibus Implementation Act to translate many of Proposition 218’s requirements into statutory definitions and procedures (SB 919, Rainey, 1997). More recently, in 2014 the Legislature amended the Proposition 218 Implementation Act to define “water” in a manner that is consistent with an appellate court decision that provided greater flexibility to water agencies when setting rates (AB 2403, Rendon).

**Water and fire services.** Most water agencies, whether cities, counties, or special districts, that serve retail customers use ratepayer funds to pay for fire hydrants, the extra capacity needed for emergency fire flows, and the water used in fighting a fire that is dispensed from a hydrant. State law explicitly allows a water agency to charge a fee to pay the costs of constructing, operating, and maintaining facilities and equipment related to supplying water for fire protection purposes. Water agencies can charge this fee to any entity, except for fire agencies themselves unless the two agencies sign a written agreement.

The Legislature enacted this authority in 1973—prior to the passage of Proposition 218. On February 19, 2020, a class action lawsuit was filed against 81 water agencies throughout the state alleging that their practice of charging ratepayers for the costs associated with supplying water for fire protection violates Proposition 218. Specifically, the complaint argues that this practice results in water agencies charging ratepayers for more than the cost of service to their parcel and imposes costs on property owners for general governmental services that are available to the public at large in substantially the same manner as they are available to property owners.

The Irvine Ranch Water District and the San Diego County Water Authority wants the Legislature to amend the Proposition 218 Omnibus Implementation Act to clarify that water service includes adequate capacity to serve demands during firefighting and the water associated with firefighting.

### **Proposed Law**

Senate Bill 1386 amends the definition of “water” in the Proposition 218 omnibus implementation act to include the public fixtures, appliances, and appurtenances connected to a water system. SB 1386 also includes findings and declarations that state that:

- The provision of fire service is a separate and distinct category of service from water service.
- Water dispensed through a fire hydrant is a property-related water service provided to all property owners as an incident of property ownership, and there are service costs for this water to protect real property.
- Fire hydrants are a part of a water system, provide an immediately available water supply to extinguish fires that threaten structures and improvements, and are not available to the public at large in substantially the same manner as they are to property owners.

SB 1386 provides that, to the extent consistent with Proposition 218, fees or charges for property-related water service may include the costs to construct, maintain, repair, or replace public hydrants attached to a water system and the cost of water dispensed through public hydrants. The fee or charge may be fixed and collected consistent with Proposition 218 and the Proposition 218 Omnibus Implementation Act.

SB 1386 states that it is declaratory of existing law.

### **State Revenue Impact**

No estimate.

### **Comments**

1. Purpose of the bill. According to the author, “SB 1386 is patterned after a recent unpublished case - *Glendale Coalition for Better Gov't v. City of Glendale* (2018) - where the court effectively reaffirmed the appropriateness of current charges by stating that fire hydrants used to protect properties from fire and costs associated with them are in fact property-related services and therefore allowable under Proposition 218. The bill is an important measure that can be enacted to protect fire hydrant system funding that would not increase water rates because the costs of fire hydrant system maintenance and operation are already appropriately embedded in customers' water rates, as permitted by existing law.”

2. Fire and water. At the heart of the lawsuit that has spawned SB 1386 are two questions: (1) are fire hydrants and the water that comes out of them an element of water service or of fire service, and (2) who benefits from the having fire hydrants available for use? The plaintiffs take the position that water and the related infrastructure used in the course of firefighting is a part of providing fire service and is available in the same manner to both property owners and the public. Therefore, charging property owners for those costs impermissibly charges ratepayers for general governmental services. Water agencies see it differently: they argue that the benefit of fire hydrants accrues to the property owners because hydrants are positioned and used to fight structure fires, not wildland or other types of fires that are unrelated to a specific property. One recent court decision agrees with the water agencies (*Glendale Coalition for Better Gov't v. City of Glendale*, 2018 Cal. App. Unpub. LEXIS 8783). The Second District Court of Appeals stated:

“...despite the nomenclature, ‘public fire protection’ is not generally available to the public at large in substantially the same manner as it is to the property owners who pay the fee. The general public does not have access to water through fire hydrants. ... Fire hydrants are required to protect subdivisions, buildings, and portions of buildings within City limits. Common sense dictates that fire hydrants are located and available to extinguish fires that threaten property damage. ... Although fire departments could conceivably use any available measure to extinguish a fire unrelated to real property, including hydrant water in the absence of an alternative, hydrants are not located, designed, or intended for all fires that happen to occur in public places, and the water pressure is excessive. ... We conclude: the public fire protection fee provided through hydrants is not a service available to the general public in substantially the same manner as it is to the property owners who pay the fee. Charging the fire protection fee to property owners, therefore, did not violate article XIII D, section 6, of the California Constitution.”

SB 1386 borrows heavily from this ruling in an attempt to codify the water agency position, affirming that fire hydrants are a component of water service. The Committee may wish to consider whether fire hydrants are a component of water service or more closely connected to the provision of fire service.

3. Easy way out? There is one clear way of complying with the plaintiff's interpretation of Proposition 218's requirements: water agencies could charge fire agencies for the costs of the facilities that deliver water for firefighting. But this solution isn't as simple as it appears. Proposition 218 grants special status to water service over other types of services: fees for water service don't need voter approval, while nearly all other property-related fees and all taxes do. If fire agencies were required to pay the costs of the infrastructure used to suppress fires, they would have to find the money by securing voter approval for a tax or assessment at the ballot or cut other services. Given the current economic climate, the electorate may not look favorably on new taxes, and local agencies are already considering deep cuts to services to make up for lost revenue. SB 1386 helps maintain service levels by allowing water agencies to continue to spread the cost over their ratepayer base without needing a vote of the people to increase taxes.

4. The law of the land. Proposition 218 imposes constitutional limitations on property-related fees. As a result, the Legislature is limited in the actions it can take to change how the Proposition works, absent a constitutional amendment. The Legislature can enact statutes to help shape the courts' interpretations of constitutional provisions, but in the end the courts will ultimately interpret Proposition 218's constitutional requirements. Nonetheless, the case at issue in SB 1386 may be well suited to legislative intervention. The decision affirming the use of ratepayer funds for water and facilities used for fire protection is unpublished, meaning that it isn't binding and can't be cited by other courts. Meanwhile, a separate opinion, also unpublished, by the Fourth District Court of Appeals tangentially addressed the same question of whether a city could include fees for fire suppression services in its water rates (*Delano v. City of Delano*, Cal. App. Unpub. LEXIS 7500). In that decision, the court declined to reverse a trial court ruling that fees charged by the City of Delano for the water costs associated with fire suppression were improperly imposed. This split in decisions at the appellate level indicates ambiguity on how Proposition 218 should be interpreted, so courts may lend weight to statutory clarification by the Legislature in the form of SB 1386. Moreover, SB 1386 closely tracks *Glendale*, which is much more detailed in its analysis of Proposition 218's application to fire suppression fees than *Delano*, so the bill may be on firmer constitutional footing. SB 1386 also provides that it is declaratory of existing law. That said, if the courts find a conflict between the text of Article XIID and the direction codified in SB 1386, they will be bound to follow the Constitution. Accordingly, it is unclear whether SB 1386 will change the final outcome of the litigation at hand.

### **Support and Opposition** (5/18/20)

**Support:** Association of California Cities, Orange County Chapter; Association of California Water Agencies; California Fire Chiefs Association; California Municipal Utilities Association; California Professional Firefighters; California Special Districts Association; California State Firefighters Association; California Water Association; California Water Service; City of Escondido; City of Fountain Valley; City of Fullerton; City of Oceanside; City of Pasadena; City of Poway; City of Santa Rosa; City of Torrance; Coachella Valley Water District; Cucamonga Valley Water District; East Bay Municipal Utility District; Eastern Municipal Water District; El Toro Water District; Elsinore Valley Municipal Water District; Fire Districts Association of California; Helix Water District; Irvine Ranch Water District; Las Virgenes Municipal Water



District; Otay Water District; Padre Dam Municipal Water District; Rainbow Municipal Water District; Regional Water Authority; San Diego County Water Authority; San Francisco Public Utilities Commission; Santa Ana Public Works Agency; Santa Clarita Valley Water Agency; Santa Margarita Water District; Trabuco Canyon Water District; Valley Center Municipal Water District; Vista Irrigation District; Walnut Valley Water District.

Opposition: Unknown.

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**BOARD OF DIRECTORS**

 May 26, 2020
 

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**SUBJECT**

 Operations Report for April 2020
 

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**DESCRIPTION**

 Activities for Operations & Maintenance Division
 

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**CONSTRUCTION & MAINTENANCE DEPARTMENT:**

	Repairs	Installations	Leaks
<b>Mainline</b>	0		0
<b>Service</b>	0		
<b>Hydrants</b>	0		
<b>Valves</b>			
<b>Meters</b>			
<b>Blow-Offs</b>			
<b>Air Vacs</b>			

**WATER OPERATIONS & VALVE MAINTENANCE DEPARTMENT:**
Water Operations:

- Performed (1) fire flow test
- Completed our quarterly tank inspections on all (13) tanks.
- ¾" rock delivered and spread at (1) pump station.
- (2) Tank/Reservoirs/Pump station sites had there old warning signs replaced with the new Federal Statute (42 USC 300I-1) warning signs.
- (1) Pump station and (1) Res Comms building completely repainted.
- Rehab/test (1) Morro Res pressure relief.

Valve Maintenance:

<b>Monthly Totals</b>	<b>Valves (Distribution)</b>	<b>Appurtenance Valves</b>	<b>Appurtenances</b>
<b>Exercised</b>	30	78	N/A
<b>Inoperable</b>	1		
<b>Repaired</b>			
<b>Replaced</b>			
<b>Installed</b>			

Valve Maintenance completed and/or oversaw the following:

- 140 utility locates completed
- Assisted with (1) shutdowns
- Raised (1) fire hydrants
- Replaced (0) air vacs / (1) wharf heads (8) Fire hydrants
- Panted 60 appurtenances

**METERS DEPARTMENT:**

Current Projects:

- Water Service Upgrade Project
- Backfilled 56-meter services in routes 11,49

Future Projects:

- Prepping meter services in route 34

Backflows:

- 403 devices tested

Customer Service Requests:

- 1006 total resolved requests for the month of April

**WASTEWATER DEPARTMENT:**

Monthly, Semi Annual and Annual Reports: (3) Rainbow MWD Sanitary Overflows

1<sup>ST</sup> California Integrated Water Quality System (CIWQS): Category 1 SSO Spill event ID# 866077 total gallons released 2,300 gallons.

2<sup>nd</sup> California Integrated Water Quality System (CIWQS): Category 1 SSO Spill event ID# 866121 total gallons released 2,500 gallons.

3<sup>rd</sup> California Integrated Water Quality System (CIWQS): Category 3 SSO Spill event ID# 866463 total gallons released 425 gallons.

## **PROJECTS:**

### **COVID-19 6-month lease April 01, 2020 thru September 30,2020**

SmartCover program leased to water districts during pandemic. Requested 5 units to be installed at heavily populated communities.

- 1<sup>ST</sup> Installed 4-3-2020 Location J-6 # 58 Rancho Viejo
- 2<sup>nd</sup> Installed 4-3-2020 Location M-3 # 14 Camino del Cielo Bonsall
- 3<sup>rd</sup> Installed 4-3-2020 J-7 # 10 Rancho Viejo Fallbrook
- 4<sup>th</sup> Installed J-6 # 7 Via Altamira
- 5<sup>th</sup> Installed I-5 # 12 Carlton Way Fallbrook

### **Wilshire Rd. – Stallion 15’’ sewer line assessment cleaning and video**

Wilshire Road to Stallion perform CCTV inspection on 15’’ sewer line. Heavy rains caused flooding conditions at outfall sewer line

April 14,2020 EAM W/O # 176368 / 1<sup>st</sup> day Performed sewer line cleaning operations and CCTV inspections

April 15,2020 EAM W/O # 176368 / 2<sup>nd</sup> day Performed sewer line cleaning operations and CCTV inspections

Total footage: 3,653’ of 15’’ outfall sewer line

### **North River Road 15’’ excavations**

1<sup>st</sup> repair North River Road 15’’ outfall  
EAM W/O # 176679

Rainbow MWD  
Atlas Septic  
TSS – Traffic control  
Rain for rent pumps & piping bypass  
Scrape Certified Welding

2<sup>nd</sup> repair North River Road 15’’ outfall  
EAM W/O # 176594

Rainbow MWD  
Atlas Septic  
TSS – Traffic control  
Rain for rent pumps & piping bypass  
Scrape Certified Welding

**Customer service:**

April 15,2020 – Customer Rashada - odor complaint responded checked out District sewer system all ok problem at customers kitchen sink advised to add water to traps.

April 17,2020 – 5829 Camino Del Cielo sewer smell. Victor responded to concern – stagnant water due to rains causing odor at residence – non RMWD.

**MUTUAL AID:**

North River Road assessment and repairs to 15” outfall sewer line

- Fallbrook Public Utility District
- Houston & Harris video
- Scrape certified welding
- Traffic Safety Solutions
- Atals Septic Services
- Rain for Rent

**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:

Current Projects:

- Gov deals Unit 71 and 24
- Decals on highline trailer and tech services trailer

Future Projects:

- Portable welder trailer upgrade
- Unit 37 side strobe lights
- Shop Work bench rehab
- Shop toolbox upfit
- PM trash pumps, compactors, saws cuts, Chain saws, generators
- Truck steps 22, 23, 37

- Waste disposal area spill containment and cleaning tools need to hang on wall

Total Vehicles: **41**

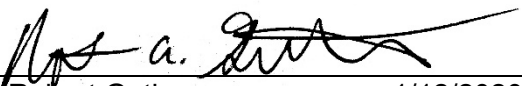
ELECTRICAL/SCADA:

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.-**Ongoing**
- Install new SMS text message system to Water and Wastewater SCADA alarm-**Ongoing**
- 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

May 26, 2020

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### SUBJECT

Engineering Report for April 2020

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### DESCRIPTION

#### CAPITAL PROJECTS:

Corrosion Protection Program (CPP): The District submitted comments on the 90 percent CPP document in April 2020, which included updates to the District's Standard Drawings, Specifications, Operation and Maintenance Program, Soil Corrosivity Report, and a Pipe Break Root Cause Analysis. An Introduction and Conclusion/Recommendation section was added to the report. The CPP document is scheduled to be completed in May 2020. Operations staff is actively installing CP in the field as a "regular operation"

Dentro De Lomas Street Improvement Project: Notice to Proceed was issued on April 14, 2020 and work is scheduled for May 4<sup>th</sup> and 5<sup>th</sup>, 2020. Letters to residents on upcoming work were prepared and sent out. This work was complete on the 5<sup>th</sup>. All work has been inspected and accepted; the reports and pictures are in the job file.

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. Due to the COVID-19 restrictions, the Quiet Title action is delayed.

Olive Hill Estates Transmission Line Reconnection Project: Project includes the construction of 2,550 lineal feet of 14-inch ductile iron pipe and 30 lineal feet of 12-inch ductile iron pipe in the Olive Hill Estates community. The project went out to bid and the bid opening occurred in March 2020. The Board awarded construction project to T.E. Roberts, Inc. for a not to exceed amount of \$1,128,075 on April 28, 2020. The contract will be executed in May 2020.

Phase I PRS Project: The Notice to Proceed was issued on April 14<sup>th</sup>, 2020. Construction is anticipated to commence in June 2020.

Pipeline Upgrade Project No. 1: Project will go out for bid in May 2020. Staff has conducted meetings to inform the affected customers of the project's impact on their properties.

Pipeline Upgrade Project No. 2: Aerial Surveys are complete and Consultant has begun preliminary design. Customers were contacted to inform them of environmental surveying activities on their properties.

Pressure Reduction Optimization Plan: Engineering staff worked on identifying existing right of way and locations for future pressure reducing stations based on the discussion from the Engineering and Operations staff meeting on February 6, 2020. A final project list was completed in April 2020 by Engineering staff and is currently under review. The contractor has South Land Pipe making fittings

Quiet Title: Attorneys have 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 Bid opening occurred on May, 11, 2020, the low bid was \$2,637,397. Award of Construction Contract is under consideration by the Board.

Rice Canyon Tank Transmission Line: Dexter Wilson Engineering was awarded a professional services agreement for design service by the Board at the April 28<sup>th</sup> meeting.

Sewer Pipe Lining: Staff has notified the contractor of the requirement to replace defective lining or offer the District a credit. Same.

Thoroughbred Lift Station and Schoolhouse Lift Station: Design alternatives are being investigated to lower cost of sewer improvements necessary for expanding service, in conjunction with the Meadowood development. Kennedy Jenks is moving forward with Design of the required facilities.

Vista Valley Country Club Villas HOA PRS Project: Project includes rock excavation into existing slope, construction of a retaining wall, installation of one EFI PRS, removing an existing piping cross and connecting the two piping runs, and installation of two plug valves in the Vista Valley Country Club Villas HOA. Design plans were reviewed by Engineering and Operations twice. Project plans are anticipated to be finalized in early May. Bid is anticipated to be released in mid-May.

Weese Filtration Plant Interconnect: District is investigating costs of expanding the capacity of the proposed pump station.

## **DEVELOPER PROJECTS:**

Golf Green Estates (Development Solutions): 94 SFR / 102.46 EDUs – 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 - 63. Same

Meadowood (Pardee Homes): Approximately 850 Units - Off of Pala Road/Horse Ranch Creek Road. The developer is grading the project now. The Board has entered an Out of Agency Service Agreement with the Developer. In addition, District Staff is completing plan reviews for several planning areas within the development.

Horse Creek Ridge (HCR), (D.R. Horton): 627 SFR/MF, 430 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 - 392. Same

Horse Creek Ridge Unit 6R5 Promontory (Richmond American Homes): 116 Units, 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 - 102. Same

Lilac Del Cielo (Bonsall LLC): 73 Units / 77.8 EDUs - The developer paid 50% of the sewer connection fees and the agreement is effective for five years from the date of execution (12/31/24).

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 is still working to install water main and fire hydrant. The Contractor tested water main all work was accepted. Currently the contractor is working on the tie-in. The contractor is working on the punch list items

Pala Mesa Highlands (Beazer Homes): 124 SFR / 159.88 EDUs – Off of Old Highway 395. The PRS needs to be installed. Inspected meter installs, meter releases and sewer connections. Water meters purchased to date - 95. Same

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	0	Water Meters Purchased	8
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

5/26/2020



**AS-NEEDED CONTRACT EXPENDITURES REPORT  
APRIL 2020**

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 - Dentro 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	\$ 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	\$ 1,100.00	
				NON-CIP	2020-08	Linda Vista Drive - Mainline Break		\$ 5,563.00	\$ 5,562.50	
				CIP	2020-09	Gird Road - Winery easement anlysis an exhibit		\$ 7,680.00	\$ 6,900.00	
					\$ 50,000.00	\$ 47,918.00	\$ 40,961.25	\$ 9,038.75		
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	\$ 15,451.30	
				CIP	2019-03	Easement Survey-Moosa Creek Pump Station. Restake and reconfigure easement authorized additional \$525.		\$ 5,410.00	\$ 5,405.20	
				CIP	2020-04	Lemonwood Easement Location		\$ 5,370.00	\$ 270.00	
									\$ 50,000.00	\$ 43,105.00
19-16	6/25/2022	As-Needed Civil Engineering Services	Dudek	Both	2019-01	PRS and other Schematic Design/Drafting Services		\$ 10,000.00	\$ 845.00	
							\$ 150,000.00	\$ 10,000.00	\$ 845.00	\$ 149,155.00
19-17	7/01/2022	As-Needed Civil Engineering Services	Omnis Consulting, Inc.	NON-CIP	2019-01	PS&E Pavement Repair - Dentro De Lomas		\$ 8,890.00	\$ 8,890.00	
				CIP	2019-02	Olive Hill Estates Transmission Water Main		\$ 73,700.00	\$ 72,450.00	
				CIP	2019-03	Vista Valley Retaining Wall Design		\$ 23,495.00	\$ 13,765.67	
				CIP	2019-04	Sarah Ann to Gird Road Force Main Replacement		\$ 22,790.00	\$ 10,730.00	
				CIP	2020-05	Gird Road Water Main Upsize		\$ 21,120.00	\$ 4,710.00	
					\$ 150,000.00	\$ 149,995.00	\$ 110,545.67	\$ 39,454.33		
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	\$ 27,145.00	
						\$ 150,000.00	\$ 42,020.00	\$ 27,145.00	\$ 122,855.00	

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**AS-NEEDED CONTRACT EXPENDITURES REPORT  
APRIL 2020**

CONT #	EXP DATE	TITLE	CONSULTANT	FUND SOURCE	ASSIGNMENT LETTERS	DESCRIPTION	AUTHORIZED AMOUNT	NOT TO EXCEED AMOUNT	INVOICED TO DATE	CURRENT BALANCE	
19-19	6/25/2022	As-Needed Real Estate Appraisal Services	Anderson & Brabant, Inc.	CIP	2019-01	North River Rd Easement Appraisal		\$ 3,500.00	\$ 3,500.00		
				CIP	2020-02	PRS Fire Road Appraisal		\$ 7,500.00			
							\$ 20,000.00	\$ 11,000.00	\$ 3,500.00	\$ 16,500.00	
19-20	6/11/2022	As-Needed Real Estate Appraisal Services	ARENS Group, Inc.	NON-CIP	2019-01	Bonsall Reservoir Appraisal (to include rent value)		\$ 3,050.00	\$ 3,050.00		
				CIP	2020-02	Moosa Creek Pump Station Easement Appraisal		\$ 5,350.00	\$ 5,350.00		
							\$ 20,000.00	\$ 8,400.00	\$ 8,400.00	\$ 11,600.00	
19-39	11/13/2022	As-Needed Geotechnical Services	Leighton Consulting, Inc.				\$ -	\$ -	\$ -	\$ -	
							\$ -	\$ -	\$ -	\$ -	
							\$ 100,000.00	\$ -	\$ -	\$ 100,000.00	
19-40	11/1/2022	As-Needed Geotechnical Services	Ninyo & Moore G.E.S. Consultants	NON-CIP	2020-01	Dentro De Lomas geotech observation and material testing.		\$ 6,518.00	\$ -	\$ -	
								\$ -	\$ -	\$ -	
							\$ 100,000.00	\$ 6,518.00	\$ -	\$ 100,000.00	
19-41	11/20/2022	As-Needed Geotechnical Services	SCST, LLC					\$ -	\$ -	\$ -	
								\$ -	\$ -	\$ -	
							\$ 100,000.00	\$ -	\$ -	\$ 100,000.00	
Page 294 of 336	20-01	1/28/2023	As-Needed Construction Management & Insp. Services	Harris & Associates	CIP	2020-01	CM support services for the WSUP project.		\$ 100,000.00	\$ -	\$ -
					CIP	2020-02	Constructability design review of PUP-1		\$ 6,270.00	\$ -	\$ -
					NON-CIP	2020-03	Sewer Norh River Road - Emergency Repair		\$ 11,000.00	\$ -	\$ -
							\$ 150,000.00	\$ 117,270.00	\$ -	\$ 150,000.00	
20-02	1/28/2023	Management & Insp. Services	Reilly Construction Mmnt.					\$ -	\$ -	\$ -	
								\$ -	\$ -	\$ -	
							\$ 150,000.00	\$ -	\$ -	\$ 150,000.00	
20-03	2/25/2023	As-Needed Environmental Services	Helix Envrionmental	CIP	2020-01	Pipeline Upgrade Project #1 - Disney Lane - Cultural/Biological Evals		\$ 9,100.00	\$ -	\$ -	
				CIP	2020-02	Pipeline Upgrade Project #1 - Via Vera - Cultural/Biological Evals		\$ 9,100.00	\$ -	\$ -	
							\$ 100,000.00	\$ 18,200.00	\$ -	\$ 100,000.00	
20-04	2/25/2023	As-Needed Environmental Services	Rincon Consultants					\$ -	\$ -	\$ -	
								\$ -	\$ -	\$ -	
							\$ 100,000.00	\$ -	\$ -	\$ 100,000.00	
20-05	3/24/2023	As-Needed Environmental Services	Michael Baker International					\$ -	\$ -	\$ -	
								\$ -	\$ -	\$ -	
							\$ 100,000.00	\$ -	\$ -	\$ 100,000.00	
							<b>Total Authorized</b>	<b>Total Encumbrance</b>	<b>Total Expended</b>		
							\$ 1,540,000	\$ 463,641	\$ 234,793		



**SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT  
APRIL 2020**

<b>STATUS SUMMARY</b>	<b>EDUs</b>
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	4,935.52 *
EDUs Unconnected/Committed	200.28
<b>Total EDUs Available for Purchase:</b>	<b>2,720.87</b>

<b>DEVELOPMENTS WITH UNCONNECTED/COMMITTED EDUs</b>	<b>EDUs</b>	<b>CAPACITY FEES PAID</b>
Bonsall Oaks (Polo Club) - 165 Lots	59.85	\$ 1,038,336
Golf Green Estates (Dev. Solutions) - 102.46	25.66	\$ 692,832
Horse Creek Ridge (DR Horton/RAH) - 754	(77.30)	\$ -
Lilac Del Cielo (Bonsall Group) - 77.8	38.90	\$ 549,499 **
Passarelle (HRC Commercial) - 96.57	96.57	\$ -
Pala Mesa Highlands (Beazer Homes) - 159.88	44.40	\$ 631,428
Others (5 or less)	12.20	\$ 208,498
<b>TOTAL UNCONNECTED:</b>	<b>200.28</b>	<b>\$ 3,120,593</b>

\*There is a delay between connections and new account activations.

\*\*Paid initial 50% of Sewer Capacity Fee





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### BOARD OF DIRECTORS

May 26, 2020

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#### **SUBJECT**

HUMAN RESOURCES REPORT FOR APRIL/MAY 2020

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#### **DESCRIPTION**

Personnel changes, human resources activities, and safety report for April/May 2020

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#### **PERSONNEL UPDATES:**

Freddy Espino started as our new Information Systems Specialist on April 27<sup>th</sup>, 2020.

#### **LEAVES OF ABSENCE:**

- One employee in the Construction/Maintenance Department is on a Medical Leave of Absence.
- One employee in Customer Service is on Family First Coronavirus Response Act leave due to the closure of schools and day care centers.

#### **RECRUITMENT:**

We are still in selection for a Construction Supervisor. Video interviews took place on April 21. Two finalists were chosen and will be invited for second interviews.

#### **EMPLOYEE EVENTS/UPCOMING EVENTS:**

We are currently coordinating with our consultant for a virtual Customer Service Training, as this was already pre-arranged prior to COVID-19.

#### **SAFETY:**

##### **Incidents**

A new claim was filed for a lung illness allegedly related to repetitive exposure to toxic airborne particles. The claim is under review by the District's worker's compensation carrier.

**Safety Training**

Target Solutions online training: 37 completions for March 2020

Future planning to increase safety awareness throughout the district to include:

- Respirator Program training
- Hearing Conservation
- COVID-19 awareness



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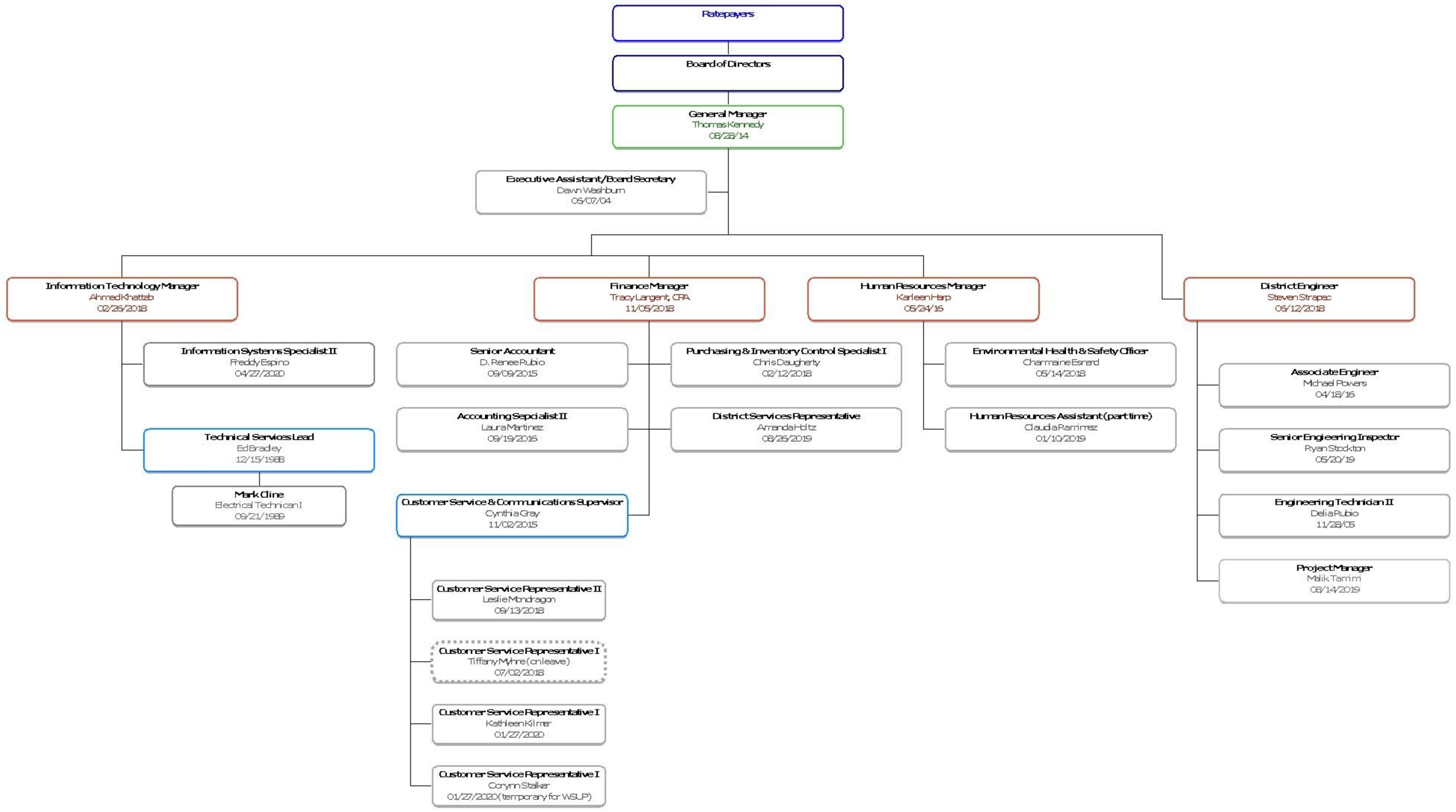
Karleen Harp, COSM  
Human Resources Manager

05/26//2020

**RAINBOW MUNICIPAL WATER DISTRICT  
ORGANIZATIONAL CHART  
PAGE 1 of 2**

Creation Date: 8/21/2014

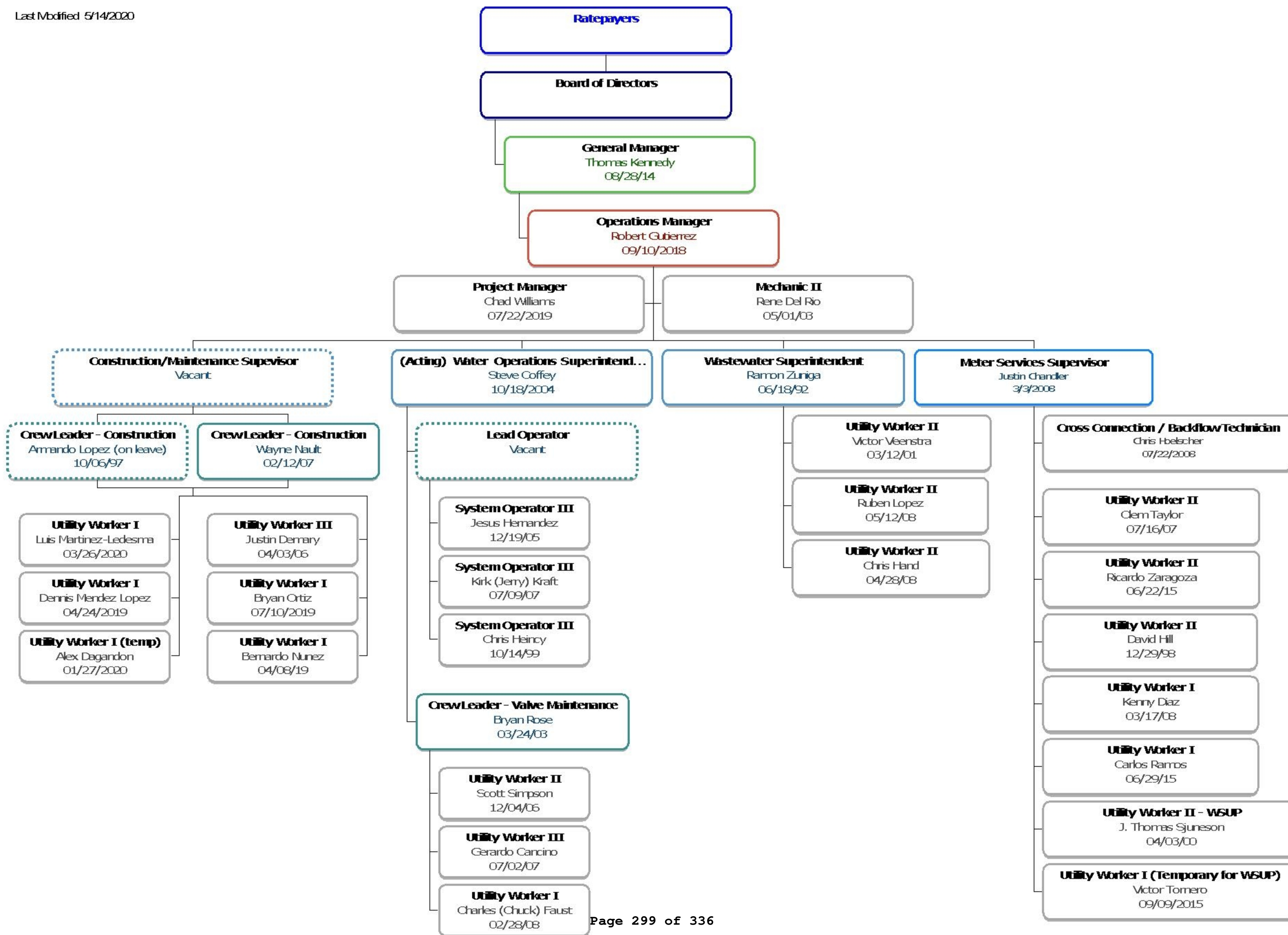
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RAINBOW MUNICIPAL WATER DISTRICT  
 ORGANIZATIONAL CHART  
 PAGE 2 of 2

Creation Date 8/21/2014

Last Modified 5/14/2020



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**BOARD OF DIRECTORS**

May 26, 2020

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**SUBJECT**

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FINANCE REPORT FOR MAY 2020

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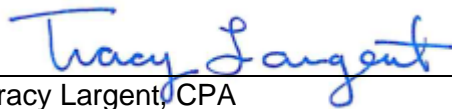
**DESCRIPTION**

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With the simultaneous software implementations that went live July 1, 2019 now stabilizing, finance staff is working to bring financial reporting current.

**Attachments:**

- A. Budget vs Actuals (FEB FYTD 19/20)
- B. Fund Balance Projections
- C. Treasury Report (MARCH FY 19/20)
- D. Five Year Demand Chart (through 5/6/2020)
- E. Credit Card Breakdown (MARCH FY 19/20)
- F. Directors' Expense Report (MARCH FY 19/20)
- G. Check Register (MARCH FY 19/20)
- H. Water Sales Summary (MARCH FY 19/20)
- I. Developer Projections
- J. RMWD Properties



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Tracy Largent, CPA  
Finance Manager

May 26, 2020



# Statement of Revenues & Expenses

Operating Funds (Water, Wastewater, & General Funds)

February 29, 2020



Positive = Over Budget

Negative = Under Budget

	FY 19/20 YTD Revenues/Expenditures	FY 19/20 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 19/20 Annual Operating Budget
41110-Water Sales-Sf Mf Cm Is	5,196,354	5,997,235	-800,882	-13%	8,995,853
41112-Sewer Charges-Established Acct	1,820,227	2,112,588	-292,361	-14%	3,168,882
42120-Monthly O & M Charges	5,397,088	5,487,590	-90,503	-2%	8,231,385
42121-Monthly O&M Charges - CWA	3,246,681	3,297,970	-51,289	-2%	4,946,955
43101-Operating Inc Turn On/Off Fees	0	7,333	-7,333	-100%	11,000
43106-Operating Inc-Sewer Letter Fee	150	1,333	-1,183	-89%	2,000
41120-Water Sales-Ag-Dom Non Cert	688,674	771,993	-83,319	-11%	1,157,990
41160-Water Sales-Ag. Non Discount	2,504,172	2,829,463	-325,292	-11%	4,244,195
41170-Water Sales-Construction	40,751	239,623	-198,872	-83%	359,434
41180-Water Sales - Tsawr Com	3,432,191	3,194,081	238,111	7%	4,791,121
41190-Water Sales-Sawr Ag/Dom	2,162,684	4,703,398	-2,540,715	-54%	7,055,098
42130-Readiness-To-Serve Rev Id#1	169,523	166,667	2,856	2%	250,000
42140-Pumping Charges	465,679	454,855	10,824	2%	682,283
-Water Sales	25,124,172	29,264,130	-4,139,958	-14%	43,896,195
43100-Operating Inc Oak Crest Service Charges	0	16,000	-16,000	-100%	24,000
43102-Operating Inc Penalty/Int Chgs	58,074	180,000	-121,926	-68%	270,000
43104-Operating Inc. R.P. Charges	169,113	183,333	-14,220	-8%	275,000
43108-Operating Inc Plan Check Rev.	1,860	50,000	-48,140	-96%	75,000
43110-Operating Inc Inspections	9,663	13,333	-3,670	-28%	20,000
43111-Operating Inc Install Fees Hyd	460	1,333	-873	-66%	2,000
43114-Operating Inc-Miscellaneous	0	4,667	-4,667	-100%	7,000
43116-New Meter Sales/Install Parts	8,775	26,667	-17,892	-67%	40,000
43117-Notice Delivery Revenue	80	40,000	-39,920	-100%	60,000
-Other Operating Revenue	248,025	515,333	-267,308	-52%	773,000
42200-Overhead Trs From Water Sewer	4,127,683	4,717,348	-589,665	-12%	7,076,023
-Transfers from Water & Waste Water	4,127,683	4,717,348	-589,665	-12%	7,076,023
<b>REVENUE-Operating Revenue</b>	<b>29,499,880</b>	<b>34,496,812</b>	<b>-4,996,932</b>	<b>-14%</b>	<b>51,745,218</b>

Positive = Over Budget

Negative = Under Budget

	FY 19/20 YTD Revenues/Expenditures	FY 19/20 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 19/20 Annual Operating Budget
50001-Water Purchases	12,890,897	14,588,019	-1,697,122	-12%	21,882,029
50003-Water In Storage	-225,667	0	-225,667		0
50005-Ready To Serve Charge	335,836	328,040	7,796	2%	492,060
50006-Infrastructure Access Charge	364,976	386,448	-21,472	-6%	579,672
50008-Ag Credit-Sawr	-641,099	-1,077,968	436,869	-41%	-1,616,952
50010-Customer Service Charge	715,346	723,368	-8,022	-1%	1,085,052
50011-Capacity Reservation Charge	268,266	266,824	1,442	1%	400,236
50012-Emergency Storage Charge	1,057,967	1,077,780	-19,813	-2%	1,616,670
50013-Supply Reliability Charge	524,930	556,628	-31,698	-6%	834,942
<b>-Cost of Purchased Water Sold</b>	<b>15,291,453</b>	<b>16,849,139</b>	<b>-1,557,686</b>	<b>-9%</b>	<b>25,273,709</b>
56101-Regular Salaries	3,366,975	3,427,083	-60,109	-2%	5,140,625
56103-Overtime Paid Comptime Earn.	277,307	206,167	71,140	35%	309,250
56202-Director's Compensation	7,800	9,333	-1,533	-16%	14,000
56518-Duty Pay	29,950	29,200	750	3%	43,800
56520-Deferred Comp-Employer Contrib	94,445	99,852	-5,407	-5%	149,777
<b>-Salary &amp; Labor Expenses</b>	<b>3,776,477</b>	<b>3,771,635</b>	<b>4,842</b>	<b>0%</b>	<b>5,657,452</b>
56501-Employer's Share FICA SSI	210,214	199,575	10,639	5%	299,363
56502-Employer's Share Medicare	53,170	49,828	3,342	7%	74,742
56515-Worker's Compensation Ins	190,257	82,775	107,482	130%	124,163
56516-State Unemployment Ins E.T.T.	14,888	9,089	5,799	64%	13,633
<b>-Taxes</b>	<b>468,529</b>	<b>341,267</b>	<b>127,262</b>	<b>37%</b>	<b>511,901</b>
56503-Medical Ins ACWA Health Ben	563,904	585,156	-21,252	-4%	877,734
56504-Dental Insurance	54,319	60,368	-6,049	-10%	90,552
56505-Vision Ins ACWA	7,489	7,664	-175	-2%	11,496
56506-Life S/T L/T Disability Ins	40,730	35,084	5,647	16%	52,626
56507-Retirement-CalPERS	335,008	340,086	-5,078	-1%	510,129
56511-Employee Uniform Allowance	15,032	13,333	1,699	13%	20,000
<b>-Fringe Benefits</b>	<b>1,016,483</b>	<b>1,041,691</b>	<b>-25,208</b>	<b>-2%</b>	<b>1,562,537</b>
52176-Overhead Transfer To Gen Fund	4,127,683	4,717,348	-589,665	-12%	7,076,022
<b>-Transfers</b>	<b>4,127,683</b>	<b>4,717,348</b>	<b>-589,665</b>	<b>-12%</b>	<b>7,076,022</b>



**Attachment A**

Positive = Over Budget

Negative = Under Budget

	FY 19/20 YTD Revenues/Expenditures	FY 19/20 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 19/20 Annual Operating Budget
56512-Employee Training/Tuition Reim	5,854	17,667	-11,813	-67%	26,500
56513-Employee Relations	8,737	10,600	-1,864	-18%	15,900
56530-Gasb 68 Pension	336,485	279,941	56,544	20%	419,911
60000-Equipment	20,052	52,667	-32,615	-62%	79,000
60100-Computers	314,448	479,785	-165,337	-34%	719,678
63100-Equipment Maintenance	108,116	104,733	3,383	3%	157,100
63102-Equipment Maintenance Contract	13,121	36,533	-23,412	-64%	54,800
63200-Equipment Rental	134,989	79,645	55,343	69%	119,468
63400-Kitchen Supplies	10,760	10,667	93	1%	16,000
63401-Building Maintenance	142,859	92,933	49,926	54%	139,400
63404-Backflow Expenses	78,820	100,000	-21,180	-21%	150,000
63421-Fuel And Oil	116,016	93,333	22,683	24%	140,000
63422-Repair Supplies Auto	33,222	48,667	-15,445	-32%	73,000
65000-Property/Liability Insurance	283,569	188,316	95,253	51%	282,474
65100-District Paid Insurance Claims	104,582	183,333	-78,751	-43%	275,000
65200-Miscellaneous Expense	3,889	0	3,889		0
66000-Bad Debt Exp/Billing Adjust'S	0	3,333	-3,333	-100%	5,000
POSTAGE-Postage	26,186	31,000	-4,814	-16%	46,500
70000-Professional Services	536,030	569,967	-33,937	-6%	854,950
70100-Annual Audit Services	18,698	16,667	2,031	12%	25,000
70300-Legal Services	212,088	326,667	-114,579	-35%	490,000
70400-Bank Service Charges	35,023	33,333	1,690	5%	50,000
72000-Supplies & Services	970,520	915,433	55,087	6%	1,373,150
72001-Right Of Way Expenses	90,153	133,333	-43,181	-32%	200,000
72010-Tank Maintenance	559,516	512,788	46,728	9%	769,182
72150-Regulatory Permits	38,144	49,067	-10,923	-22%	73,600
72200-Books & Resources	100	1,733	-1,634	-94%	2,600
72400-Dues & Subscriptions	65,605	46,273	19,331	42%	69,410
72500-Safety Supplies	19,228	29,667	-10,439	-35%	44,500
72600-Sewer Line Cleaning	8,619	38,667	-30,048	-78%	58,000
72700-Printing & Reproductions	1,232	10,667	-9,434	-88%	16,000
72702-Public Notices & Advertising	1,409	5,667	-4,258	-75%	8,500

Attachment A

Positive = Over Budget

Negative = Under Budget

	FY 19/20 YTD Revenues/Expenditures	FY 19/20 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 19/20 Annual Operating Budget
72900-Stationary & Office Supplies	2,124	6,667	-4,543	-68%	10,000
73000-Small Tools & Equipment	16,041	37,333	-21,292	-57%	56,000
74000-Communicatons & Phone Bills	5,983	5,667	316	6%	8,500
74100-Phone Bill	70,136	56,427	13,710	24%	84,640
75300-Travel, Conferences & Training	30,842	53,810	-22,968	-43%	80,715
75400-Workforce Development	29,898	49,333	-19,435	-39%	74,000
75500-Recruitment	11,228	15,267	-4,038	-26%	22,900
77000-Sewage Treat.-Oceanside Plant	0	553,333	-553,333	-100%	830,000
78000-Utilities - Electricity	367,240	385,000	-17,760	-5%	577,500
78300-Hazardous Waster Material Disposal	7,350	8,000	-650	-8%	12,000
78700-Utilities - Propane	4,355	10,333	-5,978	-58%	15,500
78900-Trash Pick-Up	7,465	7,167	298	4%	10,750
<b>-Operating Expenses</b>	<b>4,850,732</b>	<b>5,691,419</b>	<b>-840,687</b>	<b>-15%</b>	<b>8,537,128</b>
EXPENSE-Operating Expense	29,531,357	32,412,499	-2,881,142	-9%	48,618,749
49301-Property Tax Rev. - Ad Valorem	381,943	303,333	78,610	26%	455,000
-Property Tax Revenue	381,943	303,333	78,610	26%	455,000
49050-Revenue Billing Adjustments	2,277	0	2,277		0
49102-Non Oper Inc-Nsf Check Fees	0	2,000	-2,000	-100%	3,000
49107-Recycling Revenue	0	5,333	-5,333	-100%	8,000
49108-Non Oper Inc-Rents And Leases	0	113,333	-113,333	-100%	170,000
49109-Miscellaneous Revenue	18,417	24,000	-5,583	-23%	36,000
49114-Misc Revenue - Eng. Services	1,400	3,333	-1,933	-58%	5,000
57050-Expense Billing Adjustments	2,892	0	2,892		0
82000-Shop & Field Equipment	54,830	255,800	-200,970	-79%	383,700
83000-Vehicles	39,071	173,333	-134,263	-77%	260,000
-Other Nonoperating Revenue/Expense	-74,700	-281,133	206,434	-73%	-421,700
-Non Operating Revenue (Expenses)	307,244	22,200	285,044	1284%	33,300
Debt Service		1,631,862	-1,631,862	-100%	2,447,793
<b>Current Year Net Revenue Less Expense*</b>	<b>\$ 275,767</b>				<b>\$ 711,976</b>

\*Does not Include: 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
<b>Fund Balances:</b>	FY 19/20	FY 19/20	FY 19/20	FY 19/20	FY 19/20	FY 19/20
Beginning Unrestricted Fund Balance	\$4,370,565	\$1,039,895	\$1,316,773	\$3,290,345	\$591,279	\$10,608,857
Transfer to Capital	(1,600,000)					(1,600,000)
Transfer to Rate Stabilization	(822,586)			822,586		0
Budgeted Operating Surplus (Loss)	780,242	(18,267)	7,601,023		(2,447,793)	5,915,205
Transfers In/(Out)			(7,601,023)		2,447,793	(5,153,230)
<b>Projected Ending Fund Balance</b>	<b>\$2,728,221</b>	<b>\$1,021,629</b>	<b>\$1,316,773</b>	<b>\$4,112,931</b>	<b>\$591,279</b>	<b>\$9,770,833</b>

**Water Capital Fund Balance**

Fund 26 & 60      Current Cash  
\$6,329,464

<b>Fund Balances:</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Beginning Unrestricted Fund Balance	<b>\$4,364,696</b>	<b>\$46,189</b>	<b>(\$8,853,723)</b>	<b>(\$12,946,620)</b>	<b>(\$14,101,374)</b>
<hr/>					
Water Capacity Fees					
Transfer from Operating Reserves	1,600,000	1,600,000	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% (5,575,000)	(10,199,912)	(7,142,070)	(5,664,000)	(8,631,000)
<b>Projected Worst Case Ending Fund Balance</b>	<b>\$46,189</b>	<b>(\$8,853,723)</b>	<b>(\$12,946,620)</b>	<b>(\$14,101,374)</b>	<b>(\$19,013,520)</b>
<hr/>					
Forecasted Capacity Fees	\$1,474,869	\$8,709,853	\$2,317,350	\$1,196,115	\$2,267,418
<b>Potential Ending Fund Balance</b>	<b>\$1,521,058</b>	<b>\$1,330,999</b>	<b>(\$444,548)</b>	<b>(\$403,187)</b>	<b>(\$3,047,915)</b>

\*Restricted Cash amounts are available for drawdown throughout the specified Capital Project process.

## Capital Project Budgets (Water):

GL Project	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
600038	Blue Breton Water System Looping Project					
100038	Water Supplier Assessment					
600031	Olive Hill Estates Transmission Line Reconnection					
600035	Tank and Reservoir Mixing Upgrades	30,000	250,000	1,500,000		
600002	Gird to Monserate Hill Water Line		1,204,912	885,070		
600003	San Luis Rey Imported Return Flow Recovery	30,000	30,000	30,000	30,000	30,000
600009	Isolation Valve Installation Program	150,000	150,000			
600017	Pressure Reducing Station Replacement Program (Rehabilitation)	300,000	300,000	300,000		
	Vallecitos PS Relocation				530,000	500,000
	Sampling ports for testing		25,000			
	Generator at Sumac		50,000			
	SLR River Crossing at Dentre De Lomas Line NN				224,000	2,576,000
	Northside Zone Supply Redundancy		40,000	477,000		
600001	Rainbow Heights PS (#1) Upgrades/Recon.	1,000,000	1,300,000			
600007	Pressure Reducing Stations	500,000	500,000	500,000	500,000	500,000
600013	<del>SDCWA Shutdown</del> Hunton Pump Station				1,000,000	
600013	Turner Pump Station					
600019	Water System Monitoring Program	575,000	275,000			
600037	Live Oak Park Road Bridge Replacement					
600008	Weese WTP Permanent Emergency Interconnect and PS (on hold)	620,000				
	Gomez PS Building					
	Lookout Mountain Electrical Upgrade. The Complete electrical upgrade w/emerg. generator			250,000	750,000	
	Mission Road / FPUD Interconnect	70,000				
600036	Line off Little G Pipeline Upgrade Project 2 (PUP 2)					
600026	Camino Del Rey Waterline Reloaction	150,000	500,000	1,600,000		
600030	Corrosion Prevention Program Development and Implementation	100,000	250,000	250,000	250,000	250,000
600014	Morro Tank Zone Permanent FPUD Interconnection	150,000				
	<b>Pressure Reducing Stations (Phase 2)</b>					
	North Feeder and Rainbow Hills Water Line Replacements					
	76 & Gird Permanent Emergency Pump Station				800,000	
	Camino Del Rey Emergency Pump Station. PS at Moosa xing to feed south zone in shutdown (Duplicate of 600013)					800,000
	Northside Emergency Pump Station Connection and Pipeline at Reche Road for emergency pumping				200,000	850,000
	Pumps (Northside Emergency Pump Station Connection) for emergency pumping				980,000	
600034	Rice Canyon Tank Transmission PL to I-15/SR76 Corridor					450,000
600029	Via Ararat Drive Waterline Project	350,000				
600021	Miscellaneous P Pipeline Upgrade Project 1 (PUP 1)	1,000,000	2,500,000			
300008	New District Headquarters	50,000	50,000	100,000	150,000	200,000
	Northside Permanent FPUD Emergency Interconnection		150,000			
300007	Programatic EIR for Existing Easements	500,000				

Capital Project Budgets Water (Continued):

GL Project	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
	Pala Mesa Fairways 383 A and C		250,000			
	Sarah Ann Drive Line 400 A		375,000			
600036	Gaines Line Ext.		75,000			
600036	Millagra Drive		250,000			
600036	Rainbow Glen Line Repl Wilt Road (1331)			375,000		
600036	Nella Lane			125,000		
600036	Pipe 2333			500,000		
	Katie Lendre Drive Line					
600021	Gird Road 1,600' upsize from 12" to 18" or larger Katie Lendre Drive Line			250,000		
600036	Rice Canyon Road Pipe Line (Line A 628)		1,675,000			
600036	Thibodo 632				250,000	
	Del Rio Estates Line Ext 503					250,000
	East Heights Line 147L					500,000
	Los Alisos South 243					500,000
600021	Morro Sumac Trans Main					200,000
	East Heights Line 147A					250,000
	Via Zara					125,000
	Roy Line Ext					250,000
	Spanish Oaks					400,000
<b>Total</b>		<b>\$5,575,000</b>	<b>\$10,199,912</b>	<b>\$7,142,070</b>	<b>\$5,664,000</b>	<b>\$8,631,000</b>

**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
<b>Fund Balances:</b>							
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
<b>Projected Fund Balance</b>		<b>\$11,332,580</b>	<b>\$7,332,580</b>	<b>\$2,032,580</b>	<b>\$ 32,580</b>	<b>\$ 32,580</b>	<b>\$ 32,580</b>

\*Restricted Cash amounts are available for drawdown throughout the specified Capital Project process.

<b>Capital Project Budgets:</b>				Year 1	Year 2	Year 3	Year 4	Year 5
				Budget	Budget	Budget	Budget	Budget
Project #	Master Plan #	GL Project #	Project Description	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
18	WR24A	600027	Service Meter Replacement	2,000,000	2,500,000	1,000,000		
19		600028	Water Service Upgrade	2,000,000	2,800,000	1,000,000		
<b>Total</b>				<b>\$4,000,000</b>	<b>\$5,300,000</b>	<b>\$2,000,000</b>	\$ -	\$ -

**Wastewater Capital Fund Balance**

Fund 52 & 53

Current Cash

**\$14,836,394**

		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
<b>Fund Balances:</b>						
Beginning Unrestricted Fund Balance		\$9,350,451	\$5,786,451	(\$5,593,549)	(\$12,032,549)	(\$12,257,549)
Sewer Connections						
Financing						
Less: Capital Project Budgets	100%	(3,564,000)	(11,380,000)	(6,439,000)	(225,000)	(100,000)
<b>Projected Worst Case Ending Fund Balance</b>		<b>5,786,451</b>	<b>(5,593,549)</b>	<b>(12,032,549)</b>	<b>(12,257,549)</b>	<b>(12,357,549)</b>
Forecasted Sewer Connections		\$1,356,096	\$11,049,501	\$0	\$3,435,443	\$4,237,800
<b>Potential Ending Fund Balance</b>		<b>\$7,142,547</b>	<b>\$6,812,048</b>	<b>\$373,048</b>	<b>\$3,583,491</b>	<b>\$7,721,291</b>

\*Restricted Cash amounts are available for drawdown throughout the specified Capital Project process.

**Capital Project Budgets (WW):**

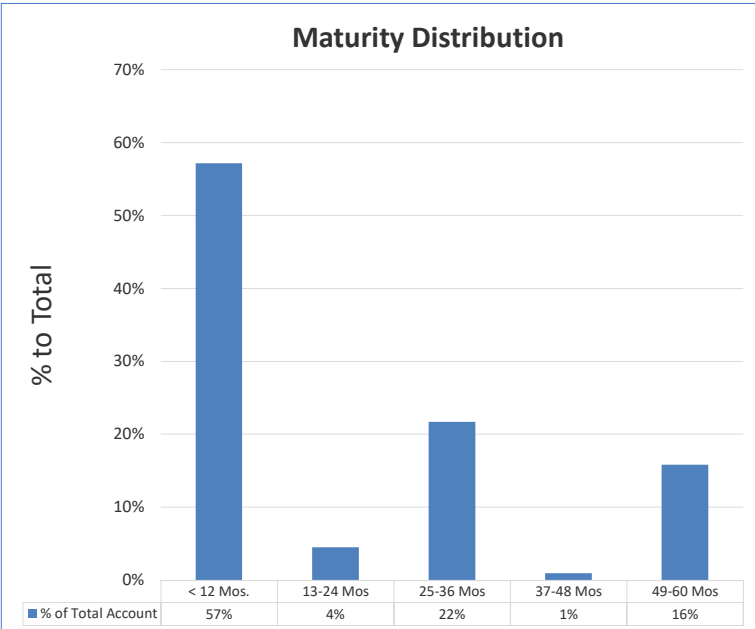
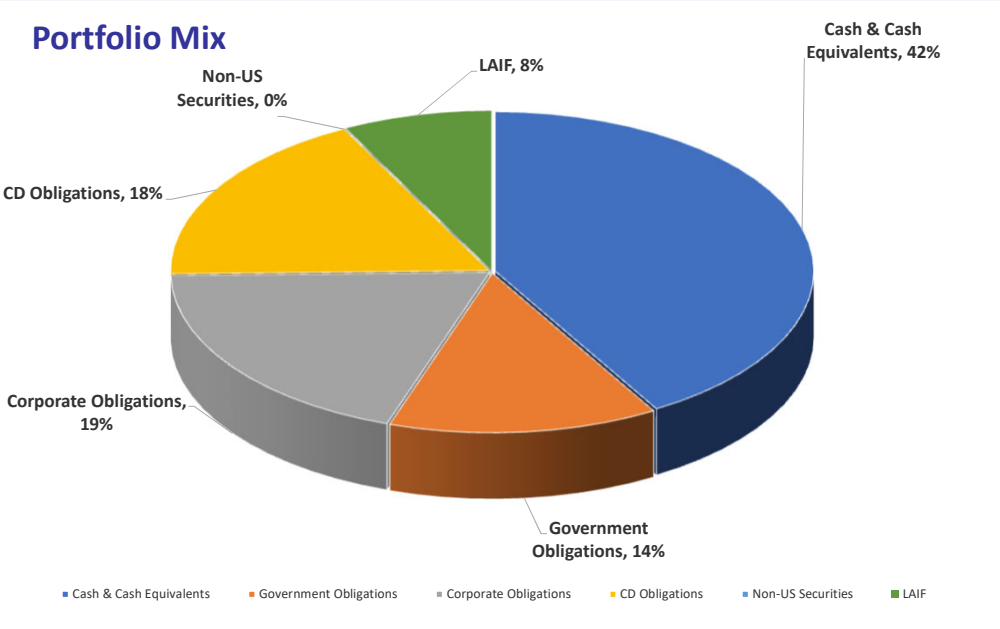
Project #	Master Plan #	GL Project #	Project Description	Year 1 Budget FY 19/20	Year 2 Budget FY 20/21	Year 3 Budget FY 21/22	Year 4 Budget FY 22/23	Year 5 Budget FY 23/24
76		530001	School House Lift Station (#1) Replacement, San Luis Rey Interceptor from Mission to Thoroughbred LSEQ, and San Luis Rey Interceptor/Main From School House LS to Old River LS & Thoroughbred LS/EQ	\$3,000,000	\$10,000,000	\$5,600,000		
78			Fallbrook Oaks Forcemain and Manhole Replacement		250,000			
79	S14B	530006	CIPP 500' of line 8" VCP line near Pala Mesa/Palomar	100,000	100,000	100,000	100,000	100,000
80	S3		Sewer System Rehabilitation Program		150,000			
81	S4		Rancho Viejo LS Wet Well Expansion		80,000			
82	S5		Almendra Court, I-15 Crossing Sewer Rehabilitation	239,000		239,000		
83	S6		Fallbrook Oaks LS Rehabilitation	125,000			125,000	
84	S7	530015	Replace Rancho Monserate LS Emergency Generator	100,000	300,000			
86	S9B		Sewer System Condition Assessment Program					
87			Old River Road LS Equalization Basin		500,000	500,000		
			Old River Road LS to Stallion Outfall Repair					
<b>Total</b>				<b>\$ 3,564,000</b>	<b>\$ 11,380,000</b>	<b>\$ 6,439,000</b>	<b>\$ 225,000</b>	<b>\$ 100,000</b>



RAINBOW MUNICIPAL WATER DISTRICT
TREASURER'S MONTHLY REPORT OF INVESTMENTS
PORTFOLIO SUMMARY-Quarter 3
3/31/2020



Table with columns: 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. Rows include categories like Money Market Funds, Non-Callable, Make Whole, FDIC Ins. CD, and Subtotal Long Term Pooled Investment.



This monthly report accurately reflects all District pooled investments. It is in conformity with the Investment Administrative code section 5.03.080. The District has sufficient cash flow to meet six months of obligations. This is in effect in compliance with the current Investment Policy.

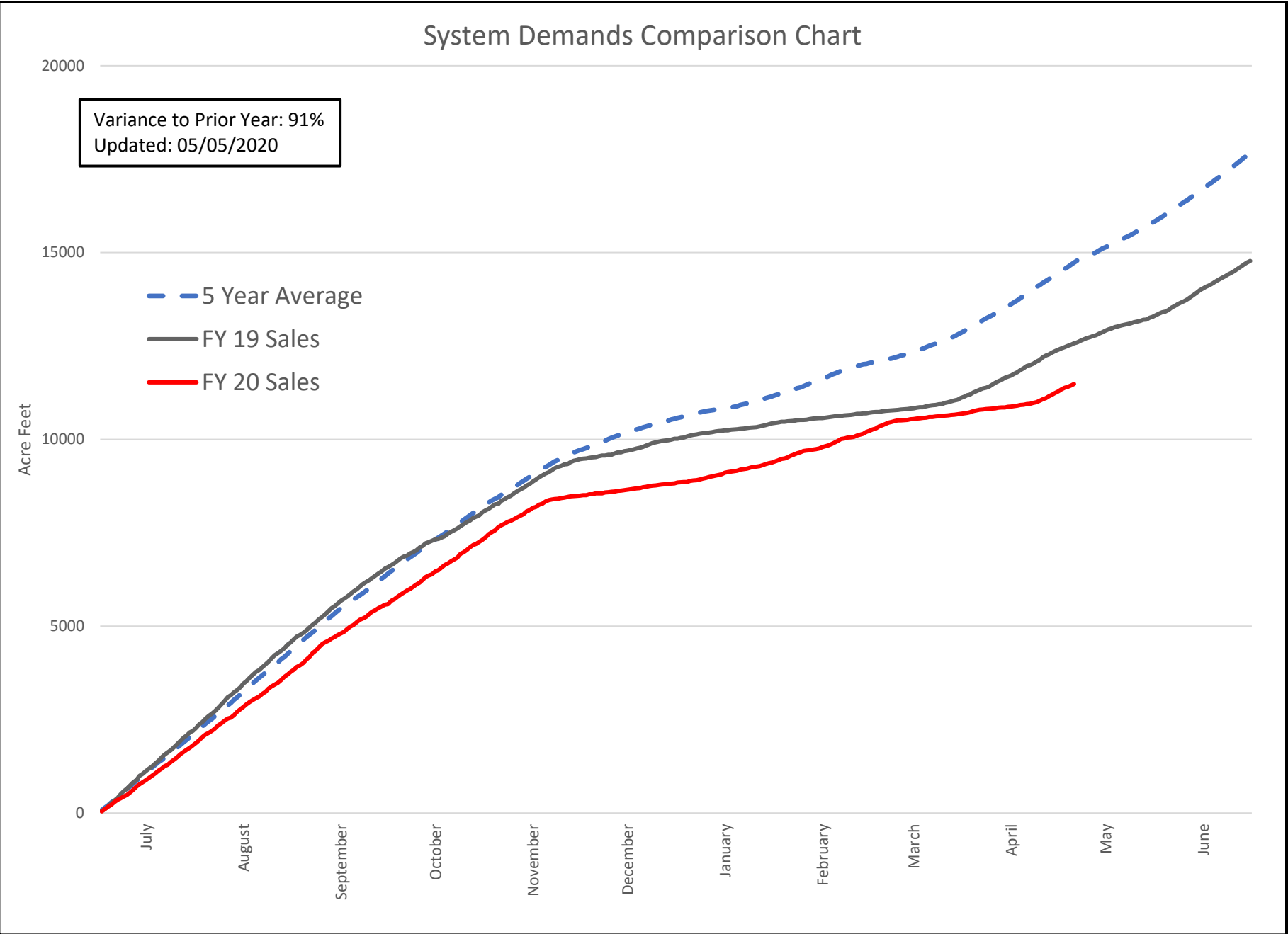
*Tracy Largent*

5/7/2020

Tracy Largent, Treasurer

\*Source of Market Value - MUFG monthly statements

\*Source of LAIF FMV - CA State Treasurer Pooled Money Investment Account @ <https://www.treasurer.ca.gov/pmia-laif/reports/valuation.asp>







## AMERICAN EXPRESS

March 2020

GL Finance Code	GL Transaction Amount	Description
GL 01 35 63404	5,000.00	1ST CHOICE BACKFLOW #5428
GL 03 41 72000	5,112.42	4IMPRINT #19510334
GL 02 61 72000	6,491.00	ALLIANCE TECHNOLOGY #31413
GL 03 41 60100	420.20	AMAZON #111-9818222-0649037
GL 03 41 60100	434.99	AMAZON #112-0022240-9345813
GL 03 41 72900	30.16	AMAZON #112-0522002-7441008
GL 03 36 63100	62.52	AMAZON #112-1614408-3657853
GL 03 43 72000	99.96	AMAZON #112-2560157-4356245
GL 03 43 72000	346.98	AMAZON #112-5213348-2391405
GL 03 41 63401	13.96	AMAZON #112-5862052-6674633
GL 01 32 72000	142.18	AMAZON #112-6141312-7177038
GL 01 32 72000	106.00	AMAZON #112-6141312-7177038
GL 03 91 72000	82.87	AMAZON #112-6384525-8617824
GL 03 41 60100	42.40	AMAZON #112-7015339-7196227
GL 03 41 63401	23.70	AMAZON #112-7676303-6096247
GL 03 41 72900	27.56	AMAZON #112-8883272-4080252
GL 03 41 63401	44.78	AMAZON #112-8934172-7441032
GL 03 36 63422	107.59	AMAZON #112-9140140-6953831
GL 03 41 60100	82.25	AMAZON #114-0745489-0116215
GL 03 41 60100	168.78	AMAZON #114-1971363-2608230
GL 03 41 60100	763.73	AMAZON #114-2036681-3382612
GL 03 41 60100	313.28	AMAZON #114-2621381-2807408
GL 03 41 60100	89.70	AMAZON #114-2780354-2082654/PO #10541
GL 03 41 60100	1,461.09	AMAZON #114-3510219-3982645
GL 03 41 60100	360.28	AMAZON #114-4597475-9143465

GL Finance Code	GL Transaction Amount	Description
GL 03 41 60100	932.04	AMAZON #114-7681881-8176251/PO #10541
GL 03 41 60100	167.93	AMAZON #114-8457699-0241864
GL 03 41 60100	0.17	AMAZON #4WW4K9FWU2G
GL 03 43 72500	170.00	ANSI #X_633280
GL 03 41 60100	74.35	APPLE.COM #AC485294305
GL 03 43 72000	2.99	APPLE.COM #MK9W701N8KA
GL 03 42 72000	50.72	AQUA TERRA #10156320200
GL 03 41 60100	10.00	ATLASSIAN #AT-96277713
GL 03 41 60100	215.70	AUTHORIZE.NET, 3-1-20
GL 03 41 60100	320.94	AZURE #E0300AJI5I
GL 03 42 75500	1.00	CANVA #NT_GR4EWANB
GL 03 41 60100	64.76	CDW #VHK6314
GL 03 41 63400	308.75	COFFEE AMBASSADOR #840265
GL 01 32 63401	750.50	COMPLIANCE SIGN #325188
GL 03 41 60100	20.00	CORELOGIC #82010469
GL 03 41 63401	78.79	CULLIGAN #022920
GL 03 41 75300	148.06	DESERT SPRINGS MARRIOTT #25069
GL 01 34 72000	598.00	EXTREME SIGNS #73011930079
GL 01 34 72000	460.00	EXTREME SIGNS #73011930080
GL 03 41 63400	38.25	FRUIT GUYS #5488089
GL 03 41 63400	76.50	FRUIT GUYS #5490638
GL 03 41 63400	38.25	FRUIT GUYS #5492488
GL 03 41 63400	76.50	FRUIT GUYS #5493707
GL 01 99 15260	93.75	GRAINGER #9440685189
GL 01 99 15260	93.39	GRAINGER #9447530982
GL 01 99 15260	27.61	GRAINGER #9449563239
GL 01 99 15260	414.01	GRAINGER #9449934828
GL 01 99 15260	143.91	GRAINGER #9450502506
GL 01 99 15260	(422.08)	GRAINGER #9452013668
GL 01 99 15260	(11.73)	GRAINGER #9454662272
GL 01 99 15260	544.95	GRAINGER #9462956344
GL 03 43 72500	1,575.53	GRAINGER #9463411190

GL Finance Code	GL Transaction Amount	Description
GL 03 43 72500	179.50	GRAINGER #9464293746
GL 03 91 72000	(330.00)	IRWA REFUND #562406
GL 03 41 74100	940.57	JIVE #IN6000641206
GL 01 34 72000	259.80	MOUNTMYMONITOR.COM #29410002
GL 03 41 63400	750.00	NATUREBOX #9885
GL 03 41 70300	4,863.50	NOSSAMAN #506069
GL 60 99 70300 600007	6,780.50	NOSSAMAN #506069
GL 01 99 70300 100034	319.50	NOSSAMAN #506069
GL 03 41 70300 610036	461.50	NOSSAMAN #506069
GL 03 41 70300 300005	6,817.51	NOSSAMAN #506070
GL 03 41 70300	329.00	NOSSAMAN #506072
GL 03 91 70300	1,526.95	NOSSAMAN #506072
GL 03 41 70300	38,808.65	NOSSAMAN #506074
GL 60 99 70300 600007	3,205.00	NOSSAMAN #506075
GL 60 99 70300 600007	900.00	NOSSAMAN #506076
GL 03 41 70300	7,417.45	NOSSAMAN #506077
GL 60 99 70300 600007	3,380.00	NOSSAMAN #506077
GL 03 41 70300 610036	390.00	NOSSAMAN #506077
GL 03 91 70300 700016	942.50	NOSSAMAN #506077
GL 02 61 70300 200024	260.00	NOSSAMAN #506077
GL 03 41 72900	34.61	OFFICE DEPOT #443263243001
GL 03 41 72900	263.96	OFFICE DEPOT #443263670001
GL 03 41 72900	86.38	OFFICE DEPOT #448219696001
GL 03 41 72900	(13.27)	OFFICE DEPOT #449111542001
GL 03 41 72900	35.91	OFFICE DEPOT #449666711001
GL 03 41 72900	(53.10)	OFFICE DEPOT #452497010001
GL 03 41 72900	51.77	OFFICE DEPOT #453918480001
GL 03 41 72900	27.13	OFFICE DEPOT #456016978001
GL 03 41 72900	237.04	OFFICE DEPOT #456017483001
GL 03 41 72900	170.58	OFFICE DEPOT #457650324001
GL 03 41 72900	9.45	OFFICE DEPOT #457650770001
GL 03 41 72900	14.22	OFFICE DEPOT #457650771001

GL Finance Code	GL Transaction Amount	Description
GL 03 41 72900	4.34	OFFICE DEPOT #457650778001
GL 03 41 72900	52.66	OFFICE DEPOT #459714129001
GL 03 41 72900	10.23	OFFICE DEPOT #459726155001
GL 01 35 63404	5,000.00	PALOMAR BACKFLOW #5952
GL 01 35 63404	5,000.00	PALOMAR BACKFLOW #6004
GL 03 42 56513	80.02	PROFLOWERS #93012859X7G
GL 03 51 72000	224.01	QUALITY RESOURCE #1069
GL 03 41 60100	30.00	RING #D8A6BA64-0004
GL 03 43 72000	32.54	SMARTSIGN #00092128
GL 03 20 72000	13.16	STATER BROS #00510600006
GL 01 32 63200	164.83	SUPPLYHOUSE #AI3C9B2B034
GL 01 34 72000	943.43	TOOLSHED #64600006
GL 01 34 72000	37.82	TRAFFIC SUPPLY #70030110064
GL 03 51 69000	500.00	USPS #73011920066
GL 03 41 60100	7.01	WASABI #44122
GL 01 32 72000	1,546.43	WATERLINE TECHNOLOGIES #5479365
GL 01 32 72000	2,422.74	WATERLINE TECHNOLOGIES #5483993
GL 03 41 63401	112.06	WAXIE #00004093
GL 03 41 63401	401.13	WAXIE #00004669
GL 01 99 15260	1,700.08	WESTERN WATER #564717-00
GL 03 42 75500	319.00	ZIPRECRUITER #ENDSCH3X
GL 01 35 72000	35.00	ZOHO #65759785
GL 03 41 60100	54.99	ZOOM #INV11808202
	<b>126,650.01</b>	<b>American Express (March Statement)</b>



**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	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
	TRAVEL EXPENSES MILEAGE EXPENSE			\$ 25.52	\$ 69.60	\$ 109.62
	<b>REIMBURSEMENT FROM DIRECTORS</b>					
	Monthly Totals	\$ 300.00	\$ 300.00	\$ 325.52	\$ 369.60	\$ 409.62
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	\$ 150.00		\$ 150.00	\$ 300.00	\$ 300.00
	TRAVEL EXPENSES MILEAGE EXPENSE				\$ 48.72	\$ 85.26
	<b>REIMBURSEMENT FROM DIRECTORS</b>					
	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 COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 150.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00
	TRAVEL EXPENSES		\$ 444.53	\$ 59.72	\$ 443.36	\$ 831.88
	MILEAGE AND EXPENSES		\$ 87.00	\$ 164.72	\$ 85.84	\$ 198.94
	<b>REIMBURSEMENT FROM DIRECTORS</b>					
	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	\$ 450.00	\$ 150.00	\$ 150.00	\$ 300.00
	TRAVEL EXPENSES				\$ 1,235.89	
	MILEAGE AND EXPENSES			\$ 82.36	\$ 66.12	\$ 30.74
	<b>REIMBURSEMENT FROM DIRECTORS</b>					
	Monthly Totals	<u>\$ 150.00</u>	<u>\$ 450.00</u>	<u>\$ 232.36</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					\$ 28.18
	<b>REIMBURSEMENT FROM DIRECTORS</b>					
	Monthly Totals	\$ -	\$ -	\$ -	\$ -	\$ 28.18
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	\$ 725.00	\$ 725.00	\$ 725.00		
	<b>REIMBURSEMENT FROM DIRECTORS</b>					
	Monthly Totals	\$ 875.00	\$ 1,827.34	\$ 1,371.00	\$ -	\$ 475.30

**Director's Expenses  
FY 2019-2020**

Disbursement Date	Description	Helene Brazier	Miguel Gasca	Claude Hamilton	Michael Mack	Carl Rindfleisch
01/31/20	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING					
	COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS		\$ 40.00			\$ 40.00
	TRAVEL EXPENSES		\$ 150.00	\$ 150.00	\$ 150.00	\$ 300.00
	MILEAGE EXPENSE			\$ 25.30		\$ 55.78
	<b>REIMBURSEMENT FROM DIRECTORS</b>					
	Monthly Totals	\$ -	\$ 190.00	\$ 175.30	\$ 150.00	\$ 395.78
02/29/20	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING					
	COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS		\$ 40.00			
	TRAVEL EXPENSES	\$ 150.00	\$ 15.00	\$ 150.00	\$ 150.00	\$ 450.00
	MILEAGE EXPENSE		\$ 47.15			\$ 109.83
	<b>REIMBURSEMENT FROM DIRECTORS</b>					
	Monthly Totals	\$ 150.00	\$ 102.15	\$ 150.00	\$ 150.00	\$ 606.41

**Director's Expenses  
FY 2019-2020**

Disbursement Date	Description	Helene Brazier	Miguel Gasca	Claude Hamilton	Michael Mack	Carl Rindfleisch
03/31/20	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 <b>REIMBURSEMENT FROM DIRECTORS</b>					
	Monthly Totals	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
	<b>REPORT TOTAL:</b>	<b>\$ 1,925.00</b>	<b>\$ 4,326.02</b>	<b>\$ 3,853.62</b>	<b>\$ 4,074.53</b>	<b>\$ 5,337.10</b>





## Check Register

### March 2020

Description	Bank Transaction Code	Issue Date	Amount
AIRGAS USA, LLC	ACH	03/05/2020	823.79
CHRIS BROWN	ACH	03/05/2020	15,000.00
ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	ACH	03/05/2020	551.60
ATLAS PUMPING SERVICE	ACH	03/05/2020	210.00
BP BATTERY INC.	ACH	03/05/2020	343.13
CONCORD ENVIRONMENTAL ENERGY, INC.	ACH	03/05/2020	9,744.39
FLYERS ENERGY LLC	ACH	03/05/2020	3,105.57
KEVIN MILLER	ACH	03/05/2020	726.00
PATRIOT PORTABLE RESTROOMS-SD	ACH	03/05/2020	151.37
RENE BUSH	ACH	03/05/2020	726.00
SONSRAY MACHINERY LLC.	ACH	03/05/2020	2,732.97
UNDERGROUND SERVICE ALERT	ACH	03/05/2020	236.17
WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	ACH	03/05/2020	542.15
AMERICAN FENCE CO, INC	CHECK	03/05/2020	1,008.00
APPLEONE EMPLOYMENT SERVICES	CHECK	03/05/2020	828.48
ARAMARK UNIFORM SERVICES	CHECK	03/05/2020	376.69
AT&T LONG DISTANCE	CHECK	03/05/2020	21.46
AT&T MOBILITY	CHECK	03/05/2020	2,729.37
BAVCO	CHECK	03/05/2020	652.04
BOOT BARN INC	CHECK	03/05/2020	358.04
CARL RINDFLEISCH	CHECK	03/05/2020	156.41
CHANDLER AGGREGATES, INC.	CHECK	03/05/2020	300.79
CHRIS WAITE	CHECK	03/05/2020	172.09
CIVILITY PARTNERS	CHECK	03/05/2020	1,062.50
COPY 2 COPY	CHECK	03/05/2020	112.01

Description	Bank Transaction Code	Issue Date	Amount
CORE & MAIN LP	CHECK	03/05/2020	6,749.46
CRACKS & CORNERS CLEANING SERVICE	CHECK	03/05/2020	1,532.85
CRAIG SHOBE	CHECK	03/05/2020	260.00
CWEA	CHECK	03/05/2020	192.00
DESIGN SPACE MODULAR BUILDINGS	CHECK	03/05/2020	3,499.28
DIAMOND ENVIRONMENTAL SERVICES	CHECK	03/05/2020	297.64
DICE CAREER SOLUTIONS	CHECK	03/05/2020	55.00
EVANS HYDRO, INC.	CHECK	03/05/2020	4,380.56
FALLBROOK AUTO PARTS	CHECK	03/05/2020	673.66
FERGUSON WATERWORKS #1083	CHECK	03/05/2020	25,752.25
GOLDEN STATE INDUSTRIAL COATINGS, INC.	CHECK	03/05/2020	1,100.00
GOSCH FORD ESCONDIDO	CHECK	03/05/2020	166.25
HDR ENGINEERING, INC.	CHECK	03/05/2020	47,597.57
ROBCAR CORPORATION	CHECK	03/05/2020	2,923.50
ICONIX WATERWORKS (US) INC	CHECK	03/05/2020	5,933.57
IMAGE SOURCE	CHECK	03/05/2020	2.16
IMPACT PACIFIC INC	CHECK	03/05/2020	104.83
INFOSEND, INC.	CHECK	03/05/2020	10,306.68
INFRASTRUCTURE ENGINEERING	CHECK	03/05/2020	7,448.00
JOE'S HARDWARE	CHECK	03/05/2020	25.54
KDM MERIDIAN	CHECK	03/05/2020	3,240.00
LAUTERBACH & AMEN, LLP.	CHECK	03/05/2020	3,500.00
MIGUEL GASCA	CHECK	03/05/2020	47.15
ONESOURCE DISTRIBUTORS, LLC	CHECK	03/05/2020	847.72
PACIFIC PIPELINE SUPPLY	CHECK	03/05/2020	34,628.11
PACIFIC RIGGING LOFT	CHECK	03/05/2020	120.46
PERRAULT CORPORATION	CHECK	03/05/2020	2,138.69
PETER'S PAVING & GRADING, INC.	CHECK	03/05/2020	4,985.00
PUBLIC POLICY STRATEGIES, INC.	CHECK	03/05/2020	7,500.00
RAIN FOR RENT RIVERSIDE	CHECK	03/05/2020	19,014.85
RAMON FRANCISCO COTE	CHECK	03/05/2020	258.00
RICHARD D. MARKS	CHECK	03/05/2020	6,675.00
RHO MONSERATE C.C.H.A.	CHECK	03/05/2020	295.99



Description	Bank Transaction Code	Issue Date	Amount
SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK	CHECK	03/05/2020	20.00
SAN DIEGO FRICTION PRODUCTS, INC.	CHECK	03/05/2020	1,420.13
SAN DIEGO GAS & ELECTRIC	CHECK	03/05/2020	3,936.20
DEGRAFFENREID INC.	CHECK	03/05/2020	21,231.51
HADRONEX, INC.	CHECK	03/05/2020	43.08
SOFTCHOICE CORPORATION	CHECK	03/05/2020	16,560.22
SOUTHWEST ANSWERING SERVICE, INC.	CHECK	03/05/2020	750.55
STEVE STRAPAC	CHECK	03/05/2020	133.45
TIAA COMMERCIAL FINANCE, INC.	CHECK	03/05/2020	2,589.50
TRACY LARGENT	CHECK	03/05/2020	84.64
WATER QUALITY SPECIALISTS	CHECK	03/05/2020	1,950.00
WHITE CAP CONSTRUCTION SUPPLY	CHECK	03/05/2020	288.13
XEROX FINANICAL SERVICES	CHECK	03/05/2020	618.34
Home Depot CC - All (February Statement)	EFT	03/06/2020	4,910.10
Union Bank CC - Del Rio (February Statement)	EFT	03/10/2020	441.98
SDCWA Water Purchase- January 2020	WIRE	03/10/2020	1,100,788.78
AIRGAS USA, LLC	ACH	03/11/2020	723.70
BABCOCK LABORATORIES, INC	ACH	03/11/2020	1,558.00
CONCORD ENVIRONMENTAL ENERGY, INC.	ACH	03/11/2020	9,396.03
FALLBROOK EQUIPMENT RENTAL	ACH	03/11/2020	3,079.48
FLYERS ENERGY LLC	ACH	03/11/2020	2,375.82
PARKHOUSE TIRE, INC.	ACH	03/11/2020	2,388.78
PRINCIPAL LIFE INSURANCE COMPANY	ACH	03/11/2020	6,950.40
ACTIVE AUTO COLLISION	CHECK	03/11/2020	1,154.75
ALPHA HEAVY DUTY TOWING	CHECK	03/11/2020	1,117.50
ANDO PILVE	CHECK	03/11/2020	525.00
ANDRE DIDIER	CHECK	03/11/2020	15,900.00
APPLEONE EMPLOYMENT SERVICES	CHECK	03/11/2020	828.48
ARAMARK UNIFORM SERVICES	CHECK	03/11/2020	376.53
CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION	CHECK	03/11/2020	313.00
CHANDLER AGGREGATES, INC.	CHECK	03/11/2020	298.08
CHRIS HOELSCHER	CHECK	03/11/2020	170.00
CLEMMON TAYLOR	CHECK	03/11/2020	80.00

Description	Bank Transaction Code	Issue Date	Amount
SALIZCO INC	CHECK	03/11/2020	410.51
COLONIAL LIFE & ACCIDENT INS.	CHECK	03/11/2020	60.71
CORE & MAIN LP	CHECK	03/11/2020	11,704.82
CRAIG SHOBE	CHECK	03/11/2020	260.00
DAWN WASHBURN	CHECK	03/11/2020	55.43
ESCONDIDO METAL SUPPLY, INC.	CHECK	03/11/2020	84.72
FALLBROOK AUTO PARTS	CHECK	03/11/2020	1,394.66
FALLBROOK PROPANE GAS CO.	CHECK	03/11/2020	1,023.16
FALLBROOK WASTE AND RECYCLING	CHECK	03/11/2020	446.85
FERGUSON WATERWORKS #1083	CHECK	03/11/2020	59,955.84
GOLDEN BELL PRODUCTS, INC.	CHECK	03/11/2020	5,520.87
GRANGETTO'S-FALLBROOK	CHECK	03/11/2020	20,756.15
HACH	CHECK	03/11/2020	2,418.00
HARRISON'S EQUIPMENT	CHECK	03/11/2020	425.43
ROBCAR CORPORATION	CHECK	03/11/2020	4,341.00
HYDROSCIENCE ENGINEERS, INC	CHECK	03/11/2020	10,545.00
ICONIX WATERWORKS (US) INC	CHECK	03/11/2020	383.07
JOE'S HARDWARE	CHECK	03/11/2020	73.22
KENNETH E WEINBERG	CHECK	03/11/2020	2,716.25
KNOCKOUT PEST CONTROL& TERMITE, INC.	CHECK	03/11/2020	75.00
LABORS TRAINING & COMMUNITY DEVELOPMENT ALLIANCE	CHECK	03/11/2020	40.00
LAURA MARTINEZ	CHECK	03/11/2020	2,000.00
MOBILE MINI, INC	CHECK	03/11/2020	1,025.49
MODULAR BUILDING CONCEPTS, INC	CHECK	03/11/2020	1,315.63
NUTRIEN AG SOLUTIONS, INC	CHECK	03/11/2020	118.42
PETER REKATSINAS	CHECK	03/11/2020	225.00
PERRAULT CORPORATION	CHECK	03/11/2020	2,763.62
PETERS PAVING & GRADING, INC	CHECK	03/11/2020	11,385.00
PITNEY BOWES INC.	CHECK	03/11/2020	686.82
QTX MOBILE ACCESSORIES, INC.	CHECK	03/11/2020	3,948.39
RAIN FOR RENT RIVERSIDE	CHECK	03/11/2020	5,655.87
RAMON FRANCISCO COTE	CHECK	03/11/2020	489.50
RIGHT-OF-WAY ENGINEERING SERV	CHECK	03/11/2020	2,445.00

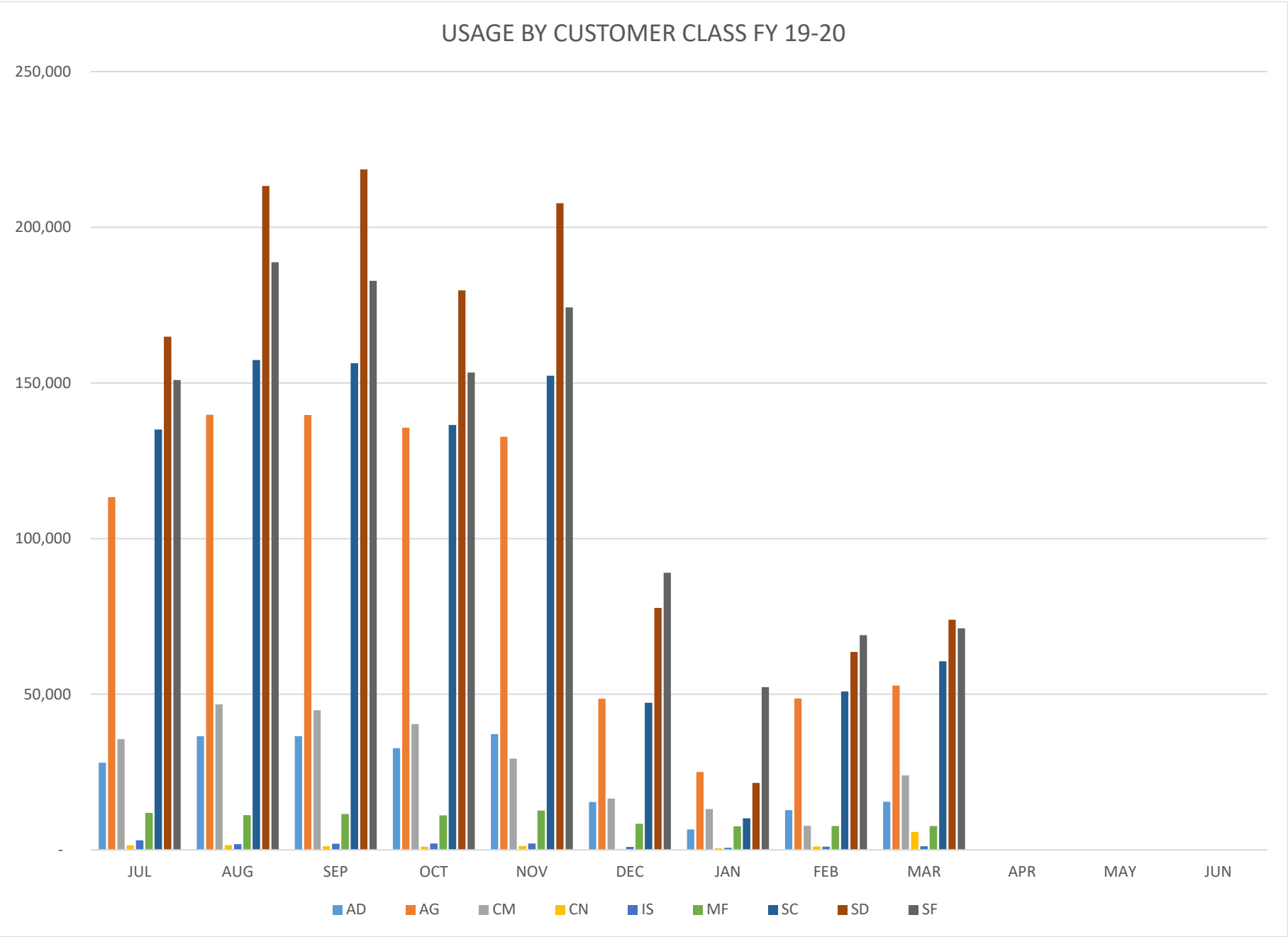
Description	Bank Transaction Code	Issue Date	Amount
SAN DIEGO GAS & ELECTRIC	CHECK	03/11/2020	38,078.62
SHRED-IT USA LLC	CHECK	03/11/2020	163.44
SPECIALTY MOWING SERVICES, INC - W9	CHECK	03/11/2020	13,350.00
SWIFT PROPERTIES INC.	CHECK	03/11/2020	2,500.00
T S INDUSTRIAL SUPPLY	CHECK	03/11/2020	5,881.83
TCN, INC	CHECK	03/11/2020	38.03
TRAFFIC SUPPLY, INC.	CHECK	03/11/2020	37.82
ULINE	CHECK	03/11/2020	1,832.77
VISTA FENCE COMPANY INCORPORATED	CHECK	03/11/2020	6,596.00
BABCOCK LABORATORIES, INC	ACH	03/12/2020	85.00
BONSALL PEST CONTROL	CHECK	03/12/2020	200.00
COUNTY OF SAN DIEGO DEPT OF PUBLIC WORKS	CHECK	03/12/2020	271.50
DION INTERNATIONAL	CHECK	03/12/2020	4,652.17
FALLBROOK PROPANE GAS CO.	CHECK	03/12/2020	0.30
ICONIX WATERWORKS (US) INC	CHECK	03/12/2020	8,958.52
KNOCKOUT PEST CONTROL& TERMITE, INC.	CHECK	03/12/2020	150.00
LINE-X OF ESCONDIDO	CHECK	03/12/2020	2,197.25
MICHAEL A. MURPHY	CHECK	03/12/2020	110.00
R2L2 VENTURES LLC	CHECK	03/12/2020	4,179.79
SUSSMAN & KATZ, INC.	CHECK	03/12/2020	3,108.74
WATERLINE TECHNOLOGIES INC.	CHECK	03/12/2020	2,738.47
WESTERN WATER WORKS SUPPLY	CHECK	03/12/2020	437.58
Union Bank CC - Kennedy, (February Statement)	EFT	03/12/2020	27.99
Union Bank CC - Largent, (February Statement)	EFT	03/12/2020	1,757.12
Union Bank CC - Gutierrez (February Statement)	EFT	03/12/2020	1,735.79
Union Bank CC - Zuniga (February Statement)	EFT	03/12/2020	340.02
Union Bank CC - Chandler (February Statement)	EFT	03/12/2020	839.33
Union Bank CC - Daugherty (February Statement)	EFT	03/12/2020	130.68
Union Bank CC - Strapac, (February Statement)	EFT	03/12/2020	28.53
Union Bank CC - Williams (February Statement)	EFT	03/12/2020	564.57
WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	ACH	03/16/2020	437.01
ICONIX WATERWORKS (US) INC	CHECK	03/16/2020	14,063.56
SAN DIEGO LAFCO	CHECK	03/16/2020	24,563.19

Description	Bank Transaction Code	Issue Date	Amount
R2L2 VENTURES LLC	CHECK	03/16/2020	14,905.62
ACWA-JPIA	ACH	03/19/2020	82,220.16
AIRGAS USA, LLC	ACH	03/19/2020	335.87
ASTRA INDUSTRIAL SERV.INC	ACH	03/19/2020	4,559.52
CONCORD ENVIRONMENTAL ENERGY, INC.	ACH	03/19/2020	3,778.14
FLYERS ENERGY LLC	ACH	03/19/2020	7,272.51
INFOR (US), INC.	ACH	03/19/2020	5,100.00
KNIGHT SECURITY & FIRE SYSTEMS	ACH	03/19/2020	90.00
RENE BUSH	ACH	03/19/2020	726.00
STREAMLINE	ACH	03/19/2020	300.00
THE WELD SHOP, INC	ACH	03/19/2020	1,250.00
ALVIN JACKSON	CHECK	03/19/2020	1,300.00
APPLEONE EMPLOYMENT SERVICES	CHECK	03/19/2020	1,363.54
ARAMARK UNIFORM SERVICES	CHECK	03/19/2020	661.56
CRAIG SHOBE	CHECK	03/19/2020	430.00
DELL BUSINESS CREDIT	CHECK	03/19/2020	9,461.16
DITCH WITCH WEST	CHECK	03/19/2020	1,060.46
FEDEX	CHECK	03/19/2020	253.74
HAWTHORNE MACHINERY COMPANY	CHECK	03/19/2020	74.80
ICONIX WATERWORKS (US) INC	CHECK	03/19/2020	12,735.95
INFOSEND, INC.	CHECK	03/19/2020	3,564.92
JOHN GORVOKAJ	CHECK	03/19/2020	2,098.96
KNOCKOUT PEST CONTROL& TERMITE, INC.	CHECK	03/19/2020	225.00
MOBILE MINI, INC	CHECK	03/19/2020	168.01
PACIFIC PIPELINE SUPPLY	CHECK	03/19/2020	2,654.73
PETERS PAVING & GRADING, INC	CHECK	03/19/2020	8,075.00
RAIN FOR RENT RIVERSIDE	CHECK	03/19/2020	8,073.15
ROBERT GUTIERREZ	CHECK	03/19/2020	228.43
RT LAWRENCE CORPORATION	CHECK	03/19/2020	609.30
SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK	CHECK	03/19/2020	20.00
SAN JOSE EQUESTRIAN CENTER, LLC	CHECK	03/19/2020	17,350.00
SPECIALTY MAINTENANCE PRODUCTS, INC.	CHECK	03/19/2020	3,144.00
TEMECULA TROPHY CO.	CHECK	03/19/2020	59.92

Description	Bank Transaction Code	Issue Date	Amount
TIAA COMMERCIAL FINANCE, INC.	CHECK	03/19/2020	2,829.83
VILLAGE NEWS	CHECK	03/19/2020	300.00
WILD ACRES ROAD MAINTENANCE	CHECK	03/19/2020	750.00
WINZER CORP	CHECK	03/19/2020	1,389.44
XEROX FINANICAL SERVICES	CHECK	03/19/2020	618.34
FALLBROOK EQUIPMENT RENTAL	ACH	03/26/2020	812.48
FIREHAWK CORPORATION	ACH	03/26/2020	74.95
AIRGAS USA, LLC	ACH	03/26/2020	142.60
KEVIN MILLER	ACH	03/26/2020	726.00
PETERS PAVING & GRADING, INC	ACH	03/26/2020	18,400.00
MISSION RESOURCE CONSERVATION DISTRICT	ACH	03/26/2020	54.50
CONCORD ENVIRONMENTAL ENERGY, INC.	ACH	03/26/2020	11,772.95
FLYERS ENERGY LLC	ACH	03/26/2020	2,149.39
THE WELD SHOP, INC	ACH	03/26/2020	500.00
SPECIALTY MOWING SERVICES, INC - W9	ACH	03/26/2020	8,475.00
J&R ENGINEERING & CONSULTING	ACH	03/26/2020	1,000.00
APPLEONE EMPLOYMENT SERVICES	CHECK	03/26/2020	1,032.73
ARAMARK UNIFORM SERVICES	CHECK	03/26/2020	2,419.56
AT&T	CHECK	03/26/2020	166.28
AT&T	CHECK	03/26/2020	509.61
AT&T LONG DISTANCE	CHECK	03/26/2020	21.46
AZUGA, INC.	CHECK	03/26/2020	994.96
COLONIAL LIFE & ACCIDENT INS.	CHECK	03/26/2020	60.71
COPY 2 COPY	CHECK	03/26/2020	316.68
CORE & MAIN LP	CHECK	03/26/2020	31,846.59
CRACKS & CORNERS CLEANING SERVICE	CHECK	03/26/2020	1,532.00
CRAIG SHOBE	CHECK	03/26/2020	2,480.00
ESCONDIDO METAL SUPPLY, INC.	CHECK	03/26/2020	39.26
FALLBROOK AUTO PARTS	CHECK	03/26/2020	278.87
FREEDOM AUTOMATION, INC.	CHECK	03/26/2020	5,096.00
GERARDO CANCINO	CHECK	03/26/2020	2,000.00
HAWTHORNE EQUIPMENT	CHECK	03/26/2020	585.31
ICONIX WATERWORKS (US) INC	CHECK	03/26/2020	579.46

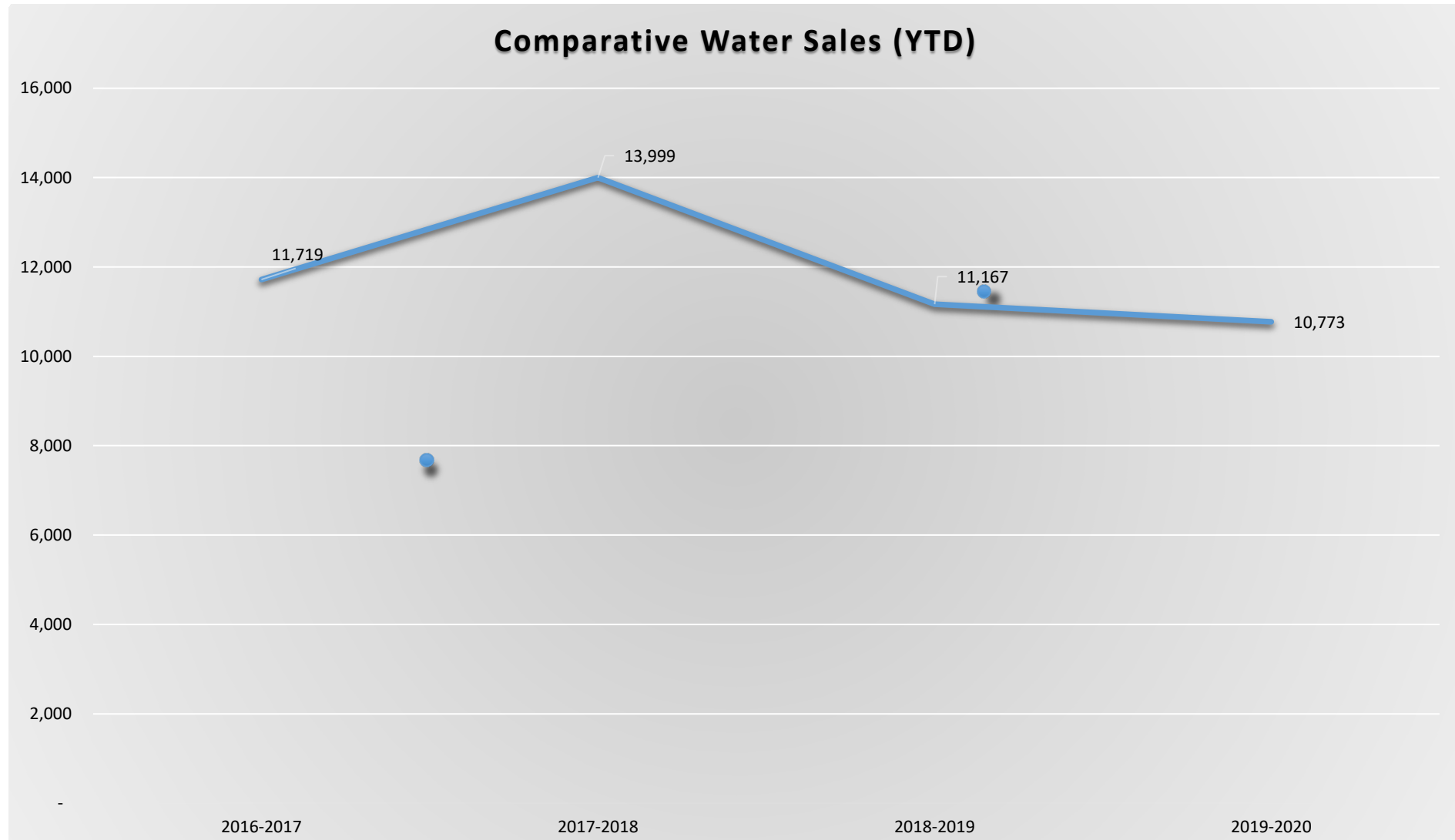
Description	Bank Transaction Code	Issue Date	Amount
JOE'S HARDWARE	CHECK	03/26/2020	68.27
KNOCKOUT PEST CONTROL& TERMITE, INC.	CHECK	03/26/2020	150.00
LINCOLN NATIONAL LIFE INSURANCE COMPANY	CHECK	03/26/2020	4,406.39
MARK ZUCKERBROD	CHECK	03/26/2020	3,085.50
METRON-FARNIER, LLC.	CHECK	03/26/2020	36,578.96
PACIFIC PIPELINE SUPPLY	CHECK	03/26/2020	4,317.76
PALOMAR HEALTH	CHECK	03/26/2020	255.00
PERRAULT CORPORATION	CHECK	03/26/2020	1,486.33
RAIN FOR RENT RIVERSIDE	CHECK	03/26/2020	37,377.94
RAMON FRANCISCO COTE	CHECK	03/26/2020	230.00
SOUTHWEST BOULDER & STONE, INC.	CHECK	03/26/2020	619.42
STEVE STRAPAC	CHECK	03/26/2020	139.95
TEMECULA TROPHY CO.	CHECK	03/26/2020	54.93
TEMECULA VALLEY PAINT, INC.	CHECK	03/26/2020	653.65
TRAFFIC SUPPLY, INC.	CHECK	03/26/2020	171.62
WATER QUALITY SPECIALISTS	CHECK	03/26/2020	1,950.00
		<b>Total:</b>	<b>2,128,381.13</b>







## 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	362	14	161	170			345	34407	1	In Progress
Horse Ridge Creek (RAH)	77	40					40			In Progress
Campus Park West							0			
Lilac Del Cielo			76				76	2247	1	Recent Activity
Golf Green Estates	57	13	37				50	5475		In Progress
Pala Mesa Highlands	78	46					46	10089	1	In Progress
Bonsall Oaks							0	21531	3	
Ocean Breeze (Vessels)					50	200	250			
							0			
Rancho Viejo Phase 3					47		47			
Campus Park							0			
Meadowood*			501				501		1	In Progress
Single Service Laterals		18	18	18	18	18	90			See Notes**
<b>TOTAL WATER METERS</b>		131	793	188	115	218	1,445			

Revenue Projections

Meter Size (in)	Revenue Per Meter (Existing)	Purchased	Anticipated Sales					Total
			FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23+	
5/8	6,241			101				101
3/4	10,401	530	113	649	170	115	218	1,265
1	16,642	13	18	25	18			61
1 1/2	27,043	26		13				13
2	62,406	5		1	(4)			(3)
3	124,812			4	4			8
4	208,020							-
<b>Total</b>			131	793	188	115	218	1,445
<b>Total Revenue</b>			\$1,474,869	\$8,709,853	\$2,317,350	\$1,196,115	\$2,267,418	\$15,965,605

Notes:

\*Actual amount will vary depending on final agreements.

\*\*Average from last 10 years.

Rainbow MWD Developer Projections - Sewer

Installations

Development Name (Active) (Inactive)	Purchased (EDUs)	Anticipated Sales (EDUs)						Sewer LF	S	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		38.9	38.9				78	1382		Recent
Golf Green Estates	51.3						51	4318		In Progress
Pala Mesa Highlands	59.98	43.7					104	11501		In Progress
Bonsall Oaks	59.85				96.2		156	21027		Recent
Ocean Breeze (Vessels)					100	300	400			Recent
Rancho Viejo Phase 3					47		47			Recent
							0	2251		
Campus Park							0			
Meadowood*			844				844			
Misc. SFR										
<b>TOTAL EDUs</b>		83	883	-	243	300	2,531			

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	171.13	96	39	-	243	300	678
Meadowood		883						
<b>Total</b>			96	39	-	243	300	678
<b>Total Revenue</b>			\$1,356,096	\$11,049,501	\$0	\$3,435,443	\$4,237,800	\$20,078,841 **

Notes:

\*Actual amount will vary depending on final agreements.

\*\* Actual amounts will vary depending on final exchange agreements.

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
<b>1250902600</b>	<b>Headquarters</b>	<b>7.38</b>
<b>1250903400</b>	<b>Headquarters</b>	<b>4.43</b>
<b>1250903500</b>	<b>Headquarters</b>	<b>3.40</b>
<b>1250903800</b>	<b>Headquarters</b>	<b>17.03</b>
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>	<b>167.68</b>

