



AGENDA

REGULAR BOARD MEETING

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

**Tuesday, April 23, 2024
1:00 P.M.**

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

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

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

- 7. EMPLOYEE RECOGNITIONS**
 - A. Bernardo Nunez – 5 years
 - B. Dennis Mendez – 5 years
 - C. Justin Demary – ACWA JPIA Professional Development Program Operations Certification
- 8. COMMITTEE MEETING SUMMARIES**
 - A. Budget and Finance Committee
 - B. Engineering and Operations Committee
 - C. Communications and Customer Service Committee

9. CONSENT CALENDAR

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

- A. Approval of March 19, 2024, Joint Board of Directors, Engineering and Operations Committee, and Budget and Finance Committee Special Meeting Minutes
- B. Approval of March 26, 2024, Regular Board Meeting Minutes
- C. Approval of April 9, 2024, Joint Board of Directors and Budget and Finance Committee Special Meeting Minutes
- D. Approval Of Notice Of Completion And Acceptance Of Minor Facilities Constructed By Customers

10. ACTION ITEMS

- A. Consider Approval Of Change Order No.4 With Harris & Associates To Provide CFD/SCIP Auditing Services
- B. Consider Adoption Of A Resolution Approving And Authorizing The Execution And Delivery Of An Installment Purchase Agreement With U.S. Bank For Financing Ten Million Dollars In Capital Projects And Equipment
- C. Consider The Adoption Of An Ordinance Authorizing Amendments To Administrative Code Section 9.05.070 Regarding Sewer Capacity Fees And Monthly Charges Due To A Change In Use

11. INFORMATION ITEMS

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

12. REPORTS & COMMENTS

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

- A. Legal Counsel’s Report
- B. General Manager’s Report
- C. Board Reports
 - 1. SDCWA
 - 2. CSDA
 - 3. LAFCO
 - 4. Santa Margarita River Watershed Watermaster Steering Committee
 - 5. ACWA
 - 6. Committees, Workshops, Seminars, Training

13. BOARD MEMBER COMMENTS AND REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

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

15. CLOSED SESSION

A. THREAT TO PUBLIC SERVICES OR FACILITIES – Consultation with: Legal Counsel (Per Government Code § 54957)

16. ADJOURNMENT - To May 28, 2024, at 1:00 p.m.

ATTEST TO POSTING:

/s/Terese Quintanar
Terese Quintanar
Secretary of the Board

4/18/2024 3:12 PM
Date and Time of Posting
Outside Display Cases

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

For Online Participation:

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

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

For Call-in Only:

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

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

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

If you have special needs because of a disability 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.

BOARD OF DIRECTORS

April 23, 2024

SUBJECT

EMPLOYEE RECOGNITIONS

DESCRIPTION

Below are the names and summaries of this month's Staff recognitions.

**5 YEARS OF SERVICE AWARD:
BERNARDO NUNEZ**

Bernie has been an invaluable asset to our District. His positive attitude fosters teamwork in the Construction department. Hired as a Utility Worker 1, he has been promoted three times and now serves as Crew Leader. His rapid career growth resulted from diligent effort, including obtaining a D5 certification in water distribution. Bernie has been a trailblazer, receiving all five Excellence Coin Awards and multiple annual awards, such as "Rookie of the Year" in 2019, "Most Valuable Player" in 2023, and the Polished Professional Award in 2024. His dedication and achievements inspire us all, enriching our workplace culture and propelling our organization forward.

**5 YEARS OF SERVICE AWARD:
DENNIS MENDEZ**

Dennis has consistently demonstrated excellence at every turn. Starting as a Utility Worker 1 and now a Utility Worker 2, his progression showcases his commitment to growth. Dennis' attainment of a D3 water certification reflects his expertise and dedication. Dennis has earned all five Excellence Coins, a testament to his outstanding contributions to our District. His unwavering dedication and achievements greatly enhance our team and organization.

**ACWA JPIA PROFESSIONAL DEVELOPMENT PROGRAM OPERATIONS
CERTIFICATION:
JUSTIN DEMARY**

ACWA JPIA Professional Development Program Operations Certification: The ACWA JPIA Professional Development Program (PDP) was developed to offer current, in-depth training and educational opportunities for JPIA members. The program focuses on giving participants the tools to perform their jobs safely, legally, and efficiently. Justin Demary has completed and met all requirements for the certification and completion of the Operations program. The certification requires approximately 40 hours of education, including face-to-face training, online, and self-study options.

BOARD INFORMATION

Item No. 8

BOARD OF DIRECTORS

SUBJECT

COMMITTEE MEETING SUMMARIES

DESCRIPTION

A verbal update will be provided at the meeting regarding meeting topics most recently discussed by the District's Standing Committees:

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



Jake Wiley, General Manager

**MINUTES OF THE RAINBOW MUNICIPAL WATER DISTRICT
JOINT BOARD OF DIRECTORS, ENGINEERING AND
OPERATIONS COMMITTEE, & BUDGET AND FINANCE COMMITTEE SPECIAL
MEETING
MARCH 19, 2024**

1. **CALL TO ORDER** - The Special Meeting of the Board of Directors, the Engineering and Operations Committee, and the Budget and Finance Committee of the Rainbow Municipal Water District on March 19, 2024, was called to order by President Hamilton at 1:01 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Hamilton presiding.

2. **ROLL CALL:**

Present: Directors Hamilton, Johnson, Mack, Townsend-Smith, and Dale
Members Hensley (Entered at 1:02 p.m.), Nelson, Stewart, Marnett,
and McKesson

Also Present: General Manager Wiley, District Secretary Quintanar, Engineering and CIP Program Manager Williams, Chief Operating Officer Gutierrez, Chief Financial Officer Aragon, Administrative Services Manager Harp, Technology Manager Khattab, Senior Project Manager Tamimi, Senior Project Manager Parra, Construction and Meters Supervisor Lagunas, Administrative Assistant Montano, Administrative Analyst II Barrow, and Environmental Health and Safety Officer Johnson

Also Present in Person, Via Teleconference or Video Conference:

Legal Counsel Smith, Mig Gasca (Pursuant to Government Code Section 54953, Engineering and Operations Committee Member Gasca participated remotely from 541 Moran Street, Reno, NV 89502 which was accessible to the public), Garrett States, and Alec Jolly

3. **PLEDGE OF ALLEGIANCE**

4. **APPROVAL OF THE AGENDA**

To approve the Agenda as presented.

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

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

5. PUBLIC COMMENT

Alec Jolly addressed the Board to inform the Board about primary magmatic water. He opined that it was relevant to the District due to its geology, and as San Diego County has small farms and microclimate feasible for this type of water that can be obtained by drilling through the crust or volcanic areas of the world. He relayed additional information about Stephen Rice and Paul Power, hydrogeologists who came to America and started drilling in California and who now have a number of operational wells here and in other parts of the world. He provided additional information regarding the rain cycle and the deep water cycle for the earth's mantle and commented that this would be beneficial for the District's water portfolio.

6. PRESENTATION OF DRAFT CAPITAL IMPROVEMENT PLAN

Mr. Wiley introduced the purpose and goal of this meeting and the next two joint meetings to follow. In anticipation of our budget adoption, which will include Capital Improvement Projects in the first year, he explained the drivers of the five-year Capital Improvement Program and the elements to be considered in this FY24/25- FY28/29 planning effort. These drivers consist of Source of Supply/Resiliency, improvements and upgrades, planning, rehabilitation and replacement, and easement requirements. There are currently plans for 52 water-related projects, 10 sewer-related projects, and 1 wastewater project in year one.

Mr. Williams provided a cost spreadsheet and explained the scoring or weighting system. Mr. Aragon explained methods and timing for funding, and why projects need to be spread out and funded methodically.

Mr. Williams reviewed projects underway, qualifying as year 1 priority, which included: Water and Wastewater Master Plans, SDCWA Connections 1, 8, 9, and 10. Mr. Wiley provided additional details of the coordination underway regarding these connections and conversations with the Metropolitan Water District of Southern California (MWD). A short discussion ensued regarding the plan to address water quality issues caused by water being moved in the opposite of its usual direction.

Continuing, Mr. Williams reported on projects being done with the Fallbrook Public Utilities District, some of which will be used to purchase water from FPUD. Mr. Gutierrez added information for the discussion regarding the operations modeling perspective and planning needs. Other projects reviewed were the Gopher Skid Pump Station, FPUD Maravilla to RMWD Maravilla (Morro Tank), FPUD Olive Hill to RMWD Olive Hill (Morro Reservoir), La Canada Pipeline Replacement and Pressure Reduction, Isolation Valve Installation Program, Pressure Reducing Stations, Camino Del Rey Waterline Relocation, Manual Transfer Switches, and the District Headquarters.

President Hamilton called for a 15-minute break at 2:30 p.m., and the meeting reconvened at 2:45 p.m.

Mr. Williams continued with the presentation, covering sewer projects, which include Rancho Monserate, Rancho Viejo, and headquarters B-Plant Emergency Generators.

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Planned pipeline replacement or rehabilitation projects include Gird to West Lilac, Gopher Canyon Water Pipeline Improvements, Roy Line Extension, FPUD Bonita Valle to RMWD Del Valle (Morro Tank), FPUD Olive Hill to RMWD Spanish Spur (Morro Reservoir), FPUD Burma Road to Sleeping Indian (Morrow Tank), FPUD Sanchez Zone to RMWD Northside Zone (Rainbow Hills Reservoir), Eagle's Perch Water Pipeline Improvements, Rice Canyon Main Replacement, Pala Mesa Fairways Community, Sarah Ann- Entire Community, the Fallbrook Oaks Force Main and Manhole Replacement (which will be done in phases with water and sewer and one general contractor), the Thibido Water Main Replacement, and the North Feeder and Rainbow Hills Water Line.

Mr. Wiley pointed out that this is the tentative plan, and there are projects prioritized for the first year or two. Analysis of timing and several considerations, including the realization of wholesale water savings, will lend to bigger decisions regarding rates. The Master Plan will help determine the right projects and how many to plan for each year. Mr. Aragon added that the District will need to issue debt this year and will need to have a plan to replenish reserves and repay debt before issuing additional debt, in order to achieve better terms. Grant funding will also be pursued.

Water Pump Station and Electrical Upgrades for years 2-10 include: Lookout Mountain Pump Station Electrical Upgrades and Emergency Generator, Weese Water Treatment Plant Permanent Emergency Interconnect Pump Station, and Gomez Pump Station Upgrades, Vallecitos Pump Station Replacement, and the Morro Pump Station Rehabilitation project.

Detachment Requirements planned in years 2-5 include the SDCWA Connections 3, 6, 7, and 11 interim decommissioning. This project could potentially be pushed up to the year one project list. SDCWA Connections 3, 6, 7, 11, and 12 permanent decommissioning will be aligned with our five-year CIP plan.

Sewer Lift Stations/Electrical Upgrades for years 2-10 are planned for the School House Lift Station. However, this would be funded by future capacity fees. Sewer Pipeline/CIPP (Cured-In-Place-Pipe Lining) for years 2-10 include the North River Road Sewer Capacity Expansion, CIPP 2,000 LF of 8-Inch VCP near Pala Mesa/Palomar, the Lake Garden CIPP Lining and CIPP Lining (district-wide), Old River Road between Lift Station One and Lift Station Two, the Gopher Canyon CIPP, and Oakcliff CIPP.

Tank Maintenance and other projects for years 2-10 include the Morro Chemical Tanks, Rainbow Heights Tank Interior/Exterior Coating, and Gopher Canyon Tank Interior/Exterior Coating, Turner Tank Interior/Exterior Coating, Hutton Tank Interior/Exterior, Rice Canyon Tank Interior/Exterior Coatings, Replace Liners and Floating Covers at Morro, Rainbow Hills, and North Reservoirs, Vallecitos Tank Interior/Exterior Coating, and the Upper Lookout Tank Interior/Exterior Coating. A brief discussion followed regarding potential savings strategies and bringing much of the work in-house.

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Throughout the presentation, staff answered questions, and noted requests from the Board and Committee Members. Staff will utilize all available tools, studies, and District GIS software to review all of these projects to determine what is needed, and when.

7. INFORMATION ITEMS

Information Items were included for reference only. No action was taken.

8. ADJOURNMENT

President Hayden reminded everyone that the next special joint meeting is scheduled for April 9, 2024, at 1:00 p.m.

The meeting was adjourned at 4:12 p.m.

Hayden Hamilton, Board President

Terese Quintanar, District Secretary

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
MARCH 26, 2024**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on March 26, 2024, was called to order by President Hamilton at 1:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Hamilton presiding.

2. **ROLL CALL:**

Present: Directors Hamilton, Johnson, Mack, Townsend-Smith, and Dale

Also Present: General Manager Wiley, Legal Counsel Smith, Chief Financial Officer Aragon, District Secretary Quintanar, Engineering and CIP Program Manager Williams, Administrative Services Manager Harp, Information Technology Manager Khattab, and Operations Manager Gutierrez, Member Nelson

Also Present Via Teleconference or Video Conference:

Construction and Meters Supervisor Lagunas, Administrative Assistant Montano, Project Manager Parra, Safety & Risk Management Officer Johnson, Wastewater Superintendent Zuniga, Human Resources Specialist Ramirez, and Adam Martson with Harris & Associates

Two members of the public were present in person, via teleconference or video conference.

3. **PLEDGE OF ALLEGIANCE**

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

Mr. Wiley requested the addition of an item to the agenda as Item No. 6. A, titled: Employee Recognition

5. **APPROVAL OF THE AGENDA**

To approve the Agenda as amended.

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

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

Ayes: Directors Hamilton, Johnson, Mack, Townsend-Smith, and Dale

6. PUBLIC COMMENT

Instructions for virtual public comments were read aloud. There were no requests to speak.

6. A. EMPLOYEE RECOGNITION

Mr. Wiley announced that Dennis Mendez has been awarded all five coins representing the District’s Core Values and Mission, demonstrating his commitment to Innovation, Integrity, Professionalism, Responsibility, and Teamwork. Mr. Mendez has been with the District for nearly five years. Mr. Wiley relayed his appreciation and respect for the work Mr. Mendez and his crew perform, and presented him with a certificate of achievement.

7. COMMITTEE MEETING SUMMARIES

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

President Hamilton acknowledged Budget and Finance Committee, and Engineering and Operations Committee meeting summary reports provided at the March 19, 2024, meeting.

Ms. Harp reported on items discussed at the March 7, 2024, Communications and Customer Service Committee meeting, which included a review of the Customer Survey and scale, website language translation, addition of information regarding CropSWAP, and a guide to understanding RMWD bills. The Avocado Festival will be held on April 21, 2024, and volunteers are needed. The Bonsall High School STEM field trip is scheduled for April 15, 2024, and the Poster Contest deadline is April 1, 2024. The next Newsletter will feature information on CropSWAP, the SDCWA Detachment, understanding water bills, and a reminder to customers to update their contact information with the District.

President Hamilton thanked staff for their responsiveness to the website language translation request and encouraged volunteers for the Avocado Festival booth. Director Johnson commended the team for the Newsletter, specifically the detachment article. Director Mack requested the continued promotion of the CSDA “Districts Make A Difference” Program.

8. CONSENT CALENDAR

- A. Approval of February 27, 2024, Regular Board Meeting Minutes

Motion:

To approve the Consent Calendar as presented.

Action: Approve, Moved by Director Johnson, Seconded by Director Dale

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

Ayes: Directors Hamilton, Johnson, Mack, Townsend-Smith, and Dale

9. ACTION ITEMS

- A. Consider Approval of Change Order No. 3 with Harris & Associates, Incorporated to Provide CFD/SCIP Auditing Services (District-Wide)

Director Dale expressed concern about the amount and term of the proposed Change Order. As this work is 100 percent developer-funded and there is a critical need for the services over the next six months, the Board requested staff's review and determination regarding the option to issue a Request for Proposals for the long-term need. Staff will provide additional information at a subsequent meeting. There was no action taken.

- B. Consider Adoption of a Resolution Declaring the District's Intention to Reimburse Itself from the Proceeds of Tax-Exempt Financing for Certain Capital Facilities and Equipment Expenditures

Mr. Aragon explained that the staff recommendation to adopt the resolution is a precursor to the anticipated request to approve a large debt financing, which will enable additional tax-exempt reimbursement for expenditures related to the Pump Station Project, and CIP projects for the next two years.

Motion:

To Adopt Resolution No. 2024-05 declaring the District's intention of reimbursing itself up to \$10,430,000 from the proceeds of a tax-exempt financing for certain capital facilities and equipment expenditures

Action: Approve, Moved by Director Johnson, Seconded by Director Dale

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

Ayes: Directors Hamilton, Johnson, Mack, Townsend-Smith, and Dale

- C. Consider the Appointment of an Alternate Member of the Communications and Customer Service Committee

Director Johnson requested outreach to local organizations, such as the Women's Club, encouraging participation on the Committee.

Motion:

To Appoint Josh Cruz as a staff Alternate Member to the Communications and Customer Service Committee

Action: Approve, Moved by President Hamilton, Seconded by Director Johnson

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

Ayes: Directors Hamilton, Johnson, Mack, Townsend-Smith, and Dale

- D. Consider Adoption of a Resolution Designating Authorized Agents for All Matters Pertaining to Disaster Assistance from the State of California and Federal Emergency Management Agency

Ms. Harp explained the need for renewal every three years in order to apply for grants related to disaster expense recovery. This would also enable the District to apply for reimbursement of expenses related to the January Storm State of Emergency.

Motion:

To Adopt Resolution No. 2024-06, Designating Authorized Agents for All Matters Pertaining to Disaster Assistance from the State of California and Federal Emergency Management Agency

Action: Approve, Moved by Director Johnson, Seconded by Director Dale

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

Ayes: Directors Hamilton, Johnson, Mack, Townsend-Smith, and Dale

- E. Discuss and Consider the Addition of Compensable Local Organization Meetings and Training and Conference Associations, and Adoption of an Ordinance Amending Administrative Code Section 2.03.010.02- Compensation

Mr. Wiley explained that this information is presented at the Board’s request of February 27, 2024, and provided his view regarding the benefits of membership in several agencies. With concerns for the upcoming budget needs and reserve balances, staff was asked for information for consideration on April 9, 2024. No action was taken.

10. INFORMATION ITEMS

Information was presented for reference. No action was taken.

11. REPORTS & COMMENTS

Mr. Smith summarized the determinations explained in the Legal Counsel’s Report included in the meeting packet, specific to the Public Records Act.

Mr. Wiley provided an update on SDCWA Detachment efforts. The portion of the Operations Plan covering Connections 9 and 10 is nearly complete and staff is working on a draft for Aqueduct 1. A recent call was held that included MWD, SDCWA, FPUD, Rainbow MWD, and EMWD regarding MWD’s planned amendments to service agreements with the respective agencies. Another meeting is scheduled in May, and bi-weekly meetings will follow. He also provided a status update on progress and equipment related to the Pump Stations, information about MWD’s rate workshops and alternatives, and updated rate projections. At this time, a 9% increase in year one and a 6% increase in year two are the lowest proposed increases.

Mr. Wiley provided a five-year review and report regarding Agreement with the City of Oceanside for wastewater services. Recent staff discussions have prompted relocation of reserve account funds to options that may earn interest. Facilities changes, including the extension of a waterline, will also take place, and the Agreement will be amended to reflect these changes in the future. We are not currently utilizing our full capacity.

He concluded his report by relaying that Senator Butler was accepting requests from Special Districts for appropriations and that he submitted requests for some of our sewer projects, and will keep the Board apprised.

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Vice President Johnson reported that she recently attended the CSDA Alliance Executive Council meeting to represent the CSDA Finance Corporation Board, and the next meeting is on August 1, 2024.

Mr. Wiley announced that LAFCO appointed Steven Woodburn as the 2024 Chair and Barry Willis as the Vice Chair. Updates were provided on MSR's underway. They will meet again in May.

Director Mack reminded everyone about the ACWA Spring Conference being held in Sacramento, May 6-9, 2024.

Vice President Johnson announced an ACWA Region 10 planning meeting scheduled for Thursday, March 28, 2024, from 3:00 – 4:00 p.m., via Zoom.

12. BOARD MEMBER COMMENTS AND REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

Requests were made, and there was no opposition expressed.

Motion:

To Approve the Requests of Directors Dale, Johnson, and Mack to attend the Southern California Water Coalition Luncheon on April 19, 2024, and Approve the Requests of Directors Johnson, Dale, and Mack to attend the CSDA Legislative Days Conference on May 21-22, 2024.

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

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

Ayes: Directors Hamilton, Johnson, Mack, Townsend-Smith, and Dale

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

Agenda Item No. 9.A, A Change Order No. 3 with Harris & Associates, Incorporated to Provide CFD/SCIP Auditing Services will be discussed again on April 23, 2024.

14. ADJOURNMENT – The meeting was adjourned at 1:58 p.m., by President Hamilton to a regular meeting on April 23, 2024, at 1:00 p.m.

Hayden Hamilton, Board President

Attest:

Terese Quintanar, District Secretary

**MINUTES OF THE RAINBOW MUNICIPAL WATER DISTRICT
JOINT BOARD OF DIRECTORS & BUDGET AND FINANCE COMMITTEE
SPECIAL MEETING
APRIL 9, 2024**

1. **CALL TO ORDER** - The Rainbow Municipal Water District Joint Budget and Finance Committee and Board of Directors Special Meeting of April 9, 2024, was called to order by President Hamilton at 1:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Hamilton presiding.

2. **ROLL CALL:**

Present: Directors Hamilton, Johnson, Mack, Dale
Members Hensley, Nelson, Stewart

Also Present: General Manager Wiley, Engineering and CIP Program Manager Williams, Chief Operating Officer Gutierrez, Chief Financial Officer Aragon, Administrative Services Manager Harp, Technology Manager Khattab, District Secretary Quintanar, Senior Project Manager Tamimi, Senior Project Manager Tamimi, and Environmental Health and Safety Officer Johnson

Absent: Director Townsend-Smith

One member of the public, Phil Forbes, was present in person. Mig Gasca and Legal Counsel Smith were present virtually.

3. **PLEDGE OF ALLEGIANCE**

4. **ADDITIONS/DELETIONS/AMENDMENTS TO AGENDA**

5. **APPROVAL OF THE AGENDA**

*To approve the Agenda as presented.
Action: Approve, Moved by Director Mack, Seconded by Director Johnson.
Vote: Motion carried by unanimous vote (summary: Ayes = 4)
Ayes: Directors Hamilton, Johnson, Mack, and Dale*

6. **PUBLIC COMMENT**

Instructions for public comment opportunities were read aloud. There were no requests.

7. **BUDGET WORKSHOP NO. 1 PRESENTATION**

Mr. Wiley summarized the progress and engagement of the March 19, 2024, meeting and the purpose and goal of this meeting and the next joint meeting in anticipation of the presentation of the next fiscal year budget for adoption, in June.

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Mr. Aragon reviewed a PowerPoint presentation in detail. The presentation included a five-year projection and explained financial scenarios should the District not raise rates or issue debt. The challenges are low reserves, historically low water sales, and large, critical Capital Improvement Projects.

Major assumptions in the projection included projected water sales of 10,000 acre feet per year, the detachment from the SDCWA, chemical costs, electrical costs, no additional capacity fees, and inflationary projections related to payroll and benefits, electric utilities, City of Oceanside sewer treatment costs, and an increase to supplies and services.

Mr. Aragon recommended financing options, including a \$10M loan, a 4.5 percent increase in water rates on July 1st, and on January 1st, 2025, and a 13 percent increase in wastewater rates. He also recommended increasing capacity fees by construction inflation since 2017 when the rates are adopted, and updating fees for services to recover current costs.

For the long-term plan, Mr. Aragon recommended setting reserve targets that would be funded within five years, the issuance of additional debt in fiscal year 2028 to fund water and wastewater CIP, and additional CalPERS liability contributions that would result in a quicker payoff and a \$3.3M savings. This plan would fully fund District operations with inflationary cost increases, fully fund the 5-year CIP plan, reduce CalPERS liability repayment timeframe by 50 percent, keep debt at prudent levels, restore cash reserves, transition rate increases to only one time per year, and reduce future rate increases, due to detachment savings, from 9 percent to 4 percent. Mr. Aragon also explained debt covenants (parity debt), current debt service, and projected debt.

President Hamilton called for a brief recess at 2:50 p.m., and the meeting reconvened at 3:05 p.m.

Discussion continued specific to cash reserves. Mr. Aragon explained that reserves are an important element for providing financial capacity and ensuring the District can fulfill its mission to reliably deliver critical water services and provide stable rates for its customers. Finding the right balance includes considerations for long-term fiscal needs and risk tolerance. Mr. Aragon explained reserve priority classification and components, including liquidity, stabilization, and contingency, priority requirements, and staff-recommended changes to reserve targets.

Mr. Aragon also provided a SDCWA detachment savings breakdown that reflected a projected savings of \$8.3M in annual lower water costs.

Throughout the presentation, staff answered questions, and noted requests from the Board and Committee Members.

Mr. Phil Forbes addressed the Board and Committee to thank them for their work to address the many challenges. He expressed that he was very encouraged by the professional staff, was optimistic that the District would find a solution, and relayed his appreciation and encouragement to keep up the good work.

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Appreciation was expressed by several members, and Mr. Wiley, Mr. Aragon, and the staff were complimented for the work and information provided.

8. INFORMATION ITEMS

A. Finance Report

Information Items were included for reference only. No action was taken.

9. ADJOURNMENT

President Hayden reminded everyone that the next special joint meeting is scheduled for May 14, 2024, at 1:00 p.m.

The meeting was adjourned at 3:42 p.m.

Hayden Hamilton, Board President

Terese Quintanar, District Secretary

CONSENT CALENDAR

Item No. 9.D

BOARD OF DIRECTORS

April 23, 2024

SUBJECT

CONSIDER ACCEPTANCE OF MINOR FACILITIES CONSTRUCTED BY CUSTOMERS AND FILE NOTICE OF COMPLETION (DISTRICT-WIDE)

BACKGROUND

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

DESCRIPTION

The following facilities have been constructed per the District's Domestic Water, Recycled Water, and Sanitary Sewer Facilities Construction Standards Manual, inspected, and tested per specifications.

Facilities constructed and ready for acceptance include the following:

- Fire Hydrant located at 3947 Aspen Road (Division 5), constructed by Draves Pipeline.

Following acceptance by the Board and filing of the Notice of Completion, a one-year warranty period commences where in all required maintenance and upkeep of the facilities lies with the customer. Installation costs will be added to the District's total valuation.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

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

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

The construction costs of the improvements, totaling \$26,052, will be added to the District's asset valuation.

Option 1:

- Accept the Appurtenances Constructed by Small Developers as complete and as shown on the District's Standard Drawings.
- Approve filing the Notice of Completion.
- Add installation costs to the District's total valuation.
 - \$26,052 Fire Hydrant located at 3947 Aspen Road, constructed by Draves Pipeline.
- Make a finding that the action herein does not constitute a "project" as defined by CEQA.

Option 2:

- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.



Chad Williams
Engineering & CIP Program Manager

04/23/24

BOARD OF DIRECTORS

April 23, 2024

SUBJECT

CONSIDER APPROVAL OF CHANGE ORDER NO. 4 WITH HARRIS & ASSOCIATES, INCORPORATED TO PROVIDE CFD/SCIP AUDITING SERVICES (DISTRICT-WIDE)

BACKGROUND

Established in 1982 Mello-Roos Community Facilities Districts (CFDs) are a type of special tax district formed when property owners within a geographic area agree to impose a tax on property to fund infrastructure improvements or services. These fees can then be used either for pay-as-you-go financing or to pay off tax-exempt bonds issued against the anticipated revenue from the CFD. Eligible projects include water and wastewater infrastructure, and eligible costs for credits include construction, acquisitions, services, and environmental clean-up.

The Statewide Community Infrastructure Program (SCIP) is a pooled tax-exempt bond financing program which can finance impact fees and public improvements for private developments. The bonds are issued by the California Statewide Communities Development Authority (CSCDA) Powers Authority sponsored by the League of California Cities and California State Association of Counties. Both programs were developed to encourage development in smaller or more remote communities.

Rainbow Municipal Water District's (District) participation in the programs with property owners/developers requires that all reimbursement requests be verified to ensure that only reimbursable work is paid through the CFD or SCIP funding. These audits are extremely time consuming and often require multiple submissions before being accepted by the District.

District Staff performed this work on the Horse Ranch Creek CFD and the Fairview SCIP. At the beginning of the Citro development, the District opted to contract this work out to Harris and Associates (H&A), a firm that specializes in this work. H&A took over the auditing of Citro in 2021 providing to date.

Change Order No.1 was a no-cost contract extension through December 31, 2023, and was approved by the General Manager in August 2022. Change Order No.2 for \$25,000 and a contract extension through March 2024 to continue to provide auditing services for the Citro development was approved by the General Manager in October 2023. Change Order No.3 for a no-cost contract extension through September 1, 2024, was approved by the General Manager in March 2024.

DESCRIPTION

While the Citro development project is wrapping up, the District has two (2) additional developer projects, Provence (fka Bonsall Oaks) and Ocean Breeze Ranch, that are in different stages of participating in the CFD/SCIP programs. Both developments will require the same level of auditing services as the previous three (3) participants (Horse Ranch Creek, Fairview, and Citro).

Staff is requesting approval of Change Order No.4 with H&A to provide as-needed auditing services for \$35,000 and an extension of the agreement to December 31, 2024, and expand the scope of services to include any/all CFD/SCIP programs within the District. This Change Order No.4 will maintain the current level of effort and time necessary to close out the Citro CFD, continue working on the Provence SCIP, and assist with the early stages of the Ocean Breeze Ranch CFD.

The District has an immediate need for the services to ensure business continuity for these developer-funded projects that are in progress. Staff has reviewed the consultant's proposed scope and not-to-exceed fee and has determined that the cost associated with the services is fair and reasonable, however, in the interim, Staff will issue a Request for Proposal (RFP) for other firms who specialize in this kind of work. A new agreement will be brought before the Board of Directors after Staff has reviewed the proposals. This is estimated to occur in Q3 of 2024.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. Construction of developer-led projects will add new customers to the District, ensuring long-term viability. In addition, to adding new customers, participation in the CFD/SCIP programs provides funding for future Capital Improvement Projects.

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

Funds for the services will be deducted from the project Developer's Administrative deposits. All costs associated with these services are billed directly to each development and does not affect the District's Operating Budget.

Option 1:

- Approve Change Order No.4 with Harris & Associates in the amount of \$35,000, and change the scope to include any/all CFD/SCIP programs within the District, and extend the contract through December 31, 2024.
- Authorize the General Manager to execute Change Order No. 4 to the existing professional services agreement.
- Make a determination that the action identified herein does not constitute a "project" as defined by CEQA.

Option 2:

- Provide other direction to staff.

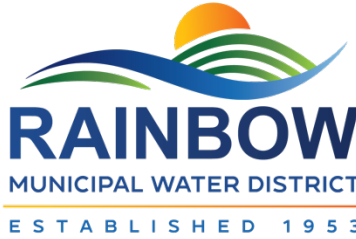
STAFF RECOMMENDATION

Staff recommends Option 1.



Chad Williams
Engineering & CIP Program Manager

04/23/24



CHANGE ORDER 04

Date: April 23, 2024

Project No. Various
Contract No. 21-09

Harris & Associates, Inc.
600 B Street, Suite 2000
San Diego, CA 92101

Project Title: As-Needed CFD/SCIP Auditing Services for District Projects

This Change Order provides for: Continue to provide services regarding CFD/SCIP related developer projects and preparing reimbursement plans and checklists for each submittal. Detailed scope of services are included in Exhibit "A". In addition, the scope now covers the Bonsall Oaks/Provence project, whereas previously, only the Citro development was included. Detailed services are defined in the scope of services prescribed under the Professional Services Agreement 21-09, dated August 19, 2021.

Total Cost: Time and Material, \$35,000. (Labor rates will comply with the Contract Agreement).

Schedule: Work to be performed through December 31, 2024.

CONTRACT SUMMARY			
Original Contract Amount	Previous Change Orders	Current Change Order	Total Contract Amount
\$44,835	CO-01: \$0 NCE		\$44,835
	CO-02: \$25,000		\$69,835
	CO-03: \$0 NCE		\$69,835
		CO-04: \$35,000	\$104,835

Approved by: _____
Alison Bouley, Harris & Associates

Date: _____

Approved by: _____
Chad Williams, Engineering & CIP Program Manager

Date: _____

Approved by: _____
Jake Wiley, General Manager

Date: _____

Notice to Proceed: Signature acknowledgment above authorizes Harris & Associates, Inc. to commence work as prescribed in this Change Order.

EXHIBIT "A"



Harris & Associates®

April 10, 2024

Chad Williams
Rainbow Municipal Water District
3707 Old Highway 395
Fallbrook, CA 92028

RE: Rainbow Municipal Water District Reimbursement Reviews – PSA Amendment No. 4

Dear Chad,

Harris has been providing public financing and reimbursement services for agencies throughout California for over 20 years. We have experience in forming Community Facility Districts (CFD) and Assessment Districts, and in negotiating reimbursement and credit agreements as well as development agreements with developers and their agents on behalf of agencies. In addition, we have extensive experience in processing reimbursement to developers who complete public infrastructure. To date we have approved over \$1.5 billion in infrastructure reimbursements for public agencies. Our team has established processes and procedures that ensure that we never miss our deadlines and work collaboratively with the agency and the developer throughout the process. Our project success focuses on three key areas:

Public Finance Experts. Our team has over 20 years of experience in assisting agencies with developing and implementing public financing mechanisms. Harris has worked with numerous agencies in negotiating agreements and developing financing mechanisms while protecting the agency's best interest. We have successfully formed CFD districts that have funded over \$300 million in public improvements. We understand the local, state, and federal laws surrounding community facilities districts, assessment districts, tax increment financing districts, and the use of bond proceeds for acquisition of developer-constructed public improvements and will use that experience to ensure best practices are followed.

Development Experience. In addition to being public finance experts, our team is comprised of multiple licensed engineers that have been involved in large-scale development projects and are skilled in reading and interpreting acquisition and reimbursement agreements, development agreements, plans, and contracts.

Reimbursement Experience: Having completed over \$1.5 billion in reimbursement reviews, Harris has successfully solved many different challenges in processing reimbursement requests. We have worked to develop protocols and tools that increase efficiencies and create a well documented process.

The following outlines our proposed scope of services and estimated fee to provide these services.

PROJECT UNDERSTANDING

Harris has been assisting the Rainbow Municipal Water District (The District) in reviewing the credit/reimbursement submittals for the Citro Project Tri-Pointe Homes Annexation Agreement, Participation Agreements and Statewide Community Infrastructure Program for the past three years. This has consisted of the review of ten submittals under each the Annexation Agreement (SCIP), fourteen submittals under the Participation Agreement and one submittal under the SCIP Agreement. These reviews have resulted in the credit/reimbursement of approximately \$7 million in costs. However, Harris' contract which was extended under Amendment No. 3 to the end of 2024 is almost out of funding and Tri-Pointe Homes is planning to submit one additional submittal under the SCIP Program. Additionally, the District is looking for additional assistance in reviewing the submittals for the Bonsall Oaks project which is governed by the SCIP program. The District is

looking for Harris to ensure that best practices are being implemented in the review and processing of reimbursement requests under each respective agreement or program and has asked for a proposal to closeout the Citro project and to complete the review of the anticipated three submittals for the Bonsall Oaks project.

SCOPE OF SERVICES

Citro Project Closeout

Harris will assist the District on a time and materials not to exceed basis in closing out the Citro Project. At this time, Tri-Pointe Homes has submitted one submittal under the SCIP program which has been partially reviewed and is waiting for the District's final acceptance of the improvements prior to being reimbursed. It is anticipated that Tri-Pointe Homes will have one final submittal to capture the remaining costs incurred to finalize construction of the improvements. In order to complete reimbursement under the SCIP program and close out the Citro project Harris will complete the following tasks for the final submittal.

TASK 1 – REIMBURSEMENT REQUEST REVIEW

Harris will review the information submitted by the developer to determine the amount eligible for reimbursement under the SCIP program. Harris will send an additional information request to the developer summarizing any missing information required to verify the incurred costs are related to eligible improvements. Once all missing documentation has been received, Harris will prepare a reimbursement report which summarizes the eligible reimbursement and any disallowed amounts. Harris will provide the draft report to the District, and once approved will send the final report to the developer. Harris will meet with the District and/or Developer as necessary to complete the verifications.

TASK 2 – PROJECT MANAGEMENT

Harris will maintain the tracking spreadsheets for reimbursements to date for each agreement or program, coordinate with District Staff on contract status and attend check in meetings with District Staff. Harris assumes that up to two virtual meetings will be attended as part of each submittal.

Bonsall Oaks SCIP Reimbursement

Harris will assist the District on a time and materials not to exceed basis in meeting the District's obligations under the SCIP program for the Bonsall Oaks project. The Bonsall Oaks project is a 442-acre master planned development in the Community of Bonsall in San Diego County. The project is anticipated to be broken into three phases which will each have a separate bond issuance. Based on the phasing of the project with each phase having a separate bond sale, it is anticipated that the Developer will have one comprehensive submittal for each phase. Harris will complete the following tasks for each submittal.

TASK 1 – REIMBURSEMENT REQUEST REVIEW

For each submittal received, Harris will review the information submitted by the developer to determine the amount eligible for reimbursement under the SCIP program. Harris will send an additional information request to the developer summarizing any missing information required to verify the incurred costs are related to eligible improvements. Once all missing documentation has been received, Harris will prepare a reimbursement report which summarizes the allowed reimbursement and any disallowed amounts. Harris will provide the draft reimbursement report to the District, and once approved will send the final reimbursement report to the developer. Harris will meet with the District and/or Developer as necessary to complete the verifications.

TASK 2 – PROJECT MANAGEMENT

Harris will maintain the tracking spreadsheets for reimbursements to date for each agreement or program, coordinate with District Staff on contract status and attend check in meetings with District Staff. Harris assumes that up to two virtual meetings will be attended as part of each submittal.

ASSUMPTIONS – BONSALL OAKS

- Developer will submit one (1) comprehensive submittal for each phase of the project.
- Harris will provide one (1) additional information request per submittal.
- Developer will respond to the Additional Information Request in a timely manner and will provide all requested information or acceptable alternatives.

PROJECT SCHEDULE

Harris will discuss with the District the expected timeframes for turnaround for each reimbursement request and will work with the District Staff to process the payments in a timely manner.

PROJECT EXPERIENCE

Harris has assisted agencies throughout California and Nevada on a variety of public finance projects over the last 20 years including forming and administering Community Facility Districts, Assessment Districts, and Development Impact Fee Programs. In addition, we have recommended over \$1.5 billion in reimbursements. Some of our projects, such as the Mission Bay project for the City of San Francisco, have been ongoing for over 18 years. Harris has developed policies, procedures, and tools to streamline the review process while providing thorough documentation and tracking. In addition, our understanding of the nuances and laws surrounding these programs means we can apply this knowledge to protect the District's interests and establish good protocols for the future.

Our team is commonly engaged in the district formation process, during which we have successfully assisted in negotiating acquisition agreements, development agreements, and policy and procedure manuals. This experience means we can anticipate the challenges and develop policies to prevent common pitfalls.

PROJECT REFERENCES

Harris has been providing public finance services to a number of clients over the last 20 years. The following projects provide an example of some of these projects.

MISSION BAY & HUNTERS POINT SHIPYARD REDEVELOPMENT ACQUISITION AUDITS City/County of San Francisco

Since 2002, Harris has been assisting the City of San Francisco in the acquisition of completed public improvements, which to date total \$498 million in public facilities. Harris' services include:

- Review of developer reimbursement request for eligible facilities
- Detailed review of contracts, change orders, invoices, and proofs of payment submitted by the developer

- Allocation of costs between public and private facilities
- Recommendation of reimbursement amount and completion of the Acquisition Audit report
- Meetings with City and developer as required
- Project and reimbursement tracking
- Maintain project records for the City
- Field review facilities, as required

Harris developed a project priority tracking list to track and monitor all outstanding reimbursement requests. This is used by all parties to track the status of outstanding items and to prioritize the processing of payment requests for facility acquisitions.

The following projects were completed as part of the City/County of San Francisco contracts:

MISSION BAY: This mixed-use brownfield redevelopment project is entitled for 6,000 residential units, a 500 room hotel, 280,000 square feet of pedestrian-friendly retail space, 4.4 million square feet of office and bio-tech lab space, a 57-acre UCSF biotech campus, and a 550 bed hospital.

To date, Harris has approved the reimbursement/ acquisition of more than \$475 million in public infrastructure. These improvements were funded by two CFDs that were formed to finance much of the needed public infrastructure. Acquisitions are expected to continue until all infrastructure is completed. Reimbursement requests have included a wide variety of public infrastructure including roadways, wet and dry utilities, and parks as well as costs for design, environmental mitigation, and freeway demolition.

HUNTERS POINT SHIPYARD: Harris has provided Acquisition Audit services for the City and County of San Francisco, which is working with a developer to redevelop the 490 acre site. The reimbursement of costs for public facilities is funded by \$34 million in Mello-Roos CFD bonds. To date, over \$23 million in reimbursement requests have been reviewed and approved.

TREASURE ISLAND: Harris has just begun providing acquisition audit services to the Treasure Island Development Authority for the redevelopment of Treasure Island and Yerba Buena Island. This 405-acre mixed used development site was previously a naval station. Harris worked with the authority and the developer to create a reimbursement manual and audit plan and is currently processing the first three submittals for this development project.

REFERENCE

Cathal Hennessy, Project Manager
 Infrastructure Task Force
 415.919.8085
 cathal.hennessy@sfdpw.org

CITY OF SACRAMENTO

Harris has assisted the City of Sacramento in the acquisition of public improvements for over 14 years. To date, Harris has completed the review of \$65 million in audit projects.

Harris' services include:

- Review of developer reimbursement request for eligible facilities
- Detailed review of contracts, change orders, invoices and proofs of payment submitted by the developer
- Cost allocation between public and private facilities
- Recommendation of reimbursement amount and completion of the Acquisition Audit report
- Meetings with City and Developer as required
- Update of project costs covered under the impact fee program for use in impact fee update
- Field review of completed projects to determine list and cost of remaining eligible facilities

REFERENCE

Sheri Smith
City of Sacramento
916.808.7204
SSmith@cityofsacramento.org

CITY OF TRACY

Harris has been the City's consultant for over 20 years and has implemented numerous financing plans for the City as well as assisted the City in managing the creation of multiple specific plans. This oversight included managing and providing peer review of the City's technical studies and EIR consultant. In addition Harris developed the finance and implementation plan and coordinated with the City's CFD consultant. In addition, we have assisted the City in negotiating credit and reimbursement agreements, development agreements, off-site improvement agreements, and finance and implementation plans.

Harris is currently assisting the City on the Acquisition Audits for two large developments within the City. To date, Harris has recommended reimbursement on \$49 million in improvements.

Harris' services on the Acquisition Audits include:

- Review of developer reimbursement request for eligible facilities
- Detailed review of contracts, change orders, invoices, and proofs of payment submitted by the developer
- Cost allocation between public and private facilities
- Recommendation of reimbursement amount and completion of the Acquisition Audit report
- Meetings with City and Developer, as required
- Update of project costs covered under the impact fee program for use in impact fee update
- Field review of completed projects to determine list and cost of remaining eligible facilities
- Review and negotiation of Acquisition Agreements

REFERENCE

Veronica Child, Management Analyst II
City of Tracy
209.831.6487
Veronica.Child@ci.tracy.ca.us

EASTERN MUNICIPAL WATER DISTRICT

Harris assisted the Eastern Municipal Water District (EMWD) on the audits for the Storage Tank, Lift Station, and Sewer improvements within the Audie Murphy Ranch Development in the City of Menifee. To date, Harris has recommended reimbursement on \$9.2 million in improvements.

Harris' services include:

- Review the Participation Agreements between EMWD and the developer
- Detailed review of contracts, change orders, invoices, and proofs of payment submitted by EMWD and the developer
- Cost allocation between public and private improvements
- Cost reconciliation between EMWD costs and Developer costs
- Recommendation of reimbursement amount and completion of the cost certification letters
- Meetings with EMWD and Developer, as required

REFERENCE

Corey Wallace, Director of Development Services
Eastern Municipal Water District

PROJECT TEAM

Harris has assembled the following project team to work with the District on this project.

Alison Bouley, PE, will serve as the project director responsible for overseeing the successful completion of the project. She has 20 years of experience in providing program management and financial engineering services to cities, counties, and special districts on a wide variety of project types, including AB1600 development impact fees.

Anna Tan-Gatue, PE, will serve as the lead QA/QC engineer on the project. Anna has been providing acquisition audit services for over 16 years and to date has recommended over \$750 million in reimbursement. Anna has developed processes and procedures for multiple projects and is familiar with the best practices used in Acquisition Agreements and in performing review of the submitted documents. Anna will be responsible for ensuring the requirements of the agreements and programs are met for each reimbursement submittal.

Adam Marston will continue to serve as the Project Manager on the project. Adam has assisted with the development of Finance and Implementation Plans, development impact fees, utility rate studies, conducting various acquisition audits and performing cost/reimbursement analyses. Adam has been working on acquisition audits for the Cities of San Francisco, Tracy, Sacramento, Henderson, as well as Mountain House Community Services District and Clark County. Adam will continue to serve as the District's point of contact for all reimbursement submittals.

Arn Selorio will serve as the Project Analyst on the project. Arn has been involved with reimbursement reviews and cost certification projects for the City of San Francisco, Mountain House CSD, Monterey County and the City of Henderson. She assists in reviewing the bid documents and change orders, reviewing invoices and proof of payment submitted by the Developer, and performing the cost/reimbursement analyses.

PROPOSED FEE

Harris will perform the work on a time and material basis with a total contract not to exceed amount of \$104,835.00 which includes this amendment of \$35,000.00. Harris has estimated that the cost to perform these services will not exceed \$35,000, however given the unknown size of the future submittals, should additional effort be necessary, Harris will request an amendment. We have found that typically our fee ranges from 0.5-1.0% of the cost of the reimbursement amount being submitted. The percentage varies based on the size of the submittal and the completeness and organization of the submittal.

Professional Services Agreement.....	\$44,835.00
Amendment No. 1 to the Professional Services Agreement.....	\$0.00
Amendment No. 2 to the Professional Services Agreement.....	\$25,000.00
Amendment No. 3 to the Professional Services Agreement.....	\$0.00
Amendment No. 4 to the Professional Services Agreement.....	\$35,000.00
Total Contract Amount.....	\$104,835.00

An estimated breakdown of the costs associated with each development project is included in the table below:

Development Project	Fee
Citro Closeout	\$8,750
Bonsall Oaks SCIP	\$26,250
Total	\$35,000

The following billing rate schedule will apply for 2024. Billing rates will escalate on January 1st, 2025.

Harris Personnel	2024 Billing Rates
Alison Bouley	\$280
Anna Tan-Gatue	\$210
Adam Marston	\$190
Diana Sheng	\$175
Arn Richland	\$160
Alexa Ludke	\$140

Limitation of Liability

To the extent permitted by law, Consultant’s total aggregate liability arising out of or relating to this Agreement shall not exceed total compensation received by Consultant under this Agreement.

Termination Clause

Consultant may terminate this Agreement for cause if the District fails to cure a material default in performance within a period of 30 days, or such longer period as Consultant may allow, after receipt from Consultant of a written termination notice specifying the default in performance. In the event of termination for cause by Consultant, District will pay Consultant for all services performed up to and including the effective date of termination.

We appreciate you reaching out to us to continue to assist the District in the acquisition and review of the District’s capital facilities. Please feel free to give me a call if you have any questions or would like to discuss our proposal further.

Sincerely,
Harris & Associates, Inc.



Alison Bouley, PE
Vice President, Municipal District Financing
(949) 536-4832 ■ Alison.Bouley@WeAreHarris.com

Harris & Associates, Inc.



Adam Marston
Project Manager, Municipal and District Finance
(949) 536-2524 ■ Adam.Marston@WeAreHarris.com



BOARD ACTION Item No.10.B

BOARD OF DIRECTORS

April 23, 2024

SUBJECT

CONSIDER ADOPTION OF A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT WITH U.S. BANK FOR FINANCING TEN MILLION DOLLARS IN CAPITAL PROJECTS AND EQUIPMENT

BACKGROUND

Staff presented at the Joint Board of Directors and Budget and Finance Committee Special Meeting of April 9, 2024, that cash flows were projected to be insufficient to fund the District's obligations without the issuance of \$10,000,000 in debt to finance certain CIP projects to free up cash flow. Similarly, in anticipation of this need, the Board adopted Resolution 2024-05 at its March 26, 2024, meeting, stating its intent to reimburse itself up to \$10,430,000 from tax-exempt financing for capital facilities and equipment in order to allow for the full \$10,000,000 loan contemplated in this item to be done at tax-exempt rates. Resolution 2024-05 included projects intended to be financed that included the remainder of the currently active Hutton/Rancho Amigos (Turner)/Dentro Pump Station project (Project #600013) not funded by previous tax-exempt financing, and eligible water projects from the next two years of the Five Year CIP.

DESCRIPTION

Out of sensitivity to limited time due to low reserve levels, staff began discussions with U.S. Bank in February 2024 regarding their willingness to provide the necessary \$10,000,000 financing at agreeable terms and a competitive interest rate. U.S. Bank was chosen to initiate discussions with since it is the District's current primary banking services provider, including both Depository Services (i.e., business checking accounts) and Trust Services for its investments. This relationship typically provides the most leverage to negotiate for the best terms and at least competitive, if not better than competitive interest rates.

Likewise, the District engaged with Robert Porr and Lora Nichols with Fieldman Rolapp and Associates (FRA) to act as the District's Municipal (Financial) Advisor to help review and negotiate the terms of this financing. FRA is a leading Municipal Advisory firm specializing in public financings, and specifically California water districts. Staff also engaged with Barney Allison with Nossaman LLP to act as the District's bond counsel to help with the review and drafting of legal documents, and in providing the necessary tax opinion that the proposed financing can be tax-exempt. Mr. Allison has been bond counsel for the most recent District financings and has familiarity with its related debt covenants this financing must adhere to. This financing team comprised of staff, FRA, and Nossaman LLP negotiated the terms included in the attached Installment Purchase Agreement, which would provide for \$10,000,000 of financing for capital projects included in Exhibit B. FRA confirmed that the interest rates and terms were competitive

in the current municipal debt environment, taking into account the District's creditworthiness and financial position. The major terms of the financing are described below:

- \$10,000,000 in total financing will be provided by U.S. Bank on a tax-exempt basis to finance capital projects as listed in Exhibit B (attached).
- The debt will start as a variable rate line of credit until September 25, 2024, wherein it converts to a 10 year fixed interest rate debt at a rate of 4.7%.
- During the variable rate period the interest rate is calculated as 80% of the 1 Month SOFR rate plus 0.2%. Currently this would be the equivalent of approximately 4.5%.
- Any amounts not drawn on the variable rate line of credit through September 25, 2024 would be assessed a 0.2% "unutilized" fee. Any remaining amount not drawn on the line of credit as of September 25, 2024 would be drawn such that the fixed rate 10 year loan will be for the full \$10,000,000.
- The fixed rate 10 year loan may per prepaid in whole or in part any time on or after 5 years without penalty.
- The fixed rate 10 year loan is payable in monthly level installments.
- The U.S. bank loan would be on parity (same priority) with the District's other debt (SRF Loans, Zion Loan & Lease, and Western Alliance Loan) with the same base debt covenants including:
 - Setting water rates to achieve a minimum of a projected 1.2x debt service coverage on net operating revenues; and
 - Achieving a minimum of 1.2x debt service coverage on net operating revenues to cover maximum annual debt service for existing debt and new proposed debt in order to issue new debt on a parity basis; and
 - Pledge of gross water revenues to repay the loan obligation, consistent with the other loans.

If approved, the Installment Purchase Agreement is tentatively set to close on May 1st, 2024 and would be available to receive funds shortly thereafter.

Attachments:

Resolution Approving and Authorizing the Execution and Delivery of an Installment Purchase Agreement with U.S. Bank for Financing Capital Projects and Equipment

Exhibit A: Draft Installment Purchase Agreement

Exhibit B: Eligible Capital Projects List for this Financing

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

Set forth below are good faith estimates of Fieldman, Rolapp & Associates, Inc., the municipal advisor, as required under Section 5852.1 of the California Government Code (the "Code") based on market conditions as of April 11, 2024. The following are estimates and have no bearing on,

and should not be misconstrued as, any not-to-exceed financial parameters authorized by the foregoing resolution.

1. The true interest cost of the Credit Facility is estimated at 4.68%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
2. The finance charge of the Credit Facility, including all fees and charges paid to third parties, is estimated at \$66,000 comprised of the following fees per service provider:
 - a. Fieldman, Rolapp, and Associates fee on a not-to-exceed basis - \$15,000
 - b. Nossaman LLP as Bond Counsel on a fixed fee basis - \$31,000
 - c. Nixon Peabody LLP as Bank's Counsel on a fixed fee basis - \$20,000
3. The proceeds expected to be received by the District for the Credit Facility, less the finance charge described in (b) above and any capitalized interest or reserves paid from proceeds of the Credit Facility (if any), is \$9,980,000 (\$10,000,000 less bank counsel fee).
4. The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$12,784,291, assuming the District enters into a variable rate Credit Facility until September 25, 2024, and then a ten-year Term Loan.

The foregoing are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above.

RECOMMENDATION

Staff recommends the Board adopt the Resolution Approving and Authorizing the Execution and Delivery of an Installment Purchase Agreement with U.S. Bank for Financing Capital Projects and Equipment.



Richard R. Aragon
Chief Financial Officer

04/23/2024

INSTALLMENT PURCHASE AGREEMENT

by and between

RAINBOW MUNICIPAL WATER DISTRICT

and

U.S. BANK NATIONAL ASSOCIATION

Dated as of [_____, 2024]

([2024 PROJECT])

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INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, made and entered into and dated as of [_____, 2024], by and between RAINBOW MUNICIPAL WATER DISTRICT (the “District”), a municipal water district duly organized and validity existing under the laws the State of California, and U.S. BANK NATIONAL ASSOCIATION, a national banking association (herein called the “Purchaser”).

WITNESSETH:

WHEREAS, the District proposes to finance the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its Water System described in Exhibit A hereto (the “Project”);

WHEREAS, the Purchaser has agreed to assist the District in financing the Project for the District on the terms and conditions set forth in this Installment Purchase Agreement;

WHEREAS, the District and the Purchaser have duly authorized the execution of this Installment Purchase Agreement;

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

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

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

Advance

The term “Advance” means a disbursement of proceeds of the Unfunded Portion pursuant to the terms hereof.

Advance Date

The term “Advance Date” means the Business Day that an Advance is made from the Purchaser to the District, and shall include the Final Advance Date if there are any Unfunded Portions remaining to be funded.

Advance Period

The term “Advance Period” means the period commencing on the date of the Closing Date and terminating on the Final Advance Date, unless terminated [or extended] as provided herein.

Applicable Factor

The term “Applicable Factor” means 80%.

Applicable Spread

The term “Applicable Spread” means twenty basis points (0.20%).

Assumed Interest Rate

The term “Assumed Interest Rate” means the amount of interest calculated in accordance with the following provisions:

(A) Generally. Except as otherwise provided in subparagraph (B) below with respect to Variable Interest Rate Contracts, in subparagraph (C) below with respect to Contracts or Bonds with respect to which a Payment Agreement is in force, and in subparagraph (D) below with respect to Balloon Contracts, interest on any Contracts or Bonds shall be calculated based on the actual amount of interest that is payable under such Contracts or Bonds;

(B) Interest on Variable Interest Rate Contracts. Interest deemed to be payable on any Variable Interest Rate Contract for periods when the actual interest rate can be determined shall be the actual Variable Interest Rates and for periods when the actual interest rate cannot yet be determined shall be calculated on the assumption that the interest rate on such Variable Interest Rate Contract would be equal to (i) the average rate that accrued on such Variable Interest Rate Contract over the preceding 12 months, or (ii) if the Variable Interest Rate Contract has not been accruing interest at a variable rate for 12 months, the average interest rate that accrued on an outstanding Variable Interest Rate Contract of the District for which interest is computed on substantially the same basis during the preceding twelve month period, or (iii) if no such comparable Variable Interest Rate Contract was outstanding during the 12 months preceding the date of calculation, then (x) if the interest on such Variable Interest Rate Contract is excluded from gross income for purposes of Federal income taxation, the average rate of interest for SIFMA Index over the preceding 12 months, or, if that index is no longer published, a similar index selected by the District and acceptable to each credit enhancer providing credit enhancement for an outstanding Contracts or Bonds, or, if the District fails to select a replacement index, an interest rate equal to 66% of the yield for outstanding United States Treasury bonds having an equivalent maturity as the Variable Rate Interest Contract, or if there are no such Treasury Bonds having equivalent maturities, 66% of the lowest prevailing prime rate of any of the five largest commercial banks in the United States, ranked by assets, and (y) if interest on such Variable Interest Rate Contract is not excluded from gross income for purposes of Federal income taxation, 110% of the

yield for outstanding United States Treasury bonds having an equivalent maturity as the Variable Rate Interest Contract, or if there are no such United States Treasury Bonds having equivalent maturities, 110% of the lowest prevailing prime rate of any of the five largest commercial banks in the United States, ranked by assets;

(C) Interest on Obligations with respect to which a Payment Agreement is in Force. Interest deemed to be payable on any Contracts or Bonds with respect to which a Payment Agreement is in force shall be based on the net economic effect on the District expected to be produced by the terms of such Contracts or Bonds and such Payment Agreement, including but not limited to the effects that (i) such Contracts or Bonds would, but for such Payment Agreement, be treated as an obligation bearing interest at a Variable Interest Rate instead shall be treated as an obligation bearing interest at a fixed interest rate, and (ii) such Contracts or Bonds would, but for such Payment Agreement, be treated as an obligation bearing interest at a fixed interest rate instead shall be treated as an obligation bearing interest at a Variable Interest Rate; and accordingly, the amount of interest deemed to be payable on any Contracts or Bonds with respect to which a Payment Agreement is in force shall be an amount equal to the amount of interest that would be payable at the rate or rates stated in such Contracts or Bonds plus the Payment Agreement Payments minus the Payment Agreement Receipts, and for the purpose of calculating as nearly as practicable the Payment Agreement Receipts and the Payment Agreement Payments under such Contracts or Bonds, the following assumptions shall be made:

(1) District Obligated to Pay Net Variable Payments. If a Payment Agreement has been entered into by the District with respect to Contracts or Bonds resulting in the payment of a net variable interest rate with respect to such Contracts or Bonds and Payment Agreement by the District, the interest rate on such Contracts or Bonds for future periods when the actual interest rate cannot yet be determined shall be assumed (but only during the period the Payment Agreement is in effect) to be equal to the sum of (i) the fixed rate or rates stated in such Contracts or Bonds, minus (ii) the fixed rate paid by the Qualified Counterparty to the District, plus (iii) the lesser of (A) the interest rate cap, if any, provided by a Qualified Counterparty with respect to such Payment Agreement (but only during the period that such interest rate cap is in effect) and (B) the applicable Variable Interest Rate calculated in accordance with paragraph (B) above; and

(2) District Obligated to Pay Net Fixed Payments. If a Payment Agreement has been entered into by the District with respect to Contracts or Bonds resulting in the payment of a net fixed interest rate with respect to such Contracts or Bonds and Payment Agreement by the District, the interest on such Contracts or Bonds shall be included in the calculation of Payments (but only during the period the Payment Agreement is in effect) by including for each Fiscal Year or twelve (12) calendar month period an amount equal to the amount of interest payable at the fixed interest rate pursuant to such Payment Agreement;

(D) Interest on Balloon Contracts. If any outstanding Contracts or Bonds constitute Balloon Contracts (and such Contracts or Bonds do not constitute Short-Term Obligations excluded from the calculation of the Payments pursuant to clause (E), below) or if Contracts or Bonds proposed to be incurred would constitute Balloon Contracts (and such Contracts or Bonds would not constitute Short-Term Obligations excluded from the calculation of the Payments pursuant to clause (E), below), then such Balloon Contracts shall be treated as if the principal amount of such Contracts or Bonds were amortized from the date originally incurred in

substantially equal installments of principal and interest over a term of 30 years (provided, however, that the full principal amount of such Balloon Contract shall be included in making such calculation if such principal amount is due within 90 days of the date such calculation is being made); and, if interest accrues under such Balloon Contract at other than a fixed rate, the interest rate used for such computation shall be the Assumed Interest Rate.

(E) Exclusion of Certain Short-Term Obligations. If any outstanding Contracts or Bonds constitute Short-Term Obligations or if Contracts or Bonds proposed to be incurred would constitute Short-Term Obligations, and such Short-Term Obligations are or will be payable only out of Revenues of the Fiscal Year in which such Short-Term Obligations are incurred, then such Short-Term Obligations shall be disregarded and not included in calculating Payments;

(F) Credit for Accrued and Capitalized Interest. If amounts constituting accrued interest or capitalized interest have been deposited with a third party trustee, then the interest payable from such amounts with respect to the Contracts or Bonds shall be disregarded and not included in calculating Parity Payments.

Authorized Officer

The term “Authorized Officer”, when used with respect to the District, means the Chair, Vice Chair, Treasurer or Secretary of the Board of Directors, General Manager, Chief Financial Officer, or any deputy or officer of the District designated by the General Manager or any other officer of the District which is designated by the Board of Directors of the District as an Authorized Officer. The term “Authorized Officer”, when used with respect to the Purchaser, means any officer of the Purchaser authorized by the Purchaser’s governing documents to take-action on behalf of the Purchaser.

Balloon Contract

The term “Balloon Contract” means Contracts or Bonds 25% or more of the principal of which matures or is payable on the same date and which is not required by the instrument pursuant to which such Contracts or Bonds were incurred to be amortized by payment or redemption prior to such date.

Balloon Installment Payments

The term “Balloon Installment Payments” means any Parity Payments designated as such in any Balloon Contract.

Beck SRF Agreement

The term “Beck SRF Agreement” means the Funding Agreement, dated November 16, 2012, between the State of California Department of Public Health and the District for Project Number 3710016-004C (Beck).

Beck SRF Payment

The term “Beck SRF Payments” means the debt service payments scheduled to be paid by the District under and pursuant to the Beck SRF Agreement.

Bonds

The term “Bonds” means all revenue bonds or notes of the District authorized, executed, issued and delivered by the District, the payments of which are on a parity with the Series 2024 Installment Payments and which are secured by a pledge of and lien on the Gross Revenues. The term Bonds does not include bonds heretofore or hereafter issued required by law to be paid by the District from taxes or assessments which are not Gross Revenues.

Business Day

The term “Business Day” means a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State of California are closed.

Closing Date

The term “Closing Date” means the date of execution of this Installment Purchase Agreement and that all conditions precedent set forth in Section 3.6 have been met.

Contracts

The term “Contracts” means this Installment Purchase Agreement, and any amendments and supplements hereto, and all contracts of the District authorized and executed by the District, the Series 2024 Installment Payments or payments under which are on a parity with the Beck SRF Payments, the Morro SRF Payments, the 2018 Installment Payments, the 2018 Lease Payments, the 2022 Installment Payments and the Series 2024 Installment Payments and which are secured by a pledge and lien on the Gross Revenues.

Conversion Notice

The term “Conversion Notice” means a notice of a conversion pursuant to Section 4.6, which shall be substantially in the form of Exhibit F.

Daily Simple SOFR

The term “Daily Simple SOFR” means a daily rate based on SOFR and determined by the Purchaser in accordance with the conventions for such rate selected by the Purchaser.

Date of Operation

The term “Date of Operation” means, with respect to any uncompleted Project, the estimated date by which such Project will have been completed and, in the opinion of an engineer, will be ready for commercial operation by or on behalf of the District.

Debt Service

The term “Debt Service” means, for any Fiscal Year, the sum of: (1) the interest paid during such Fiscal Year on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are prepaid or paid from sinking fund payments as scheduled (except to the extent that such interest is to be paid from the proceeds of sale of any Bonds), (2) that portion of the principal amount of all outstanding serial Bonds paid during such Fiscal Year, (3) that portion of the principal amount of all outstanding term Bonds required to be paid during such Fiscal Year, and (4) that portion of any payments, including the Installment Payments, required to be made at the times provided in the Contracts during such Fiscal Year.

For purposes of this definition, interest on any Contracts or Bonds executed or issued by the District shall be calculated based upon the Assumed Interest Rate.

Default Interest Rate

The term “Default Interest Rate” means a rate per annum equal to the then applicable Interest Rate plus 5% but in no event greater than the Maximum Rate.

Determination of Taxability

The term “Determination of Taxability” applies solely with respect to the interest component of the Installment Payments only and shall mean and shall be deemed to have occurred on the first to occur of the following:

(a) on the date when the District files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(b) on the date when the Purchaser notifies the District that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the District of such notification from the Purchaser, the District shall deliver to the Purchaser a ruling or determination letter issued to or on behalf of the District or the District by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(c) on the date when the District or the District shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the District, or upon any review or audit of the District or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(d) on the date when the District shall receive notice from the Purchaser that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of

the Purchaser on the interest component of the Installment Payments due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (c) or (d) hereunder unless the District has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however,* that upon demand from the Purchaser, the District shall promptly reimburse, but solely from payments made by the District, the Purchaser for any payments, including any taxes, interest, penalties or other charges, the Purchaser shall be obligated to make as a result of the Determination of Taxability.

District

The term “District” means Rainbow Municipal Water District, a municipal water district duly organized and existing under the laws of the State of California.

Event of Default

The term “Event of Default” means an event described in Section 8.1.

Event of Taxability

The term “Event of Taxability” means a (i) change in law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the District, or the failure to take any action by the District, or the making by the District of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of this Installment Purchase Agreement) which has the effect of causing interest paid or payable on the Interest component of the Installment Payments to become includable, in whole or in part, in the gross income of the Purchaser for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Interest component of the Installment Payments to become includable, in whole or in part, in the gross income of the Purchaser for federal income tax purposes with respect to the interest component of the Installment Payments.

Final Advance Date

The term “Final Advance Date” means September 25, 2024, as more specifically described in Section 4.1. For the avoidance of doubt, the Final Advance Date is expected to also be the date of conversion to a Term Loan hereunder.

Fiscal Year

The term “Fiscal Year” means the period beginning on July 1 of each year and ending on the June 30 of the next succeeding year, or any other twelve-month period selected and designated as the official Fiscal Year of the District.

Gross Revenues

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

Independent Certified Public Accountant

The term “Independent Certified Public Accountant” means any firm of certified public accountants appointed by the District, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

Installment Payment Date; Series 2024 Installment Payment Date

The term “Installment Payment Date” means any date on which Installment Payments are scheduled to be paid by the District under and pursuant to any Contract. The term “Series 2024 Installment Payment Date” means the Installment Payments due hereunder as described further herein and in Exhibit B hereto.

Installment Payments; Series 2024 Installment Payments

The term “Installment Payments” means the payments scheduled to be paid by the District under and pursuant to the Contracts, including the Series 2024 Installment Payments. The term “Series 2024 Installment Payments” means the Installment Payments scheduled to be paid by the District under and pursuant hereto.

Installment Purchase Agreement

The term “Installment Purchase Agreement” means this Installment Purchase Agreement, dated as of [_____, 2024], by and between the District and the Purchaser, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

Interest Payment Date

The term “Interest Payment Date” means, for Advances, the Final Advance Date, and, for the Term Loan, monthly on the first Business Day of each month commencing the first such day occurring after the Final Advance Date and the Advances have been converted to the Term Loan continuing through and including the Term Loan Maturity Date.

Interest Rate

The term “Interest Rate” means, assuming no Event of Default or Event of Taxability, for Advances, a variable rate of interest equal to SOFR Index Rate, and for the Term Loan, 4.70%.

Law

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

Maintenance and Operation Costs

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

Maximum Advance Amount

The term “Maximum Advance Amount” means, with respect to this Installment Purchase Agreement and the Advances related thereto, \$10,000,000.

Maximum Annual Debt Service

The term “Maximum Annual Debt Service” means the highest Debt Service for any Fiscal Year or twelve (12) calendar month period through the current and subsequent five Fiscal Years of all Contracts and Bonds during which this Installment Purchase Agreement is outstanding; provided, however, for purposes of such calculation, the interest on all Contracts and Bonds shall be computed at the applicable Assumed Interest Rate.

Maximum Rate

The term “Maximum Rate” means 12% per annum.

Morro SRF Agreement

The term “Morro SRF Agreement” means the Funding Agreement, dated November 16, 2012, between the State of California Department of Public Health and the District for Project Number 3710016-008C (Mono Reservoir).

Morro SRF Payment

The term “Morro SRF Payments” means the debt service payments scheduled to be paid by the District under and pursuant to the Morro SRF Agreement.

Net Proceeds

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

Net Revenues

The term “Net Revenues” means, for any Fiscal Year, the Gross Revenues for such Fiscal Year less the Maintenance and Operation Costs for such Fiscal Year.

New York Banking Day

The term “New York Banking Day” means any day (other than a Saturday or Sunday) on which commercial banks are open for business in New York, New York.

Parity Payment Agreement

The term “Parity Payment Agreement” means a Payment Agreement which is a Contract.

Parity Payments

The term “Parity Payments” means all installment payments and other debt service payments scheduled to be paid by the District under all Contracts or Bonds.

Parity Payments Date

The term “Parity Payments Date” means the date on which any Parity Payments are due on Contracts or Bonds.

Payment Agreement

The term “Payment Agreement” means a written agreement for the purpose of managing or reducing the District’s exposure to fluctuations in interest rates or for any other interest rate,

investment, asset or liability managing purposes, entered into either on a current or forward basis by the District and a Qualified Counterparty as authorized under any applicable laws of the State in connection with, or incidental to, the entering into of any Contracts or Bonds, that provides for an exchange of payments based on interest rates, ceilings or floors on such payments, options on such payments or any combination thereof, or any similar device.

Payment Agreement Payments

The term “Payment Agreement Payments” means the amounts periodically required to be paid by the District to all Qualified Counterparties under all Payment Agreements.

Payment Agreement Receipts

The term “Payment Agreement Receipts” means the amounts periodically required to be paid by all Qualified Counterparties to the District under all Payment Agreements.

Policy Costs

The term “Policy Costs” means the annual amount due with respect to any policy or surety bond in lieu of depositing cash in any reserve fund established for any Bonds or Contracts.

Project

The term “Project” means the additions, betterments, extensions and improvements to the Water System, including real property, equipment and buildings, if any, and any related engineering, design and permitting and environmental approval costs, as generally described in Exhibit A hereto.

Purchase Price

The term “Purchase Price” means the principal amount of all Advances, including, but not limited to the Unfunded Portion, plus interest thereon owed by the District to the Purchaser under the terms hereof as provided in Section 4.1.

Purchaser

The term “Purchaser” means U.S. Bank National Association, a national banking association, its successors and assigns.

Qualified Counterparty

The term “Qualified Counterparty” means a party (other than the District or a party related to the District) who is the other party to a Payment Agreement and (1) (a) who is rated at least equal to the ratings assigned by each of the Rating Agencies to the obligations secured by Parity Payments (without regard to any gradations within a rating category), but in no event less than a rating of “A” from Fitch, “A2” from Moody’s and “A” from S&P, (b) whose senior debt obligations are rated at least equal to the ratings assigned by each of the Rating Agencies to the obligations secured by Parity Payments (without regard to any gradations within a rating category),

or guaranteed by an entity so rated, (c) whose obligations under the Payment Agreement are guaranteed for the entire term of the Payment Agreement by a bond insurer or other institution which has been assigned a credit rating at least equal to the ratings assigned by each of the Rating Agencies to the obligations secured by Parity Payments (without regard to any gradations within a rating category), but in no event less than a rating of “A” from Fitch, “A2” from Moody’s and “A” from S&P, or (d) whose obligations under the Payment Agreement are collateralized in such a manner as to obtain a rating at least equal to the ratings assigned by each of the Rating Agencies to the obligations secured by Parity Payments, and (2) who is otherwise qualified to act as the other party to a Payment Agreement under all applicable laws of the State.

Rate Adjustment Date

The term “Rate Adjustment Date” means the first day of each month during the Advance Period.

Resolution

The term “Resolution” means Resolution number __ - ____ adopted by the District on April __, 2024, approving this Installment Purchase Agreement and all matters related thereto.

Revenue Fund

The term “Revenue Fund” means the Revenue Fund described in Section 5.2 hereof.

Short-Term Obligations

The term “Short-Term Obligations” means Contracts or Bonds having an original maturity of less than or equal to five years and which are not renewable at the option of the District for a term greater than one year beyond the date of original incurrence.

SOFR

The term “SOFR” means the secured overnight financing rate which is published by the Board or any committee convened by the Board and available at www.newyorkfed.org.

SOFR Administrator

The term “SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

SOFR Index

The term “SOFR Index” means the greater of (i) zero and (ii) the one-month forward-looking term rate based on SOFR quoted by the Purchaser from the SOFR Index Administrator’s Website (or other commercially available source providing such quotations as may be selected by the Purchaser from time to time) which shall be that one-month SOFR Index rate in effect on the Rate Adjustment Date adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation; provided that if the SOFR Index rate is not published on such

New York Banking Day due to a holiday or other circumstance that the Purchaser deems in its sole discretion to be temporary, the applicable SOFR Index rate shall be the SOFR Index rate last published prior to such New York Banking Day, and such rate to be reset monthly on each Rate Adjustment Date. If the initial advance on any facility to which this paragraph applies occurs other than on the Rate Adjustment Date, the initial one-month SOFR Index rate shall be that one-month SOFR Index rate in effect two New York Banking Days prior to the later of (a) the immediately preceding Rate Adjustment Date and (b) the closing date for such facility, which rate plus the percentage described above shall be in effect until the next Rate Adjustment Date. If the Purchaser has determined in its sole discretion that (i) the administrator of SOFR Index, or any relevant agency or authority for such administrator of SOFR Index (or any substitute index which replaces SOFR Index (SOFR Index or such replacement, the “Benchmark”)), has announced that such Benchmark will no longer be provided, (ii) any relevant agency or authority has announced that such Benchmark is no longer representative, or (iii) any similar circumstance exists such that such Benchmark has become permanently unavailable or ceased to exist, the Purchaser will (x) replace such Benchmark with a replacement rate or (y) if any such circumstance applies to fewer than all tenors of such Benchmark used for determining an interest period hereunder, discontinue the availability of the affected interest periods. In the case of the SOFR Index, such replacement rate will be Daily Simple SOFR. In the case of the replacement of a rate other than the SOFR Index, the Purchaser may add a spread adjustment selected by the Purchaser, taking into consideration any selection or recommendation of a replacement rate by any relevant agency or authority, and evolving or prevailing market practice. In connection with the selection and implementation of any such replacement rate, the Purchaser may make any technical, administrative or operational changes that the Purchaser decides may be appropriate to reflect the adoption and implementation of such replacement rate. Without limitation of the foregoing, in the case of a transition to Daily Simple SOFR, the Purchaser will remove any option to select another rate that may change or is reset on a daily basis, including, without limitation, the Purchaser’s prime rate. The Purchaser does not warrant or accept any responsibility for the administration or submission of, or any other matter related to, the SOFR Index or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation whether any such alternative, successor or replacement rate will have the same value as, or be economically equivalent to, SOFR Index. The Purchaser’s internal records of applicable interest rates shall be determinative in the absence of manifest error.

SOFR Index Rate

The term “SOFR Index Rate” means the sum of (a) the Applicable Factor multiplied by the SOFR Index, plus (b) the Applicable Spread.

Subordinate Obligations

The term “Subordinate Obligations” means all Contracts or Bonds of the District which are secured by a pledge of and lien on the Gross Revenues subordinate to the pledge of and lien on Gross Revenues securing the Contracts or Bonds.

Taxable Date

The term “Taxable Date” means the date on which interest component of the Installment Payments is first includable in gross income of the Purchaser thereof as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

Taxable Period

The term “Taxable Period” has the meaning set forth in Section 4.3(b) hereof.

Taxable Rate

The term “Taxable Rate” means, with respect to a Taxable Period, the Interest Rate plus 1.09% but in no event greater than the Maximum Rate.

Term SOFR Administrator’s Website

The term “Term SOFR Administrator’s Website” means the website or any successor source for Term SOFR identified by CME Group Benchmark Administration Ltd. (or a successor administrator of Term SOFR).

2018 Installment Purchase Contract

The term “2018 Installment Purchase Contract” means the Installment Purchase Contract, dated October 1, 2018, by and between ZMFU II, Inc. and the District.

2018 Installment Payments

The term “2018 Installment Payments” means the installment payments scheduled to be paid by the District under and pursuant to the 2018 Installment Purchase Contract.

2018 Lease/Purchase Agreement

The term “2018 Lease/Purchase Agreement” means the Lease/Purchase Agreement, dated September 1, 2018, by and between ZB, N.A. and the District.

2018 Lease Payments

The term “2018 Lease Payments” means the lease payments scheduled to be paid by the District under and pursuant to the 2018 Lease/Purchase Agreement.

2022 Installment Purchase Agreement

The term “2022 Installment Purchase Agreement” means the Installment Purchase Agreement, dated March 1, 2022, by and between Western Alliance Business Trust and the District.

2022 Installment Payments

The term “2022 Installment Payments” means the installment payments scheduled to be paid by the District under and pursuant to the 2022 Installment Purchase Agreement.

Termination Payments

The term “Termination Payments” means any payments due and payable to a Qualified Counterparty in connection with the termination of a Payment Agreement.

Term Loan

The term “Term Loan” has the meaning specified in Section 4.6.

Term Loan Maturity Date

The “Term Loan Maturity Date” means the maturity date for a Term Loan as determined pursuant to Section 4.6.

Unfunded Portion

The term “Unfunded Portion” means an amount equal to the Maximum Advance Amount less the total amount of all Advances funded as of such date.

Unutilized Fee

The term “Unutilized Fee” has the meaning set forth in Section 4.1(d) hereof.

Variable Interest Rate

The term “Variable Interest Rate” means any variable interest rate or rates to be paid under any Contracts or Bonds, the method of computing which variable interest rate shall be as specified in the applicable Contracts or Bonds, which Contracts or Bonds shall also specify either (i) the payment period or periods or time or manner of determining such period or periods or time for which each value of such variable interest rate shall remain in effect, and (ii) the time or times based upon which any change in such variable interest rate shall become effective, and which variable interest rate may, without limitation, be based on the interest rate on certain bonds or may be based on interest rate, currency, commodity or other indices.

Variable Interest Rate Contracts

The term “Variable Interest Rate Contracts” means, for any period of time, any Contracts or Bonds that bear a Variable Interest Rate during such period, except that no Contracts or Bonds shall be treated as a Variable Interest Rate Contract if the net economic effect of interest rates on any particular Parity Payments or such Contracts or Bonds and interest rates on any other Parity Payments of the same Contracts or Bonds, as set forth in such Contracts or Bonds, or the net economic effect of a Payment Agreement with respect to any particular Parity Payments, in either case is to produce obligations that bear interest at a fixed interest rate, and any Contracts or Bonds with respect to which a Payment Agreement is in force shall be treated as a Variable Interest Rate Contract if the net economic effect of the Payment Agreement is to produce obligations that bear interest at a Variable Interest Rate.

Water System

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

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations by the District. The District makes the following representations:

(a) The District is a municipal water district organized and existing under the laws of the State of California.

(b) The District has full legal right, power and authority to enter into this Installment Purchase Agreement and carry out its obligations hereunder, to carry out and consummate all other transactions contemplated by this Installment Purchase Agreement, and the District has complied any relevant provision of California law in all matters relating to such transactions.

(c) By proper action, the District has duly authorized the execution, delivery and due performance of this Installment Purchase Agreement.

(d) The District will not take or, to the extent within its power, permit any action to be taken which results in the interest paid for the installment purchase of the Project under the terms of this Installment Purchase Agreement being included in the gross income of the Purchaser or its assigns for purposes of federal or State of California personal income taxation or which results in interest on the payments due hereunder being included in the gross income of the owners thereof for federal income tax purposes or being subject to State of California personal income taxation.

(e) To the best of the District’s knowledge, the District is not in violation of any of the provisions of the laws of the State of California or the United States of America or any of the provisions of any order of any court of the State of California or the United States of America which would affect its existence, or its powers referred to in the preceding Section 2.1(b). The execution, delivery and performance by the District of this Installment Purchase Agreement (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment or decree of any court, arbitrator or governmental authority; (ii) will not violate any provisions of any document constituting, regulating or otherwise affecting the operations or activities of the District; and (iii) will not violate any provision of, constitute a default under, or result in the creation, imposition or foreclosure of any lien, mortgage, pledge, charge, security interest or encumbrance of any kind other than liens created or imposed by this Installment Purchase

Agreement, on any of the revenues or other assets of the District which could have a material adverse effect on the assets, financial condition, business or operations of the District, on the District's power to cause this Installment Purchase Agreement to be executed and delivered, or its ability to pay in full in a timely fashion the obligations of the District under this Installment Purchase Agreement.

(f) The District has obtained all consents, permits, licenses and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery and performance by the District of this Installment Purchase Agreement.

(g) Except as disclosed in writing to the Purchaser, there is no action, suit, inquiry or investigation or proceeding to which the District is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official which is pending or, to the best knowledge of the District, threatened in connection with any of the transactions contemplated by this Installment Purchase Agreement or against or affecting the assets of the District, nor, to the best knowledge of the District, is there any basis therefor, wherein an unfavorable decision, ruling or finding (a) would adversely affect the validity or enforceability of, or the authority or ability of the District to perform its obligations under, this Installment Purchase Agreement; or (b) would, in the reasonable opinion of the District, have a materially adverse effect on the ability of the District to conduct its business as presently conducted or as proposed or contemplated to be conducted.

(h) This Installment Purchase Agreement constitutes the legal, valid and binding special obligation of the District, enforceable against the District in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

(i) To the best knowledge of the District, there is not pending any change of law which, if enacted or adopted could have a material adverse effect on the assets, financial condition, business or operations of the District, on the District's power to enter into this Installment Purchase Agreement or its ability to pay in full in a timely fashion the obligations of the District under this Installment Purchase Agreement.

(j) The financial statements and other information previously provided to the Purchaser or provided to the Purchaser in the future are or will be complete and accurate and prepared in accordance with generally accepted accounting principles. There has been no material adverse change in the District's financial condition since such information was provided to the Purchaser.

(k) All information, certificates or statements given to the Purchaser pursuant to this Installment Purchase Agreement will be true and complete when given.

(l) Each representation and warranty of the District contained in this Installment Purchase Agreement is true and correct as of the Closing Date.

(m) The District is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued

by the Board of Governors of the Federal Reserve System); and no proceeds of an Advance will be or have been used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(n) The District is not in default in the performance, observance, or fulfillment of any of the obligations, covenants or conditions contained in any Contract or other ordinance, resolution, agreement or instrument to which it is a party which would have a material adverse effect on the ability of the District to perform its obligations hereunder or which would affect the enforceability hereof or thereof.

(o) The District represents that, under existing law, the District is not entitled to raise the defense of sovereign immunity in connection with any legal proceedings to enforce its contractual obligations under this Installment Purchase Agreement, or the transactions contemplated hereby or thereby including, without limitation, the Installment Payments.

(p) No filings, recordings, registrations or other actions are necessary to create and perfect the pledges provided for herein; all obligations of the District hereunder are secured by the lien and pledge provided for herein; and the liens and pledges provided for herein constitute valid prior liens subject to no other liens.

(q) The District is not and shall not at any time be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), and any successor thereto, the Secretary of the Treasury or included in any Executive Orders, that prohibits or limits the Purchaser from making any advance or extension of credit to the District or from otherwise conducting business with the District, and shall ensure that the proceeds of this Installment Purchase Agreement shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

(r) The District shall, promptly following a request by the Purchaser, provide all documentation and other information that the Purchaser reasonably requests in order to comply with its ongoing obligations under applicable law or regulation, including, without limitation, "know your customer" and anti-money laundering rules and regulations, including the Patriot Act (USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended from time to time, and any successor statute, and shall comply with all applicable Bank Secrecy Act laws and regulations, as amended.

(s) Upon the execution and delivery of this Installment Purchase Agreement, except for the Beck SRF Payments, the Morro SRF Payments, the 2018 Installment Payments, the 2018 Lease Payments, the 2022 Installment Payments, the District will have no other Bonds or Contracts outstanding payable from or secured by the Gross Revenues or any portion thereof. The District represents and warrants that it will incur additional Bonds or Contracts only in accordance with the provisions of Section 5.3 of this Installment Purchase Agreement.

Section 2.2 Representations and Warranties by the Purchaser. The Purchaser makes the following representations and warranties:

(a) The Purchaser is a national banking association in good standing under the laws of the jurisdiction in which it was formed, has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out and consummate all transactions contemplated by this Installment Purchase Agreement.

(b) This Installment Purchase Agreement is a valid, binding and enforceable obligation of the Purchaser.

ARTICLE III

ACQUISITION OF THE PROJECT; CLOSING

Section 3.1 Changes to the Project. The District may substitute other improvements for those listed as components of the Project in Exhibit A hereto, but only if the District first files with the Purchaser a statement of the District in the form attached as Exhibit C:

(a) identifying the improvements to be substituted and the improvements to District facilities they replace in the Project; and

(b) stating that the estimated costs of construction, acquisition and installation of the substituted improvements are not less than such costs for the improvements previously planned or if such costs are greater, that the District has demonstrated to the reasonable satisfaction of the Purchaser that the District has identified reasonable funding sources sufficient to pay for such increased costs.

Section 3.2 Sale and Purchase of the Project. In consideration for the Purchaser's assistance in financing the Project, the District agrees to sell, and hereby sells, to the Purchaser, and the Purchaser agrees to purchase and hereby purchases, from the District, the Project at the purchase price specified in Section 4.1 hereof and otherwise in the manner and in accordance with the provisions of this Installment Purchase Agreement.

Section 3.3 Purchase and Sale of the Project. In consideration for the Installment Payments as set forth in Section 4.2, the Purchaser agrees to sell, and hereby sells, to the District, and the District agrees to purchase, and hereby purchases, from the Purchaser, the Project at the purchase price specified in Section 4.1 hereof and otherwise in the manner and in accordance with the provisions of this Installment Purchase Agreement.

Section 3.4 Title. All right, title and interest in the Project shall vest in the District immediately upon execution and delivery of this Installment Purchase Agreement.

Section 3.5 Acquisition and Construction of the Project. The Purchaser hereby agrees to cause the Project to be constructed, acquired and installed by the District as its agent. The District shall enter into contracts and provide for, as agent for the Purchaser, the complete construction, acquisition and installation of the Project. The District hereby agrees that it will cause the construction, acquisition and installation of the Project to be diligently performed after the deposit of funds set forth in Section 4.1 below, and that it will use its best efforts to cause the construction, acquisition and installation of the Project to be completed, except if and to the extent that any force majeure event has occurred, including acts of God, tempest, storm, earthquake, war,

rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lock outs, lack of transportation facilities, pandemics, fire, explosion, or acts or regulations of governmental authorities. It is hereby expressly understood and agreed that the Purchaser shall be under no liability of any kind or character whatsoever for the payment of any cost of the Project and that all such costs and expenses shall be paid by the District.

Section 3.6 Conditions to Closing. The closing on this Installment Purchase Agreement is conditioned upon the satisfaction of each of the following:

(a) This Installment Purchase Agreement and all other instruments applicable to the execution thereof are in form and content satisfactory to the Purchaser and have been duly executed and delivered in form and substance satisfactory to the Purchaser and shall have not been modified, amended or rescinded, shall be in full force and effect on and as of the Closing Date and executed original or certified copies of each thereof shall have been delivered to the Purchaser.

(b) The Purchaser has received a certified copy of the Resolution which shall be in form and content satisfactory to the Purchaser and authorize the District to finance the Project, obtain the Advances and the Term Loan and perform all acts contemplated by this Installment Purchase Agreement; and a certified copy of all other ordinances, resolutions and proceedings taken by the District authorizing the District to finance the Project, obtain the Advances and the Term Loan and perform all acts contemplated by this Installment Purchase Agreement and the transactions contemplated hereunder and, together with such other certifications as to the specimen signatures of the officers of the District authorized to sign this Installment Purchase Agreement to be delivered by the District hereunder and as to other matters of fact as shall reasonably be requested by the Purchaser.

(c) The District has provided a certificate certifying that on the Closing Date each representation and warranty on the part of the District contained in this Installment Purchase Agreement is true and correct and no Event of Default, or event which would, with the passage of time or the giving of notice, constitute an Event of Default, has occurred and is continuing and no default exists under any other Bonds or Contracts, or under any other agreements by and between the District and the Purchaser and certifying as to such other matters as the Purchaser might reasonably request.

(d) The District has provided a certificate certifying that, other than this Installment Purchase Agreement, the only Senior Debt outstanding as of the Closing Date is the Beck SRF Payments, the Morro SRF Payments, the 2018 Installment Payments, the 2018 Lease Payments, the 2022 Installment Payments and that it can meet the tests required under such Contracts to issue this Installment Purchase Agreement.

(e) The Purchaser shall have received the opinion of Nossaman LLP and counsel to the District in form and substance satisfactory to it, as well as a tax certificate of the District pertaining to the interest component of the Installment Payments.

(f) All proceedings taken in connection with the transactions contemplated by this Installment Purchase Agreement, and all instruments, authorizations and other documents applicable thereto, are satisfactory to the Purchaser and its counsel.

(g) No law, regulation, ruling or other action of the United States, the State of California or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the District from fulfilling its obligations under this Installment Purchase Agreement or the other Contracts.

(h) Purchaser counsel, Nixon Peabody LLP, fees in the amount of (\$20,000) and any other fees and expenses due and payable in connection with the execution and delivery of this Installment Purchase Agreement shall have been paid by the District upon execution and delivery of this Installment Purchase Agreement;

(i) The Purchaser shall have been provided with the opportunity to review all pertinent financial information regarding the District, agreements, documents, and any other material information relating to the District or the Gross Revenues or any other component of the collateral securing the obligations of the District hereunder.

(j) All information provided by the District to the Purchaser is accurate in all material respects based on the best knowledge of the District, after due inquiry.

(k) The Purchaser shall have received such other certificates, approvals, filings, opinions and documents as shall be reasonably requested by the Purchaser.

(l) All other legal matters pertaining to the execution and delivery of this Installment Purchase Agreement shall be reasonably satisfactory to the Purchaser.

ARTICLE IV

SERIES 2024 INSTALLMENT PAYMENTS

Section 4.1 Advances; Fees.

(a) In order to induce the District to enter into this Installment Purchase Agreement, the Purchaser has agreed to make Advances to the District on Advance Dates in a total amount equal to \$10,000,000 which such amount shall be made in separate Advances until the Final Advance Date subject to the terms of this Installment Purchase Agreement and which such Advances shall be used by the District to construct the Project. For the avoidance of doubt, the District and the Purchaser acknowledge and agree that Advances may not be repaid or reborrowed.

(b) Subject to the terms and conditions of this Installment Purchase Agreement, including without limitation satisfaction of the conditions set forth in Section 4.5 hereof and upon delivery to the Purchaser of an Advance Request in the form of Exhibit E hereto, the Purchaser hereby agrees to make Advances to the District from time to time during the Advance Period in the aggregate principal amount equal to \$10,000,000. On the Final Advance Date, any remaining Unfunded Portion shall be advanced to the District.

(c) With respect to each Advance funded by the Purchaser from time to time hereunder, the Purchaser shall maintain, in accordance with its usual practices, records evidencing the indebtedness resulting from each such Advance and the amounts of interest payable on the Final Advance Date. In any legal action or proceeding in respect of any Advance, the entries made

in such records shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations therein recorded.

(d) The District shall pay to the Purchaser a nonrefundable fee (the “Unutilized Fee”), which shall be in the amount of 0.20% of the weighted average balance of the Unfunded Portion from the Closing Date to the Final Advance Date. The Unutilized Fee shall be calculated and paid on the Final Advance Date along with all unpaid interest due and owing under Advances.

(e) The Purchase Price to be paid by the District hereunder to the Purchaser is the sum of the principal amount of the District’s obligations hereunder plus the interest to accrue on the unpaid balance of such principal amount from the Closing Date to the Term Loan Maturity Date, subject to prepayment as provided in Article VII.

(f) The principal amount of the installment payments to be made by the District hereunder is set forth in Exhibit B hereto.

(g) The interest to accrue on the unpaid balance of the Term Loan is as specified in Section 4.2 and Exhibit B hereto, and shall be paid by the District as and constitute interest paid on the principal amount of the District’s obligations hereunder.

(h) All interest on Advances, Default Interest Rate and fees due and payable under this Installment Purchase Agreement shall be calculated on an actual over 360-basis. All interest due and owing on the Term Loan shall be calculated on the basis of a 360-day year of twelve 30-day months. Any sum due to the Purchaser and not paid when due and any sum due to the Purchaser upon the occurrence or during the continuance of any Event of Default hereunder shall bear interest at the Default Interest Rate.

(i) If the interest due and payable on any obligation hereunder computed at the applicable rate as provided in Section 4.2 hereof is in excess of Maximum Rate, the difference between what would have been the interest payable on such amounts had they accrued interest at the rate provided in Section 4.2 and the Maximum Rate (the “Interest Differential”) shall remain an obligation of the District. Notwithstanding anything herein to the contrary, if at any time there is an Interest Differential owed to the Purchaser, any reduction in interest rate that would result from the application of the Maximum Rate to the Default Interest Rate, shall not reduce the rate of interest below the Maximum Rate until the total amount due has been paid to the Purchaser as if the applicable rate computed as provided in Section 4.2 hereof had at all times been utilized.

(j) The District will be responsible for the payment of all reasonable fees, including all attorney fees in connection with an amendment or requested consents or waivers of this Installment Purchase Agreement that is at the request of the District.

Section 4.2 Series 2024 Installment Payments. (a) The District shall, subject to its rights of prepayment provided in Article VII, pay the Purchaser the Purchase Price in installment payments of interest and principal in the amounts and on the Series 2024 Installment Payment Dates as set forth in Exhibit B hereto. Whenever any Series 2024 Installment Payment to be made hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, with the same force and effect as if made on the

applicable Series 2024 Installment Payment Date. Interest on the Series 2024 Installment Payments shall be calculated based upon a 360-day year of twelve thirty-day months.

(b) Each Series 2024 Installment Payment shall be paid to the Purchaser in lawful money of the United States of America. In the event the District fails to make any of the payments required to be made by it under this section, such payment shall continue as an obligation of the District until such amount shall have been fully paid and the District agrees to pay the same with interest accruing thereon at the rate or rates of interest then applicable to the remaining unpaid principal balance of the Series 2024 Installment Payments if paid in accordance with their terms.

(c) The obligation of the District to make the Series 2024 Installment Payments is absolute and unconditional, and until such time as all of the Series 2024 Installment Payments have been paid in full (or provision for the payment thereof shall have been made pursuant to Article IX), the District will not discontinue or suspend any Series 2024 Installment Payments required to be made by it under this section when due, whether or not the Water System or any part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

(d) The payment of the Series 2024 Installment Payments due hereunder shall be made by the District to the Purchaser via wire instructions to be provided by the Purchaser to the District from time to time.

(e) The Purchaser will make the Advances under the following additional conditions: (i) this Installment Purchase Agreement is not being registered under the Securities Act of 1933 and is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (ii) the Purchaser will hold this Installment Purchase Agreement as one single instrument; (iii) no CUSIP numbers will be obtained for this Installment Purchase Agreement; (iv) no final official statement has been prepared in connection with the private placement of this Installment Purchase Agreement; (v) this Installment Purchase Agreement will not close through the DTC or any similar repository and will not be in book entry form; and (vi) this Installment Purchase Agreement is not listed on any stock or other securities exchange; and (vii) this Installment Purchase Agreement will not be rated.

Section 4.3 Increased Payments. (a) Increased Costs of Advances. If, after the execution and delivery of this Installment Purchase Agreement and solely related to Advances, (1) the introduction of or any change in or in the interpretation of any law, treaty or regulation, (2) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law) or (3) the introduction of any applicable law, rule, regulation or guideline regarding capital adequacy, or any change therein or any change in the interpretation or administration thereof by any central bank or governmental authority charged with the interpretation or administration thereof or supervision of compliance by the Purchaser with any request, guideline or directive regarding capital adequacy (whether or not having the force of law and after taking into account the Bank's or such Participant's policies as to capital adequacy) of any such central bank or other authority, shall either (x) impose, modify or deem applicable any reserve, special deposit, insurance premium, assessment, fee, capital requirement

(other than reserves and assessments taken into account in determining the applicable interest rate),, tax (other than income tax) or similar requirement against loan agreements entered into by the Purchaser similar to this Installment Purchase Agreement, or (y) impose on the Purchaser any other condition relating, directly or indirectly, to this Installment Purchase Agreement, and the result of any event referred to in (x) or (y) above shall be to (A) increase the cost to the Purchaser of maintaining this Installment Purchase Agreement in any material way, or (B) reduce any amount (or the effective return on capital) received or receivable by the Purchaser hereunder in any material way, then the District shall, upon written notice from the Purchaser (which notice shall set forth the matters described below), pay to the Purchaser, for the account of the Purchaser, from time to time as specified by the Purchaser, such additional amounts as shall be demanded by the Purchaser as sufficient to compensate the Purchaser, for such increased cost or reduction in yield or return, together with interest at the Interest Rate (as in effect from time to time) on amounts required to be paid under this Section 4.3 from the date of such notice until payment in full thereof, such amounts shall be due and payable within thirty (30) days after the District's receipt of written notice thereof; *provided*, that interest thereon shall not begin to accrue until the thirtieth (30th) day after such demand.

Notwithstanding the foregoing, for purposes of this Section 4.3(a), all requests, rules, guidelines or directives in connection with the Dodd-Frank Act enacted or issued after the effective date of this Agreement shall be deemed to be included in the provisions of this Section 4.3 and all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar Institution) or any Governmental District with proper jurisdiction over the Purchaser in regard to the foregoing enacted or issued after the date of this Agreement shall be deemed included in the provisions of this Section 4.3(a).

The Purchaser shall provide the District with written notice of an increased cost or reduction in yield or return to be incurred by the Purchaser as a result of any event mentioned in this Section 4.3 promptly following the Purchaser's final determination that such increased cost or reduction in yield or return will be the subject of the certificate described in the next succeeding sentence; *provided, however*, that the failure of the Purchaser to give any such notice shall not limit or otherwise affect the obligation of the District to pay the amount set forth in said certificate.

A certificate as to such increased cost or reduction in yield or return incurred by the Purchaser as a result of any event mentioned in this Section 4.3, prepared in reasonable detail and in accordance with this Section 4.3, submitted by the Purchaser to the District, shall be conclusive, absent manifest error, as to the amount thereof.

Failure or delay on the part of the Purchaser to demand compensation pursuant to this Section 4.3 shall not constitute a waiver of the Purchaser's right to demand such compensation;

(b) **Determination of Taxability.** (i) In the event a Determination of Taxability occurs, to the extent not payable to the Purchaser under the terms of this Installment Purchase Agreement, the District hereby agrees to pay to the Purchaser on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Purchaser on the interest component of the Installment Payments during the period for which the interest component of the Installment Payments is included in the gross income of the Purchaser

if the interest component of the Installment Payments had borne interest at the Taxable Rate, beginning on the Taxable Date (the “Taxable Period”), and (B) the amount of interest actually paid to the Purchaser during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by the Purchaser as a result of the interest component of the Installment Payments becoming included in the gross income of the Purchaser, together with any and all attorneys’ fees, court costs, or other out of pocket costs incurred by such the Purchaser in connection therewith;

Subject to the provisions of the paragraph below, the Purchaser shall afford the District the opportunity, at the District’s sole cost and expense, to contest (1) the validity of any amendment to the Code which causes the interest component of the Installment Payments to be included in the gross income of the Purchaser or (2) any challenge to the validity of the tax exemption with respect to the interest component of the Installment Payments, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); and

As a condition precedent to the exercise by the District of its right to contest set forth in clause (ii) above, the District shall, on demand, immediately reimburse the Purchaser for any and all expenses (including attorneys’ fees for services that may be required or desirable, as determined by the Purchaser in its sole discretion) that may be incurred by the Purchaser in connection with any such contest, and shall, on demand, immediately reimburse the Purchaser for any payments, including any taxes, interest, penalties or other charges payable by the Purchaser for failure to include such interest in its gross income.

Section 4.4 Payment in Lawful Money; No Set Off. Each Series 2024 Installment Payment shall be paid or caused to be paid by the District on each Series 2024 Installment Payment Date in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, to or upon the order of the Purchaser at such place as the Purchaser shall designate, in writing, to the District.

Notwithstanding any dispute between the District and the Purchaser, the District shall make each and all Series 2024 Installment Payments when due and shall not withhold any Series 2024 Installment Payments pending the final resolution of such dispute nor shall the District assert any right of set off or counterclaim against its obligation to make Series 2024 Installment Payments as set forth herein.

The obligation of the District to pay the Series 2024 Installment Payments from the Gross Revenues as herein provided is absolute and unconditional, and until such time as all of the Series 2024 Installment Payments have been fully paid, the District will not discontinue or suspend any Series 2024 Installment Payments required to be made by it under this section when due, whether or not the Project or any part thereof is operating or operable, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to abatement because of any damage to, destruction or condemnation of the Project, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

Section 4.5 Procedure for Requesting and Funding Advances.

(a) **Conditions to Funding Advances.** No Advance shall be requested by the District and the Purchaser shall have no obligation to honor an Advance Request except in accordance with the provisions and upon fulfillment of the terms and conditions set forth in this Installment Purchase Agreement. The funding by the Purchaser of each Advance is conditioned upon the satisfaction of each of the following, each of which shall be satisfactory in all respects to the Purchaser:

(i) **Advance Frequency.** Advance Requests may only be made during the Advance Period and shall be submitted to the Purchaser no more than twice in any calendar month, unless permitted more frequently by the Purchaser. Advances shall be made in amounts of \$500,000 or more (or such other amount as agreed to by the Purchaser).

(ii) **Representations and Warranties True; No Default.** At the time any Advance is to be made and as a result thereof, immediately thereafter, all representations and warranties of the District set forth in Article IV are true and correct as though made on the date of such Advance Request and on the date when such Advance is funded and no Event of Default hereunder has occurred and is continuing and no litigation is then pending or threatened concerning the District's authority to pledge the Gross Revenues as provided herein, and the District shall deliver an executed certificate of an Authorized Officer to such effect in connection with each Advance in substantially the form of Exhibit E.

(iii) **Obligations Current.** The District shall be current on all of its obligations hereunder.

(iv) **Advance Request.** The Purchaser shall have received an Advance Request from the District, the form of which is attached hereto as Exhibit E (each, an "Advance Request"), signed by the Authorized Officer of the District and containing the calculation of the amount of such Advance requested by the District.

(v) **Amount of Advance.** The amount of the requested Advance, when combined with the sum of all prior Advances made hereunder shall not exceed the Maximum Advance Amount. From each Advance the Purchaser will transfer amounts as specified in each Advance Request.

(vi) **Other Conditions Precedent to Funding Each Advance.** No Advance shall be requested or made after the Final Advance Date.

(b) **Funding of Advances.** Provided that the conditions set forth in Section 4.5(a) above are satisfied, within three (3) days of receipt by the Purchaser of an Advance Request signed by the Authorized Officer, the Purchaser shall provide the amount of such Advance to the District at such depository as the District may direct.

Section 4.6 Conversion to Term Loan. Provided that (i) no Event of Default shall have occurred and be continuing and (ii) all representations and certifications and agreements herein are then true and correct, the Advances shall convert to term loan (the "Term Loan") that shall be payable in full by no later than the 10th anniversary of the Final Advance Date, i.e., [September

24, 2034] (such date, the “Term Loan Maturity Date”). Such conversion shall occur by the District delivering to the Purchaser a Conversion Notice, appropriately completed and signed by an Authorized Officer, at least three (3) Business Days prior to the Final Advance Date. The Term Loan shall be a fully amortizing loan in approximately equal installments of principal and interest and shall mature on the Term Loan Maturity Date. Principal and interest at the Interest Rate on the Term Loan shall be payable on each Interest Payment Date as set forth on Exhibit B hereto.

ARTICLE V

SECURITY

Section 5.1 Pledge of Revenues. All Gross Revenues and all amounts on deposit in the Revenue Fund are hereby irrevocably pledged to the payment of the Series 2024 Installment Payments as provided herein, and except as provided in and according to the priorities with respect to the use of Gross Revenues established in Section 5.2 hereof, the Gross Revenues shall not be used for any other purpose while any of the Series 2024 Installment Payments remain unpaid; provided that out of the Gross Revenues and amounts on deposit in the Revenue Fund there may be apportioned such sums for such purposes as are expressly permitted herein including the parity claim of any Bonds or Contracts. This pledge, together with the pledge created by all other Contracts and Bonds, shall constitute a first lien on and security interest in the Gross Revenues and the Revenue Fund and all amounts on deposit therein as permitted herein and subject to the application of Gross Revenues in accordance with the terms hereof.

Section 5.2 Allocation of Revenues. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants that all Gross Revenues shall be received by the District in trust and shall be deposited when and as received in the “Revenue Fund” which fund the District has previously established and hereby agrees and covenants to maintain and to hold separate and apart from other funds so long as any Series 2024 Installment Payments, Contracts or Bonds remain unpaid. Moneys in the Revenue Fund shall be used and applied by the District as provided in this Installment Purchase Agreement and as needed to make payments on other Bonds and Contracts.

The District shall, from the moneys in the Revenue Fund, first, pay all Series 2024 Installment Payments and amounts due on other Bonds and Contracts (including as required to replenish Reserve Funds), all on a pro rata basis; second, pay all Operation and Maintenance Costs (including amounts reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required); and third, make all payments due on Subordinate Obligations, as the same shall become due and payable. All moneys in the Revenue Fund used to pay the Series 2024 Installment Payments shall be set aside by the District and applied as follows: On or before each Series 2024 Installment Payment Date, the District shall, from the moneys in the Revenue Fund, transfer to the Purchaser for a sum equal to the Series 2024 Installment Payment coming due on such Series 2024 Installment Payment Date.

On the last day of each month, moneys on deposit in the Revenue Fund not required to make any of the payments required above may be expended by the District at any time for any purpose permitted by law.

Section 5.3 Additional Contracts and Bonds. The District may at any time execute any Contract or issue any Bonds, as the case may be, payable from Gross Revenues on a parity with the Beck SRF Payments, the Morro SRF Payments, the 2018 Installment Payments, the 2018 Lease Payments, the 2022 Installment Payments and the Series 2024 Installment Payments in accordance herewith; provided there shall be on file with the District either:

(a) The District is not then in default under the terms of this Installment Purchase Contract; and

(b) Either

(i) the Net Revenues, calculated in accordance with Generally Accepted Accounting Principles, as shown by the books of the District for the latest Fiscal Year for which audited financial information is available or as shown by the books of the District for any more recent 12-month period selected by the District in its sole discretion, in either case verified by a certificate or opinion of an independent certified public accountant acceptable to the Purchaser in its sole discretion, plus, at the option of the District, any or all of the items described in the following subsection (c), at least equal 120% of the amount of Maximum Annual Debt Service; or which would have accrued had such Contract been executed or Bonds been issued at the beginning of such Fiscal Year or twelve month period.

(ii) the average annual Net Revenues for the prior 36-month period, calculated in accordance with Generally Accepted Accounting Principles, as shown by the books of the District for the three prior Fiscal Years for which audited financial information is available or as shown by the books of the District for any more recent 36-month period selected by the District in its sole discretion, verified by a certificate or opinion of an independent certified public accountant acceptable to the Purchaser in its sole discretion, plus, at the option of the District, any or all of the items described in the following subsection (c), at least equal 120% of the amount of Maximum Annual Debt Service;

(c) At the option of the District, there may be added to the Net Revenues for purposes of meeting the requirements of the foregoing subsection (b) an allowance for Net Revenues arising from either of the following:

(i) An allowance for Net Revenues from any improvements to the Water System to be made with the proceeds of such Bonds and Contracts and also for Net Revenues from any such improvements which have been made from moneys from any source but in any case which, during all or any part of the period described in the foregoing subsection (b), were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived

from such improvements for the first 36 month period in which each improvement is respectively to be in operation, all as shown by the certificate or opinion of a qualified independent engineer acceptable to the Purchaser in its sole discretion.

- (ii) An allowance for Net Revenues arising from any increase in the charges made for service from the Water System which has been adopted prior to the incurring of such Bonds and Contracts but which, during all or any part of the period described in the foregoing subsection (b), was not in effect, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such period, all as shown by the certificate or opinion of an independent certified public accountant acceptable to the Purchaser in its sole discretion.

Notwithstanding the foregoing, Bonds issued or Contracts executed to refund Bonds or Contracts may be delivered without satisfying the conditions set forth above if Debt Service in each Fiscal Year after the Fiscal Year in which such Bonds are issued or Contracts executed is not greater than Debt Service would have been in each such Fiscal Year prior to the issuance of such Bonds or execution of such Contracts.

(d) Notwithstanding the foregoing, the District may issue evidence of indebtedness or incur other obligations for any lawful purpose that are payable from and secured by a lien on Gross Revenues or money in the Revenue Fund as may from time to time be deposited therein subordinate to the Series 2024 Installment Payments, so long as each of the following conditions has been met:

- (i) No Events of Default hereunder have occurred and are continuing and all amounts due and owing under this Installment Purchase Agreement have been paid.
- (ii) Either
 1. The Net Revenues, calculated in accordance with Generally Accepted Accounting Principles, as shown by the books of the District for the latest Fiscal Year for which audited financial information is available or as shown by the books of the District for any more recent 12-month period selected by the District in its sole discretion, in either case verified by a certificate or opinion of an independent certified public accountant acceptable to the Purchaser in its sole discretion, plus, at the option of the District, any or all of the items described in the prior subsection (c), at least equal 110% of the amount of annual Debt Service based at the Assumed Interest Rate after payment of any senior Bonds or Contracts (including this Installment Purchase Agreement); or which would have accrued had such Contract been executed or Bonds been issued at the beginning of such Fiscal Year or twelve month period.

2. The average annual Net Revenues for the prior 36-month period, calculated in accordance with Generally Accepted Accounting Principles, as shown by the books of the District for the three prior Fiscal Years for which audited financial information is available or as shown by the books of the District for any more recent 36-month period selected by the District in its sole discretion, verified by a certificate or opinion of an independent certified public accountant acceptable to the Purchaser in its sole discretion, plus, at the option of the District, any or all of the items described in the prior subsection (c), at least equal 110% of the amount of annual Debt Service based at the Assumed Interest Rate of any senior Bonds or Contracts (including this Installment Purchase Agreement);
 - (ii) Any remedies to be exercised under any subordinate obligation shall not interfere with the District's receipt of Gross Revenues to pay Maintenance and Operations Costs and debt service on any senior Bonds or Contracts (including this Installment Purchase Agreement) and no acceleration of such subordinate obligation may be accelerated without the prior written consent of the Purchaser.

Section 5.4 Investments. All moneys held by the District in the Revenue Fund shall be invested in Permitted Investments and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

ARTICLE VI

COVENANTS OF THE DISTRICT

Section 6.1 Compliance with Installment Purchase Agreement and Ancillary Agreements. The District will punctually pay the Series 2024 Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate this Installment Purchase Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Purchaser to observe or perform any agreement, condition, covenant or term contained herein required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Purchaser or, except as provided in Sections 3.5 and 6.6 hereof, any force majeure, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lock outs, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

It is expressly understood and agreed by and among the parties to this Installment Purchase Agreement, subject to Section 10.6 hereunder, each of the agreements, conditions, covenants and

terms contained in each such agreement is an essential and material term of the purchase of and payment for the Project by the District pursuant to the Law.

The District will faithfully observe and perform all the agreements, conditions, covenants and terms required to be observed and performed by it pursuant to all outstanding Contracts and Bonds as such may from time to time be executed or issued, as the case may be.

Section 6.2 Against Encumbrances. The District will not make any pledge of or place any lien on Gross Revenues or the moneys in the Revenue Fund except as provided herein. The District may at any time, or from time to time, issue evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of and lien on Gross Revenues or any moneys in the Revenue Fund as may from time to time be deposited therein, provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein.

Section 6.3 Against Sale or Other Disposition of Property. The District will not enter into any agreement or lease which materially impairs the operation of the Water System or any part thereof necessary to secure adequate Gross Revenues for the payment of the Series 2024 Installment Payments, or which would otherwise impair the rights of the Purchaser hereunder or the operation of the Water System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Water System, or any material or equipment which has become worn out, may be sold if such sale will not materially impair the ability of the District to pay the Series 2024 Installment Payments and if the proceeds of such sale are deposited in the Revenue Fund.

Nothing herein shall restrict the ability of the District to sell any portion of the Water System if such portion is immediately repurchased by the District and if such arrangement cannot by its terms result in the purchaser of such portion of the Water System exercising any remedy which would deprive the District of or otherwise interfere with its right to own and operate such portion of the Water System.

Section 6.4 Against Competitive Facilities. The District will not, to the extent permitted by law, acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the District any water system competitive with the Water System; provided the District with the prior written consent of the Purchaser may transfer or assign all or any portion of the Water System to another entity which agrees to assume the District's obligations hereunder.

Section 6.5 Tax Covenants. Notwithstanding any other provision of this Installment Purchase Agreement, absent an opinion of counsel to the District that the exclusion from gross income of the interest component of the Series 2024 Installment Payments will not be adversely affected for federal income tax purposes, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income on the interest component of the Series 2024 Installment Payments and specifically covenant, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The District will not take or omit to take any action or make any use of the proceeds received under this Installment Purchase Agreement or of any other moneys or property which would cause the interest component of the Series 2024 Installment Payments to be “private activity bonds” within the meaning of Section 141 of the Code.

(b) Arbitrage. The District will make no use of the proceeds received under this Installment Purchase Agreement or of any other amounts or property, regardless of the source, or take or omit to take any action which would cause the interest component of the Series 2024 Installment Payments to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(c) Federal Guarantee. The District will make no use of the proceeds received under this Installment Purchase Agreement or take or omit to take any action that would cause the interest component of the Series 2024 Installment Payments to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirements of Section 149(e) of the Code necessary to preserve the exclusion of the interest component of the Series 2024 Installment Payments pursuant to Section 103(a) of the Code.

(e) Hedge Bonds. The District will make no use of the proceeds received under this Installment Purchase Agreement or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the interest component of the Series 2024 Installment Payments to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the District take all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of the interest component of the Series 2024 Installment Payments for federal income tax purposes.

(f) Miscellaneous. The District will take no action, or omit to take any action, inconsistent with the expectations stated in any Tax Certificate executed in connection with this Installment Purchase Agreements and will comply with the covenants and requirements stated therein and incorporated by reference herein.

This section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the District from issuing Bonds or executing and delivering Contracts, the interest with respect to which has been determined by Special Counsel to be subject to federal income taxation.

Section 6.6 Maintenance and Operation of the Water System. The District will maintain and preserve the Water System in good repair and working order at all times and will operate the Water System in an efficient and economical manner and will pay all Operation and Maintenance Costs as they become due and payable, except if and to the extent that any force majeure event has occurred, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lock outs, lack of transportation facilities, pandemics, fire, explosion, or acts or regulations of governmental authorities.

Section 6.7 Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Gross Revenues or the funds or accounts created hereunder or on any funds in the hands of the District pledged to pay the Series 2024 Installment Payments prior or superior to the lien of the Series 2024 Installment Payments or which might impair the security of the Series 2024 Installment Payments.

Section 6.8 Compliance with Contracts. The District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all contracts for the use of the Water System and all other contracts affecting or involving the Water System, to the extent that the District is a party thereto.

Section 6.9 Insurance.

(a) The District will procure and maintain or cause to be procured and maintained insurance on the Water System with responsible insurers in such amounts and against such risks (including accident to or destruction of the Water System) as are usually covered in connection with facilities similar to the Water System so long as such insurance is available from reputable insurance companies.

In the event of any damage to or destruction of the Water System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Water System. The District shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such Net Proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Water System shall be free and clear of all claims and liens.

If such Net Proceeds exceed the costs of such reconstruction, repair or replacement portion of the Water System, and/or the cost of the construction of additions, betterments, extensions or improvements to the Water System, then the excess Net Proceeds may, at the option of the District, be applied in part to the prepayment of Series 2024 Installment Payments as provided in Section 7.1 and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion which the aggregate unpaid principal balance of Series 2024 Installment Payments then bears to the aggregate unpaid principal amount of such Bonds and Contracts. If such Net Proceeds are sufficient to enable the District to retire the entire obligation evidenced hereby prior to the final due date of the Series 2024 Installment Payments as well as the entire obligations evidenced by Bonds and Contracts then remaining unpaid prior to their final respective due dates, the District may elect not to reconstruct, repair or replace the damaged or destroyed portion of the Water System, and/or not to construct other additions, betterments, extensions or improvements to the Water System; and thereupon such Net Proceeds shall be applied to the prepayment of Series 2024 Installment Payments as provided in Section 7.1 and to the retirement of such Bonds and Contracts.

(b) The District will procure and maintain such other insurance which it shall deem advisable or necessary to protect its interests and the interests of the Purchaser, which

insurance shall afford protection in such amounts and against such risks as are usually covered in connection with municipal retail water systems similar to the Water System.

(c) Any insurance required to be maintained by paragraph (a) above and, if the District determines to procure and maintain insurance pursuant to paragraph (b) above, such insurance, may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner usually maintained in connection with municipal retail water systems similar to the Water System and is, in the opinion of an accredited actuary, actuarially sound.

All policies of insurance required to be maintained herein shall provide that the Purchaser shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Section 6.10 Accounting Records; Financial Statements and Other Reports.

(a) The District will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the District, which records shall be available for inspection by the Purchaser at reasonable hours and under reasonable conditions.

(b) The District will prepare and file with the Purchaser annually within two hundred seventy (270) days after the close of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2024) financial statements of the District for the preceding Fiscal Year prepared in accordance with generally accepted accounting principles, together with the report of an Independent Certified Public Accountant thereon and a certificate of an Authorized Officer certifying that no Event of Default has occurred or is continuing under this Installment Purchase Agreement.

(c) During each Fiscal Year, the District will deliver a copy of its operating budget to the Purchaser annually within thirty (30) days after the adoption thereof.

(d) The District shall provide the Purchaser with notice of any material litigation no later than ten (10) Business Days after being served thereof. For purposes of this provision, "material litigation" shall mean any litigation that would expose the District to uninsured costs in excess of \$10,000,000.

(e) The District shall provide written notice of any default hereunder as soon as the District becomes aware of any default hereunder.

(f) The District shall furnish at the Purchaser's request such additional information that the Purchaser may from time to time reasonably request.

(g) The District shall furnish notice to the Purchaser of any occurrence of an event described in subsection (b)(5)(i)(C) of the Securities and Exchange District Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, §240.15c2-12), as applicable, in a timely manner but not in excess of ten business days after the occurrence of such event.

Section 6.11 Protection of Security and Rights of the Purchaser. The District will preserve and protect the security hereof and the rights of the Purchaser to the Series 2024 Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 6.12 Payment of Taxes and Compliance with Governmental Regulations. The District will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Water System, or any part thereof or upon the Gross Revenues when the same shall become due; provided the District shall not be required to pay such taxes, assessments and other governmental charges so long as the validity or application thereof shall be contested in good faith. The District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Water System, or any part thereof; but the District shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 6.13 Amount of Rates and Charges.

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

(b) So long as the District has complied with its obligations set forth in subsection (a) above, the failure of Net Revenues to meet the threshold set forth in Section 6.14(a) above at the end of a Fiscal Year shall not constitute a default or an Event of Default so long as the District has complied with Section 6.14(a) at the commencement of the succeeding Fiscal Year.

Section 6.14 Collections of Rates and Charges. The District will have in effect at all times rules and regulations requiring all users of the Water System to pay the assessments, rates, fees and charges applicable to the Water System provided or made available to such users. Such rules and regulations shall also provide for the billing thereof and for a due date and a delinquency date for each bill.

Section 6.15 Eminent Domain Proceeds. If all or any part of the Water System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If (1) the District files with the Purchaser a certificate showing (i) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions or improvements to the Water System proposed to be acquired and constructed by the District from such Net Proceeds, and (iii) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements, and (2) the District, on the basis of such certificate filed with the Purchaser, determines that the estimated additional annual

Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive), then the District shall promptly proceed with the acquisition and construction of such additions, betterments, extensions or improvements substantially in accordance with such certificate and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any balance of such Net Proceeds not required by the District for such purpose shall be held by the District and shall be treated as Gross Revenues.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied by the District in part to the prepayment of Series 2024 Installment Payments as provided in Section 7.1 and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion which the aggregate unpaid principal components of the Series 2024 Installment Payments then bears to the aggregate unpaid principal amount of such Bonds and Contracts.

Section 6.16 Further Assurances. The District will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Purchaser of the rights and benefits provided to it herein.

Section 6.17 Enforcement of Contracts. So long as amounts are owed by the District hereunder, the District will not voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or otherwise take any action under or in connection with any contracts previously or hereafter entered into which contracts provide for water to be supplied to the District which will reduce the supply of water thereunder (except as provided therein) if such rescission or amendment would in any manner impair or adversely affect the rights of the Purchaser.

Section 6.18 Superior Additional Obligations. The District shall not execute any Contracts or issue any Bonds, as the case may be, that are payable from or secured by a pledge of and lien on Gross Revenues and any money in the Revenue Fund superior to the pledge securing the Series 2024 Installment Payments.

ARTICLE VII

PREPAYMENT OF SERIES 2024 INSTALLMENT PAYMENTS

Section 7.1 Prepayment.

(a) The District may or shall, as the case may be, prepay from the Net Proceeds as provided in Sections 6.9 and 6.15 herein on any date all or any part of the unpaid Series 2024 Installment Payments at a prepayment price equal to the sum of the principal components prepaid plus accrued interest thereon to the date of prepayment.

(b) The District may not make any prepayments of the principal of any Advance. The Term Loan may not be prepaid until five years after the conversion thereto (i.e., not before [September 24, 2029]). Thereafter, the District may prepay the Series 2024 Installment Payments, as a whole or in part, on any Business Day on or after [September 25, 2029], advance

at a prepayment price equal to the principal component of the Series 2024 Installment Payments being prepaid, together with all interest components of the Series 2024 Installment Payments due through such prepayment date, without premium.

In the event of prepayment in part, the partial prepayment shall be applied by the Purchaser against Installment Payments in the manner directed by the District, and the District shall cause to be provided to the Purchaser a revised schedule of Series 2024 Installment Payments reflecting said partial prepayment.

Notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Purchaser) and the requirements of Article IX hereof shall have been satisfied.

Section 7.2 Method of Prepayment. Before making any prepayment pursuant to Section 7.1, the District shall, within five (5) days following the event permitting the exercise of such right to prepay or creating such obligation to prepay or a determination to prepay, give written notice to the Purchaser describing such event and specifying the date on which the prepayment will be paid, which date shall be not less than thirty (30) days from the date such notice is given unless a shorter period is agreed to by the Purchaser in its sole discretion.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY

Section 8.1 Events of Default and Acceleration of Maturities. If one or more of the following Events of Default shall happen, that is to say --

(1) if default shall be made by the District in the due and punctual payment of any Series 2024 Installment Payment or any Contract or Bond when and as the same shall become due and payable;

(2) if default shall be made by the District in the performance of any of the agreements or covenants required herein or in connection with any Contract or Bond to be performed by it, and such default shall have continued for a period of sixty (60) days after the District shall have been given notice in writing of such default by the Purchaser;

(3) if the District shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property;

(4) if payment of the principal of any Contract or Bond is accelerated in accordance with its terms;

(5) any representation or warranty made by the District in this Installment Purchase Agreement or any certificate, instrument, financial or other statement furnished by the District to the Purchaser, proves to have been untrue or incomplete in any material respect when made or deemed made;

(6) any judgment or court order for the payment of money exceeding any applicable insurance coverage by more than \$10,000,000 in the aggregate is rendered against the District and the District fails to vacate, bond, stay, contest, pay or satisfy such judgment or court order for 60 days;

(7) this Installment Purchase Agreement, or any material provision hereof or thereof, (i) ceases to be valid and binding on the District or is declared null and void, or the validity or enforceability thereof is contested by the District (unless being contested by the District in good faith), or the District denies it has any or further liability under any such document to which it is a party; or (ii) any pledge or security interest created fails to be fully enforceable with the priority required hereunder or thereunder; or

(8) moratorium, suspension or termination of the existence of the District;

then and in each and every such case upon the occurrence of such Event of Default specified in clauses (3) and (4) above, without any notice to the District, the Purchaser shall declare the entire principal amount of the unpaid Series 2024 Installment Payments and the accrued interest thereon shall be immediately due and payable, and for any other Event of Default the Purchaser may, by notice in writing to the District, declare the entire principal amount of the unpaid Series 2024 Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding. This section, however, is subject to the condition that if at any time after the entire principal amount of the unpaid Series 2024 Installment Payments and the accrued interest thereon shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered the District shall deposit with the Purchaser a sum sufficient to pay the unpaid principal amount of the Series 2024 Installment Payments or the unpaid payment of any other Contract or Bond referred to in clause (1) above due prior to such declaration and the accrued interest thereon, with interest on such overdue installments, at the rate or rates applicable to the remaining unpaid principal balance of the Series 2024 Installment Payments or such Contract or Bond if paid in accordance with their terms, and the reasonable expenses of the District, and any and all other defaults known to the District (other than in the payment of the entire principal amount of the unpaid Series 2024 Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Purchaser, if appropriate, or provision deemed by the Purchaser, if appropriate, to be adequate shall have been made therefor, then and in every such case the Purchaser, if appropriate by written notice to the District, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 8.2 Application of Funds Upon Acceleration. Upon the date of the declaration of acceleration as provided in Section 8.1, all Gross Revenues thereafter received by the District shall be applied in the following order --

First, to the payment of the fees, costs and expenses of the Purchaser, if any, in carrying out the provisions of this article, including reasonable compensation to its accountants and counsel and any outstanding fees and expenses of the Purchaser;

Second, to the payment of the Operation and Maintenance Costs;

Third, to the payment of the entire principal amount of the unpaid Series 2024 Installment Payments and the unpaid principal amount of all Bonds and Contracts and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the Series 2024 Installment Payments and such Bonds and Contracts if paid in accordance with their respective terms; and

Fourth, to the payment of Subordinate Obligations in accordance with the terms thereof

Section 8.3 Other Remedies of the Purchaser. The Purchaser shall have the right:

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

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

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

Notwithstanding anything contained herein, the Purchaser shall have no security interest in or mortgage on the Project, the Water System or other assets of the District and no default hereunder shall result in the loss of the Project, the Water System, or other assets of the District.

Section 8.4 Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the Series 2024 Installment Payments to the Purchaser at the respective due dates or upon prepayment from the Gross Revenues, the Revenue Fund and the other funds herein pledged for such payment, or shall affect or impair the right of the Purchaser, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Purchaser shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Purchaser to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or

contract or an acquiescence therein, and every right or remedy conferred upon the Purchaser under the Law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Purchaser.

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

Section 8.5 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Purchaser is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred under law.

ARTICLE IX

DISCHARGE OF OBLIGATIONS

Section 9.1 Discharge of Obligations. When

(a) all or any portion of the Series 2024 Installment Payments shall have become due and payable in accordance herewith or a written notice of the District to prepay all or any portion of the Series 2024 Installment Payments shall have been filed with the Purchaser; and

(b) there shall have been deposited with the Purchaser, or a third party escrow agent, at or prior to the Series 2024 Installment Payment Dates or date (or dates) specified for prepayment, in trust for the benefit of the Purchaser or its assigns and irrevocably appropriated and set aside to the payment of all or any portion of the Series 2024 Installment Payments, sufficient moneys and non-callable Defeasance Securities, the principal of and interest on which when due will provide money sufficient to pay all principal, prepayment premium, if any, and interest of such Series 2024 Installment Payments to their respective Series 2024 Installment Payment Dates or prepayment date or dates as the case may be; and

(c) provision shall have been made for paying all fees and expenses of the Purchaser, then and in that event, the right, title and interest of the Purchaser herein and the obligations of the District hereunder shall, with respect to all or such portion of the Series 2024 Installment Payments as have been so provided for, thereupon cease, terminate, become void and be completely discharged and satisfied (except for the rights of the Purchaser and the obligation of the District to have such Defeasance Securities applied to the payment of such Series 2024 Installment Payments).

In such event, upon request of the District the Purchaser shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence such total or partial discharge and satisfaction, as the case may be, and, in the event of a total discharge and satisfaction, the Purchaser or third party escrow agent shall pay over to the District all such Defeasance Securities held by it pursuant hereto other than such Defeasance

Securities, as are required for the payment or prepayment of the Series 2024 Installment Payments, which Defeasance Securities shall continue to be held by the Purchaser or third party escrow agent in trust for the payment of the Series 2024 Installment Payments and shall be applied to the payment of the Series 2024 Installment Payments of the District.

ARTICLE X

MISCELLANEOUS

Section 10.1 Liability of District Limited. Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Gross Revenues and the other funds provided herein for the payment of the Series 2024 Installment Payments or for the performance of any agreements or covenants required to be performed by it contained herein. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

The obligation of the District to make the Series 2024 Installment Payments is a special obligation of the District payable solely from such Gross Revenues and other funds described herein, and does not constitute a debt of the District or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 10.2 Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the District or the Purchaser and its assigns any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the District or the Purchaser shall be for the sole and exclusive benefit of the other party.

Section 10.3 Successor Is Deemed Included in all References to Predecessor. Whenever either the District or the Purchaser is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District or the Purchaser, and all agreements and covenants required hereby to be performed by or on behalf of the District or the Purchaser shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.4 Waiver of Personal Liability. No director, officer or employee of the District shall be individually or personally liable for the payment of the Series 2024 Installment Payments, but nothing contained herein shall relieve any director, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 10.5 Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles,

sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith” and other words of similar import refer to the Installment Purchase Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 10.6 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the District or the Purchaser shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The District and the Purchaser hereby declare that they would have executed the Installment Purchase Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.7 Assignment. The Purchaser’s right, title and interest in and to this Installment Purchase Agreement may be participated, assigned and reassigned by the Purchaser in whole to one or more subsequent assignees, subject to the limitations set forth in this Section 10.7, without the necessity of obtaining the consent of the District. The Purchaser acknowledges and agrees that the restrictions and limitations on transfer as provided in this Section 10.7 shall apply to the first and subsequent assignees of any of the Purchaser’s right, title and interest in, to and under this Installment Purchase Agreement.

Any such assignment, transfer or conveyance (i) shall be made only to an investor which is a “qualified institutional buyer” as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended, or an “Accredited Investor” as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933 Act and is purchasing its right, title and interest in and to this Installment Purchase Agreement for its own account with no present intention to resell its interest herein; (ii) shall not require the District to make Series 2024 Installment Payments to, send notices to or otherwise deal with respect to matters arising under this Installment Purchase Agreement with any entity other than the Purchaser or a subsequent entity to whom the Purchaser transfers its right, title and interest hereunder in whole, and (iii) shall be made only to investors who complete and submit to the District a letter substantially in the form attached hereto as Exhibit D. Neither the Purchaser nor any subsequent assignee may participate out any interest held by it in this Installment Purchase Agreement and the Series 2024 Installment Payments other than in accordance with this Section 10.7. No assignment, transfer or conveyance of any of the Purchaser’s rights hereunder shall be effective until such subsequent assignee has executed a letter substantially in the form attached hereto as Exhibit D and delivered it to the District.

No assignment, transfer or conveyance of the Purchaser’s rights in whole permitted by this Section 10.7 shall be effective until the District shall have received a written notice of assignment that discloses the name and address of such assignee.

Section 10.8 Net Contract. The Installment Purchase Agreement shall be deemed and construed to be a net contract, and the District shall pay absolutely net during the term hereof of the

Series 2024 Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

Section 10.9 California Law. THE INSTALLMENT PURCHASE AGREEMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 10.10 Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the District: Rainbow Municipal Water District
3707 Old 395 Highway
Fallbrook, California 94019
Attention: General Manager

If to the Purchaser: U.S. Bank National Association
777 E. Wisconsin Avenue
Milwaukee, Wisconsin 53202
Attention: Dan Clements

Section 10.11 Effective Date. The Installment Purchase Agreement shall become effective upon its execution and delivery, and shall terminate when the Purchase Price shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Purchaser).

Section 10.12 Execution in Counterparts. The Installment Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 10.13 Indemnification of Purchaser. The District hereby agrees to indemnify and hold harmless the Purchaser and its directors, officers and employees if and to the extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses with counsel selected by the District and reasonably approved by the Purchaser, arising out of or in connection with the acceptance or the performance of its duties hereunder; provided that no indemnification will be made for willful misconduct, negligence or breach of an obligation hereunder by the Purchaser.

Section 10.14 Amendments Permitted. This Installment Purchase Agreement and the rights and obligations of the Purchaser and the District may be modified or amended at any time by an amendment hereto which shall become binding upon execution by the District and the Purchaser.

Section 10.15 Arm's Length Transaction. The transaction described in this Installment Purchase Agreement is an arm's length, commercial transaction between the District and the Purchaser in which: (i) the Purchaser is acting solely as a principal (i.e., as a lender) and for its own interest; (ii) the Purchaser is not acting as a municipal advisor or financial advisor to the District; (iii) the Purchaser has no fiduciary duty pursuant to Section 15B of the Securities

Exchange Act of 1934 to the District with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Purchaser or any of its affiliates has provided other services or is currently providing other services to the District on other matters); (iv) the only obligations the Purchaser has to the District with respect to this transaction are set forth in this Installment Purchase Agreement,; and (v) the Purchaser is not recommending that the District take an action with respect to the transaction described in this Installment Purchase Agreement and the other Loan Documents, and before taking any action with respect to the this transaction, the District should discuss the information contained herein with the District's own legal, accounting, tax, financial and other advisors, as the District deems appropriate.

Section 10.16 Judicial Reference. (a) TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF THE PARTIES IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS INSTALLMENT PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE PARTIES FURTHER AGREES THAT, IN THE EVENT OF LITIGATION, IT WILL NOT PERSONALLY OR THROUGH ITS AGENTS OR ATTORNEYS SEEK TO REPUDIATE THE VALIDITY OF THIS SECTION 10.16, AND IT ACKNOWLEDGES THAT IT FREELY AND VOLUNTARILY ENTERED INTO THIS INSTALLMENT PURCHASE AGREEMENT TO WAIVE TRIAL BY JURY IN ORDER TO INDUCE THE BANK TO FINANCE THE PROJECT.

(2) To the extent that the foregoing waiver of a jury trial is unenforceable under applicable State of California law, the parties agree to refer, for a complete and final adjudication, any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between a party or the parties and the Purchaser arising out of, in connection with or otherwise related or incidental to this Installment Purchase Agreement to a judicial referee who shall be appointed under a general reference pursuant to California Code of Civil Procedure Section 638, which referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The parties shall select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that the event the parties and the Purchaser cannot agree upon a referee, the referee will be appointed by the court. The fees and expense of any referee that is appointed in such action or proceeding shall be shared equally among the parties, but the prevailing party shall have the right to recover the portion paid by it from the non-prevailing party at the conclusion of the case.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

RAINBOW MUNICIPAL WATER DISTRICT

By: _____
Jake Wiley, General Manager

U.S. BANK NATIONAL ASSOCIATION, a
national banking association, as Purchaser

By: _____
Name: _____
Title: _____

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project comprises the following described improvements to the District's Water System:

[TO COME]

The District may substitute other improvements to the Water System for all or a portion of the improvements listed above.

EXHIBIT B

PURCHASE PRICE

1. The principal amount of the installment payments to be made by the District hereunder is \$10,000,000.

2. The installment payments of principal and interest are payable in the amounts and on the Series 2024 Installment Payment Dates as follows:

<i>Series 2024 Installment Payment Date</i>	<i>Principal Component</i>	<i>Interest Component</i>	<i>[Semi-Annual Component]</i>	<i>Annual Component</i>
---	--------------------------------	---------------------------	------------------------------------	-------------------------

	\$	\$	\$	\$
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EXHIBIT C

FORM OF SUBSTITUTION CERTIFICATE

[ADDRESSED TO PURCHASER]

The undersigned General Manager of the Rainbow Municipal Water District (the “District”) hereby states pursuant to Section 3.1 of the Installment Purchase Agreement, dated as of [_____, 2024], by and between District and U.S. Bank National Association (the “Installment Purchase Agreement”) that each component of the Project (as defined in the Installment Purchase Agreement) described in the Exhibit 1 attached hereto, with an estimated cost set forth in Exhibit 1, will be replaced by the corresponding improvement described in the Exhibit 1 with an estimated cost set forth in Exhibit 1.

Dated: _____, 20__

General Manager

EXHIBIT D

FORM OF LENDER LETTER

[Date]

Rainbow Municipal Water District
Fallbrook, California

Re: Rainbow Municipal Water District 2024 Installment Purchase Agreement (the
“Agreement”)

Ladies and Gentlemen:

The undersigned, [name of purchaser] (the “Purchaser”) hereby represents and warrants to you as follows:

1. The Purchaser, or one of its predecessor’s in interest, has loaned to the Rainbow Municipal Water District (the “District”) on the date hereof \$10,000,000 for the purpose of financing the Project pursuant to the Agreement (the Loan”).

2. The Purchaser has sufficient knowledge and experience in business and financial matters in general to enable the Purchaser to evaluate the Loan, the credit of the District, the collateral and the terms and that the Purchaser will make its own independent credit analysis and decision to enter into the Loan based on independent examination and evaluation of the transaction and the information deemed appropriate, without reliance on any other parties.

3. The Purchaser acknowledges that no CUSIP or credit rating has been sought or obtained with respect to the Loan.

4. The Purchaser acknowledges that no official statement has been prepared for the Loan, and that the District will not be entering into a continuing disclosure agreement to provide ongoing disclosure respecting the Loan; provided, however, that the District has agreed to provide certain ongoing information to the Purchaser. The Purchaser has been offered copies of or full access to all documents relating to the Loan and all records, reports, financial statements and other information concerning the District and pertinent to the source of payment for the Series 2024 Installment Payments as deemed material by the Purchaser, which the Purchaser as a commercial Purchaser, has requested and to which the Purchaser, as a commercial Purchaser, would attach significance in making its lending decision. The Purchaser acknowledges that the Installment Purchase Agreement is exempt from the requirements of Rule 15c2-12 of the Securities and Exchange District and that the District has not undertaken to provide continuing disclosure with respect to the Installment Purchase Agreement but that the District has agree to provide certain other ongoing financial information and notice of certain events pursuant to the Installment Purchase Agreement

5. The Purchaser confirms that it is able to bear the economic risk of its entering into the Loan, including a complete loss thereunder.

6. The Purchaser states that it is a “Qualified Institutional Buyer” as defined in Rule 144A under the Securities Act of 1933, as amended (the “1933 Act”), or an “Accredited Investor” as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the 1933 Act; and it is capable of evaluating risks and market value independently, both in general and with regard to transactions similar to the Loan.

7. The Purchaser is entering into the Loan solely for its own account with a present intent to continue as a party to the Agreement until the termination thereof, and not with a view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of Purchaser’s property will remain at all times within its control); provided, however, that the Purchaser shall not be precluded from transferring or assigning its interest in the Loan in accordance with the terms and conditions set forth in the Agreement and in compliance with all applicable securities laws.

8. The Purchaser understands that none of the documents in connection with the Loan (i) have been registered under the 1933 Act, or (ii) have been registered or qualified under any state securities or “Blue Sky” laws, and that none of such documents have been qualified under the Trust Indenture Act of 1939, as amended. Purchaser agrees that it will comply with any applicable state and federal securities in connection with respect to any disposition of its rights with respect to the Installment Purchase Agreement by it, and further acknowledges that any current exemption from registration of the Installment Purchase Agreement does not affect or diminish such requirements.

9. The Purchaser acknowledges that in connection with the Loan it has had the opportunity to consult with its own legal counsel and to negotiate this Letter prior to execution.

10. The Purchaser understands that the District and Counsel to the District will rely upon the accuracy and truthfulness of the representations and warranties contained herein and hereby consents to such reliance.

11. The signatory of this Letter is a duly authorized officer of the Purchaser with the authority to sign this Letter on behalf of the Purchaser, and this Letter has been duly authorized, executed and delivered.

12. Inasmuch as the Loan represents a negotiated transaction, the Purchaser is not acting as a fiduciary of the District, but rather is acting solely in its capacity as the provider of the Loan, for its own loan account. The District acknowledges and agrees that (i) the transaction contemplated herein is an arm’s length commercial transaction between the District and the Purchaser and its affiliates, (ii) in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a “Municipal Advisor” as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the “Municipal Advisor Rules”), (iii) the Purchaser and its affiliates are relying on the purchaser exemption in the Municipal Advisor Rules, (iv) the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated by the Loan and the discussions, undertakings and procedures leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has provided other services or advised, or is currently providing other

services or advising the District on other matters) and (v) the Purchaser and its affiliates have financial and other interests that differ from those of the District.

Very truly yours,

By: _____

Name: _____

Title: _____

EXHIBIT E

FORM OF ADVANCE REQUEST

**Rainbow Municipal Water District
Installment Purchase Agreement**

The undersigned certifies that he/she is an Authorized Officer under that certain Installment Purchase Agreement dated as of [_____, 2024] (the “Agreement”) by and between the Rainbow Municipal Water District and U.S. Bank National Association (the “Bank”). All capitalized terms used in this Advance Request (“Advance Request”) shall have the respective meanings assigned in the Agreement.

The undersigned Authorized Officer hereby makes a request to the Bank for an Advance and in support thereof states:

(i) The amount of the Advance so requested is \$_____.

(ii) Upon the funding of such Advance, the sum of all Advances will not exceed the Maximum Advance Amount.

(iii) At the time the requested Advance is to be made and as a result thereof, immediately thereafter, all representations and warranties of the District set forth in Article II of the Installment Purchase Agreement are true and correct as though made on the date hereof and will be true and correct as though made on the Advance Date and no Event of Default shall have occurred and be continuing on the date hereof and on the Advance Date and no litigation is currently pending or threatened concerning the District’s authority to pledge the Gross Revenues as provided in the Installment Purchase Agreement.

(iv) The requested Advance shall be made by the Bank by ACH batch transfer to the District in accordance with the instructions set forth below:

[Insert wire instructions]

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 20__.

RAINBOW MUNICIPAL WATER DISTRICT

By: _____
Authorized Officer

EXHIBIT F

FORM OF CONVERSION NOTICE

**Rainbow Municipal Water District
Installment Purchase Agreement**

The undersigned certifies that he/she is an Authorized Officer under that certain Installment Purchase Agreement dated as of [_____, 2024] (the “Agreement”) by and between the Rainbow Municipal Water District and U.S. Bank National Association (the “Bank”). All capitalized terms used in this Conversion Notice have the respective meanings assigned in the Agreement.

You are hereby notified that, as required by the Agreement, the District is converting the Advances to the Term Loan effective as of the [25th day of September, 2024] and maturing on [September 24], 2034:

Advance Date

Outstanding Principal Amount

[Include Unfunded Portion if applicable]

No Event of Default has occurred and is continuing under the Agreement.

All representations, warranties and certifications of District in the Agreement are true and correct as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 20__.

RAINBOW MUNICIPAL WATER DISTRICT

By _____
Authorized Officer

Exhibit B: Capital Projects Intended to be Financed

		Total Costs Estimated to be Financed*
Project #	Project Name	
600013	Hutton/Rancho Amigos (Turner)/Dentro Pump Station Project	\$ 5,100,000
300008	District Headquarters Rehab	\$ 500,000
600007	Pressure Reducing Stations	\$ 300,000
600009	Isolation Valve Installation Program	\$ 600,000
600050	Lookout Mountain PS w/ Enclosure & New Emergency Generator	\$ 500,000
600058	Manual Transfer Switches Rainbow Hills, Morro Hills & Vallecitos (100% Design)	\$ 200,000
600085	Gird to West Lilac Pipeline Rehabilitation (Possible CIPP)	\$ 125,000
TBD	SDCWA Connections 1, 8, 9 & 10 Acquisition	\$ 500,000
TBD	FPUD Maravilla to RMWD Maravilla (Morro Tank) (750 LF, in-house construction)	\$ 210,000
TBD	FPUD Olive Hill to RMWD Olive Hill (Morro Reservoir) (840 LF, in-house construction)	\$ 235,000
TBD	La Canada Pipeline Replacement and Pressure Reduction from Hillrise Rd. to Via Monserate (4,000 LF, in-house construction)	\$ 800,000
TBD	Gopher Skid Pump Station	\$ 710,000
N/A	Vehicle / Equipment Acquisition	\$ 220,000
Total		\$ 10,000,000

*Represents estimates of amounts on a project by project basis. Actual amounts reimbursed by the financing may change on a project by project basis but will not exceed \$10,000,000 in aggregate.

RESOLUTION NO. 2024-_____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT, APPROVING
AND AUTHORIZING THE EXECUTION AND DELIVERY OF
THE INSTALLMENT PURCHASE AGREEMENT, AND
RELATED DOCUMENTS AND ADDITIONAL ACTIONS**

WHEREAS, the Rainbow Municipal Water District (the “District”), a special district duly organized and existing under the laws of the State of California, is authorized to enter into agreements and to finance and refinance the acquisition and construction of improvements to the District’s Water system (the “System”); and

WHEREAS, the District desires that it enter into an Installment Purchase Agreement (the “2024 Installment Purchase Agreement”) with U.S. Bank National Association (the “Purchaser”) for the purpose of financing improvements to the District’s System (the “Project”); and

WHEREAS, in compliance with the requirements of Government Code Section 5852.1, the District has obtained good faith estimates of certain financial terms related to the financing of the Project through the execution and delivery of the 2024 Installment Purchase Agreement which estimates are disclosed and set forth in the staff report submitted in connection with the approval of this Resolution and were made available at a public meeting of the Board of Directors of the District; and

NOW, THEREFORE, the Board of Directors of the Rainbow Municipal Water District does hereby RESOLVE, DETERMINE and ORDER as follows:

Section 1. Each of the above recitals is true and correct and is adopted by the Board of Directors as the legislative body of the District.

Section 2. The form of the 2024 Installment Purchase Agreement is hereby approved and each of the President of the District, the Vice-President of the District, the General Manager of the District, and the Chief Financial Officer of the District, or their written designees (the “Authorized Officers”), acting alone, is hereby authorized and directed to execute and deliver the 2024 Installment Purchase Agreement (subject to the limitations set forth in the following sentence) in the name of and on behalf of the District, in substantially the form and content now before this meeting, but with such changes, modifications, additions and deletions therein as shall be deemed necessary, desirable or appropriate by the Authorized Officer or Authorized Officers executing the same, such approval to be conclusively evidenced by the execution and delivery thereof by one or more of the Authorized Officers. The 2024 Installment Purchase Agreement shall be executed only if the total principal components due thereunder do not exceed \$10,000,000 and the maximum interest rate for the (a) variable interest rate components due thereunder shall not exceed 12% per annum, and (b) fixed interest rate components due thereunder shall not exceed 4.70%.

Section 3. In accordance with Government Code section 5852.1, good faith estimates of the following have been obtained and are set forth in the staff report relating to the approval of this Resolution: (a) the true interest cost of the 2024 Installment Purchase Agreement, (b) the sum of all fees and charges to be paid to third parties with respect to the 2024 Installment Purchase Agreement, including an estimate of the costs of issuance, (c) the amount of proceeds expected to be received in connection with the 2024 Installment Purchase Agreement net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds received under the 2024 Installment Purchase Agreement, and (d) the sum total of all debt service payments due on the 2024 Installment Purchase Agreement calculated through the term of the 2024 Installment Purchase Agreement plus the fees and charges paid to third parties not paid with the proceeds received under the 2024 Installment Purchase Agreement. The Board of Directors finds and determines that the provisions of Government Code section 5852.1 have been satisfied with respect to the authorization of the 2024 Installment Purchase Agreement.

Section 4. Each of the Authorized Officers is hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents necessary or proper for carrying out the transactions contemplated by this Resolution, including, but not limited to, documents required by the Purchaser, including a commitment letter or similar document, and to pay all costs of issuance related to the execution and delivery of the 2024 Installment Purchase Agreement.

Section 5. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED at a Regular meeting of the Board of Directors of Rainbow Municipal Water District held on the 23rd day of April 2024, by the following vote, to wit:

Hayden Hamilton, Board President

ATTEST:

Terese Quintanar, District Secretary

BOARD OF DIRECTORS

April 23, 2024

SUBJECT

CONSIDER THE ADOPTION OF AN ORDINANCE AUTHORIZING AMENDMENTS TO ADMINISTRATIVE CODE SECTION 9.05.070 REGARDING SEWER CAPACITY FEES AND MONTHLY CHARGES DUE TO A CHANGE IN USE

BACKGROUND

Periodic updates to policies within the RMWD Administrative Code are necessary to update changes in terminology and to add clarification. Title 9 (Sewer), Chapter 9.05 (Sewer Permits) Section 9.05.070 (Change in Use) of the District's Administrative Code precribes the District's requirements regarding permitting, charges, and fees related to expansion of wastewater service driven by a change in use of a property.

DESCRIPTION

Staff recently reviewed this section of the Administrative Code against current practices and found that the District and its customers could benefit from modifications to clarify intent and timelines on collection of fees and charges due to a modification to a property due to redevelopment or other change that results in an expansion of wastewater service. The District often receives request for clearance on County building permits related to various property improvements within the District's service area that require a recalculation of the number of the applicable Equivalent Dwelling Units (EDU's). Depending on the nature of the development, this change in use can require collection of additional capacity fees and an increase in the monthly service charge from the customer. Where significant changes to a property are proposed or have already occurred the fees can be substantial, therefore, these code changes provide clarity on fees and charges that will be sought by the District when an expansion of service occurs, extends affordable financing options so redevelopment and improvements are not discouraged, and establish remedies for non-payment. A draft redlined version of the proposed code modifications is attached for the Board's review. Minor revisions to this section the Administrative code were last approved in March of 2022.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility
Strategic Focus Area Six: Customer Service

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

The current District Administrative Code allows for collection of additional fees and charges for a properties change in use that results in an expansion of sewer services, so no fiscal impact is anticipated. The code changes are intended to provide greater clarity to the District’s policy on how and what charges are sought and provide enhanced flexibility and affordability to the customer’s related to the timing of payment.

STAFF RECOMMENDATION

- 1) Adopt the Ordinance amending Title 9, Chapter 9.05, Section 9.05.070, establishing parameters for collection of fees and charges for changes in sewer use, providing options for repayment of additional fees and charges, and remedies for non-payment.
- 2) Adopt the Ordinance amending Title 9, Chapter 9.05, Section 9.05.07 with amendments.
- 3) Do not adopt the proposed changes.

Staff recommends Option 1.



Jake Wiley, General Manager

April 26, 2024

**Section 9.05.010
Applications**

9.05.010.01 Applications for a permit for sewer connections shall be submitted on a form provided by the District which shall, among other things, require the following information:

9.05.010.01.1 The name, address, and telephone number of the owner of the property for which the application is made.

9.05.010.01.2 The name, address, and telephone number of the property owner's authorized representative, if the application is made by such a representative.

9.05.010.01.3 The address of the property for which the application is made.

9.05.010.01.4 The assessors' parcel number for the parcel.

9.05.010.01.5 The location of the District's nearest sewer system pipeline.

9.05.010.01.6 The applicant's proposed use of the property.

- a. Whether the application is for a new building, new use, or for the conversion of the use of an existing building.
- b. Whether the application is for a change in the use of property for which a connection to a District's sewer system exists.

9.05.010.01.7 The Land Use: Single Family Dwelling, Multiple Dwelling, Restaurant, Commercial, Industrial, or other.

9.05.010.01.8 The estimated number of units to be served.

**Section 9.05.020
Terms of Sewer Application**

Applications for sewer connection shall be granted upon completion of an application as set for in Section 9.05.010 and payment of fees to the District based upon the sewer capacity estimated to be required to serve a parcel or parcels (also referred to herein as "connection fees"). The District will establish an account identifying the parcel to record the application and associated payments. The District may use the funds paid under this Section to perform any work required to serve the parcel.

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9.05.020.01 Term of Application

Application for sewer connection shall be issued for a term of two years. If no connection is made it shall expire and all rights of the application holder resulting from the issuance of such application shall terminate. Fees paid on the application that have expired will be refunded minus administrative costs to the applicant listed on the sewer application. Applicant may submit a formal written request addressed to the General Manager or their designee for a one-time extension of up to six months. For an extension to be considered, any difference in application fees, including but not limited to capacity fees, associated with the application must be paid in full. Approval of extension shall be granted at the sole discretion of the General Manager or their designee. If connection is made prior to the application's expiration, the application will become an authorized sewer permit and shall remain in effect so long as sewer service is required for that parcel. Once a lateral connection is made to the District's facilities and stubbed out to the property, the account is considered active and will incur sewer service changes per District policy.

9.05.020.02 Application Not Transferrable

An application for sewer connection relates to and authorizes a connection to the District's sewer system for a parcel of land and uses specifically set forth in the application. An application may not be transferred to or used for a parcel of land which is not specifically described in the application. An application may not be used for a use not specifically set forth in the application.

If applicant desires to sell the property during the term of the application and transfer the application to the future owner with the same parcel of land and use, the applicant must submit in writing to the District of the transfer. Otherwise, at the expiration of the application for sewer connection, the connection fees minus administrative costs, will be refunded to the applicant. The parcel and use described in the application must be the same and the new owner must complete a new application. The term of the application will remain the same.

Section 9.05.030 Applications Based on EDU's

Applications for sewer connection shall be issued with the amount of connection fee to be paid based on a comparison of the daily volume of wastewater (Q), which will be discharged into the sewer system from the building or buildings for which an application is sought, and the average daily volume of wastewater discharged from a single-family residence in the District (one Equivalent Dwelling Unit). Applications shall be for the number of EDU's, as determined or estimated by the District, to be used on the property.

Section 9.05.040 Determination of EDU's

For classes of non-single family dwelling sewer service for which the volume, Biochemical Oxygen Demand (BOD) and Suspended Solids (SS) in wastewater can be determined by sampling, or based on existing empirical data, a schedule shall be calculated relating the flow and strength of the wastes discharged as a multiple of EDU's.

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**Section 9.05.050
Issuance of Building Permit**

An application shall not expire and need not be renewed if, prior to the date of the expiration of its term, a building permit has been issued by the County of San Diego for the building or buildings described in the District's application and the application holder provides a copy of the building permit to the District. In such case, the District's application shall expire upon the expiration of the building permit if connection is not made to the District's sewer system for the building or buildings described thereon prior to the date of the expiration of the building permit. This subsection does not apply to applications for subdivisions.

**Section 9.05.060
Septic Tank Conversion**

The holder of an application issued for a sewer connection for an existing building connected to an onsite septic tank or leach field disposal system must complete the connection of such a building to the sewer system within the initial 365-day term of the application, and such an application may not be renewed. Septic tanks removed from service must be properly abandoned per State and County of San Diego standards.

**Section 9.05.070
Change in Use**

Permits are limited to the type and number of EDU's authorized by the permit to be used on the parcel identified in the permit. If a change in use occurs, including but not limited to, redevelopment, remodeling, enlargement, or new buildings, additional fees, deposits, and charges may be required in an amount set forth by the District per the most current Board-approved Water and Sewer Rates and Charges adopted by ordinance. ~~Connection charges shall be based on the rates and policies in existence at the time the change or expansion of use.~~ No parcel of property for which a permit for sewer connection is outstanding shall be used for a use different than the use stated in the permit or which will result in a greater volume of wastewater or in wastewater having a greater concentration of BOD or SS being discharged into District's sewer system unless the owner of such parcel makes application for and is issued a permit for sewer connection for each additional EDU or portion thereof of wastewater flow or each additional EDU based on the increased concentration of BOD or SS in the wastewater which will be discharged from said parcel upon the commencement of such different use.

Commented [JW1]: Addressed in new paragraph below.

For any site(s) with an existing or proposed change in use, the District Representative will review the charges that would apply to the current connection and the charges applicable to the expanded connection and collect the incremental difference prior to issuance of District clearance/permit. Capacity fees will be based on the District's fee schedule at the time of expansion, as allowable by law. In addition, the District shall back bill up to four (4) years of the incremental difference in unpaid monthly service charges for any expanded use that has previously occurred, as applicable.

Financing options are available for customers who owe additional capacity fees to the District due to a change in use as follows:

1. Any amounts financed by the District require a signed agreement and Promissory Note. Any amount greater than \$10,000 will also require a Trust Deed.
2. Amounts up to \$5,000 are eligible for a 12-month repayment plan at no interest.

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3. Amounts from \$5,000 to \$10,000 may have repayment terms of up to two years at the Local Agency Investment Fund (LAIF) interest rate. Interest rate to be re-calculated annually on the anniversary of the financing arrangement.
4. Amounts greater than \$10,000 may have repayment terms of up to three years at the LAIF interest rate. Interest rate to be re-calculated annually on the anniversary of the financing arrangement.
5. Liens will not be offered as a method of postponing payment of fees.

Customers incurring back billed monthly service charges for a change in use are eligible for a 12-month repayment plan at no interest or, with General Manager approval, an extended repayment period matching the same time period being back billed (i.e. if four (4) years of monthly charges are being back billed, a payment term of up to four (4) years may be considered). Any delinquent amounts will be transferred to the property tax bill.

Application for permits for sewer connections for new buildings or for existing buildings that are to be remodeled, renovated, or enlarged shall be accompanied by final plans for such a building, remodeling, renovation, or enlargements and a letter or other certification from the Department of Planning and Land Use of the County of San Diego indicating that such plans will be approved for issuance of a building permit upon issuance by the District of an application for sewer connection.

In addition to other statutes or rules authorizing termination of service for delinquency in payment for sewer service, the District may revoke any permit issued pursuant to these regulations. The District may also terminate the sewer or water service to any property, if a violation of any provision of this Article or a permit is found to exist.

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Section 9.05.080

Sewer Service Commitments of More than Five EDU's; Parcels

9.05.080.01 Development Consultation Deposit

9.05.080.01.1 Prior to meeting or consulting with District staff regarding development potential, the developer must deposit an amount set forth by the District per the most current Board-approved Engineering Services Fees and Plan Check and Inspection Deposits adopted by ordinance. The developer may submit a formal written request addressed to the General Manager or their designee for a refund of the deposit balance at which time meetings and consultations with District staff shall cease.

9.05.080.01.2 At the conclusion of two years, deposit balances minus administrative costs shall be refunded to the developer. Developer may submit a formal written request addressed to the General Manager or their designee for an extension of up to one year. An additional deposit may be required. Approval of extension shall be granted at the sole discretion of the General Manager or their designee.

9.05.080.02 Application for Availability

Application for issuance of a Project Facility Availability Forms described in the following section may be submitted to the District on a form approved by the District, and must meet the following conditions, and other conditions as the District may require:

9.05.080.02.1 File with the District a preliminary parcel or subdivision map and such other information as the District may require.

9.05.080.02.2 Pay to the District a non-refundable processing fee in an amount set forth by the District per the most current Board-approved Engineering Services Fees and Plan Check and Inspection Deposits adopted by ordinance.

9.05.080.03 Project Facility Availability Forms

Upon compliance by applicant with the requirements of the previous paragraphs, and if the District has adequate capacity or expects to have adequate capacity, the District may complete and issue the Project Facility Availability Form or equivalent form to allow processing of a tentative parcel map or tentative subdivision map. The form shall certify that the District has, or expects to have, capacity available to serve the proposed subdivision. The form shall not be a commitment on the part of the District to have or make capacity in the District's sewer system available to the proposed subdivision. No commitment shall be made until a Sewer Service Agreement for sewer connection has been executed and capacity fees have been paid in accordance with these rules and regulations.

The issuance of a Project Facility Availability Form and processing fee shall have the sole effect of entitling the applicant to be considered along with other applicants for the issuance of permits for sewer connection which the District may issue and shall not create any right or entitlement in the applicant to obtain a permit for sewer connection from the District. The Project Facility Availability Form identifies conditions the applicant must address prior to service commitment.

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9.05.080.04 Application for Commitment

Application for issuance of a Project Facility Commitment Form described in the following section may be submitted to the District on a form approved by the District, and must meet the following conditions, and other conditions as the District may require:

9.05.080.04.1 File with the District a parcel or subdivision map and such other information as the District may require.

9.05.080.04.2 Pay to the District a non-refundable processing fee in an amount set forth by the District per the most current Board-approved Engineering Services Fees and Plan Check and Inspection Deposits adopted by ordinance.

9.05.080.05 Project Facility Commitment Forms

Upon compliance by applicant with the requirements of the previous paragraphs and subject to the following conditions, the District may complete and issue the Project Facility Commitment Form or equivalent forms, stating that sewer service is committed to parcels or subdivision, and the terms of such commitment and conditions which must be satisfied for service.

9.05.080.05.1 The District has adequate capacity or expects to have adequate capacity.

9.05.080.05.2 The applicant completes a Sewer Service Agreement and pays to the District a fee in the amount of 50% of the connection fees required to serve the entire project in order to ensure that sewer capacity is available. The fee may be paid by check, money order, cashier's check, or Automated Clearing House (ACH). Prior to issuance of building permits, the remaining 50% connection fees shall be paid in full by check, money order, cashier's check, or ACH. The 50% connection fees previously secured shall be applied to the total balance due.

9.05.080.05.3 The District's service commitment shall be effective for a five-year term. The service commitment may be renewed for one additional five-year term upon amendment of the Sewer Service Agreement and payment to the District of a fee equal to the difference between fees previously paid and the current fee rates at the time of renewal.

9.05.080.05.4 All fees paid for service commitment are non-refundable. The District may draw upon the fees to preserve its service commitment. The District will provide applicant 90 days' notice of the District's intent to use any security provided as a deposit prior to any such use. If the funds are not immediately available to the District at the expiration of its notice, the District's service commitment will expire.

9.05.080.06 Permit for Sewer Connection

Upon Sewer Service Agreement and subject to the following conditions, the District shall issue sewer permits for, and shall reserve sewer capacity to serve, the property covered

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by each approved subdivision map and any other project requiring more than five EDU's on more than one parcel. If the project is abandoned or changes ownership, the new owner must complete a new Sewer Service Agreement for service for all remaining connections. All connection fees shall be brought current by payment of the difference between fees originally paid and the current fees.

9.05.080.06.1 An approved and recorded subdivision map, or in the event the Sewer Service Agreement concerns a project requiring more than five EDU's on more than one parcel that is not a subdivision, must be filed with the District. If the tentative map contemplates the filing of multiple file maps, the District's commitment shall not terminate if the first final map is filed within the term of the District's service commitment and subsequent maps are filed within the time provided by law. If the time for processing a tentative map is extended by the County of San Diego, the District may, but shall not be obligated to, extend its service commitment.

9.05.080.06.2 All connection fees shall be brought current by payment of difference between fees originally paid and the current fee rates.

9.05.080.06.3 All other conditions and provisions, including those contained in Sewer Permits, Project Facility Commitment Forms, and Project Facility Availability Forms, are satisfied within the term of the District's service commitment.

9.05.080.06.4 Permits issued for lots within a subdivision shall not expire and need not be renewed if all the following have occurred prior to the expiration of the initial term or a renewal term thereof:

9.05.080.06.4.1 The final subdivision map or final parcel map for the subdivision has been approved by the Board of Supervisors of the County of San Diego and filed in the office of the County Recorder.

9.05.080.06.4.2 The sewer system within the subdivision has been installed and accepted by the District.

9.05.080.06.5 Notwithstanding the foregoing provisions of this section, at any time after ten years from the date of filing a final subdivision map, the District shall have the option of terminating permits for those parcels in the subdivision which have not connected to the District's sewer system.

9.05.080.06.6 Notwithstanding the foregoing provisions of this section, at any time a subdivision requires the execution of an amendment to either the County Joint Use Agreement or the District's Developer Sewer Service Agreement all connection fees shall be brought current by payment of the difference between fees originally paid and the current fee rates.

9.05.080.07 Other Conditions

The District may require as a condition of service, recordation of any final map or providing of service, that applicant, owner, or customer construct or enter into a written agreement to construct, at applicant's sole cost, any necessary or desirable sewer facilities to enable

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the District to provide sewer service to the property. The agreement shall be secured by a bond, or other security, in a form and amount satisfactory to the District, guaranteeing the completion of such construction within the time specified in the agreement in accordance with detailed plans approved by the District for such construction. In addition, the District may require delivery to the District of executed documents, in forms acceptable to the District, for any easements on private or other property, which are necessary or desirable for the construction, operation and maintenance of such sewer facilities.

Section 9.05.090
Extension of Facilities

If property for which an application for a permit for sewer connection is made is not adjacent to a District trunk sewer, or if the trunk sewer or other facilities have inadequate capacity, the applicant shall, at the time of filing application, enter into a written agreement with the District whereby the applicant agrees to construct, at applicant's sole cost, the necessary expansion of the District's sewer facilities to enable the District to provide sewer service to the property. The agreement shall require applicant to provide to the District, within 180 days of the date of the issuance of the application for sewer connection, as a condition thereto:

9.05.090.01 A bond or other security, in a form and amount satisfactory to the District, guaranteeing the completion of such construction within the time specified in the agreement.

9.05.090.02 Detailed plans approved by the District, and any easements on private property or other property which are necessary or desirable for the construction, operation, and maintenance of such sewer facilities.

9.05.090.03 **Satisfaction of Conditions**

If an applicant has entered into an agreement with the District for the extension of the District's sewer system, the applicant shall have 180 days following the date of application to deliver to the District the security to guarantee the completion of such construction and the detailed plans or easement documents provided for in the agreement. If an applicant fails to provide such security or deliver such plans or easement documents to the District within such time, application for sewer connection shall automatically terminate.

9.05.090.04 See also, Water and Sewer Line Extension policy for more detail.

9.05.090.05 **Rights of District**

Upon the failure of an applicant to pay fees and charges or to provide such security and deliver such plans and easement documents within the times herein allowed, the application shall automatically terminate.

Ordinance No. 24-XX

**Ordinance Of The Board Of Directors Of The Rainbow Municipal Water
District Amending And Updating Administrative Code
Chapter 9.05 Sewer Permits, Section 9.05.070 —Change in Use**

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

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

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

NOW, THEREFORE,

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

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

Chapter 9.05: Sewer Permits
Section 9.05.070: Change in Use

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

3. This ordinance shall take effect immediately upon its adoption on this 23rd day of April 2024.

Hayden Hamilton, Board President

ATTEST:

Terese Quintanar, District Secretary



BOARD INFORMATION
Item No.11.A

BOARD OF DIRECTORS

April 23, 2024

SUBJECT

OPERATIONS REPORT FOR MARCH 2024

DESCRIPTION

Activities for Operations & Maintenance Division

CONSTRUCTION & MAINTENANCE DEPARTMENT:

March	Repairs	Installations	Leaks
Mainline	2		3
Service	1		1
Hydrants		1	
Valves		7	
Meters			
Blow-Offs		1	
Air Vacs		1	
Annual Totals	28	10 Valves, 5 Appurtenances	22

- 262 utility locates were completed this month - an Annual Total of 696.
- Repaired 2 water main breaks, one at 3509 Via De La Reina and another on Fire Rd.
- Repaired 1 service leak at 2026 Gird Rd.
- Removed and installed 4 new valves at the intersection of Via Loma & Dos Lomas.
- Installed 2 new valves at Fire Road as a part of the Pressure Station upgrade.
- Assisted the Wastewater crew with traffic control on North River Road during rain events.
- Supported Peters Paving with transporting materials to and from Via De Los Cepillos to reduce paving costs.
- RMWD internal Pressure Reducing Station at Fire Road is 95% complete. Pending paving and fence repairs.

WATER OPERATIONS AND VALVE MAINTENANCE DEPARTMENT

Water Operations:

- Assessed 0 Water Quality Complaints. **Annual Total 6.**
- Performed 2 fire flow test. **Annual total 3.**
- Performed routine maintenance and rebuilt 12 pressure stations (CLA VALs) — **annual total 23.**
- Collected all system tank and reservoir nitrification samples.
- Collected Quarterly THMS/HAA5 samples.
- Load tested all facility Emergency Generators
- Serviced all CL10 analyzers.

Valve Maintenance:

Monthly Totals	Valves (Distribution)	Appurtenance Valves	Annual Totals
Exercised	52	36	262
Inoperable	14	48	182
Repaired			
Replaced	0	0	2
Installed	0	0	0

Valve Maintenance completed and oversaw the following:

- Performed 5 shutdowns - **Annual total 20.**
- Replaced 8 air vents - **Annual total 14.**
- Painted 105 appurtenances - **Annual total 313.**
- Replaced 0 Fire Hydrants - **Annual total 1.**

METERS DEPARTMENT:

- **132** Service Requests were resolved in MARCH 2024 **YTD 403 total.** (Previous Year Month Comparison: MARCH 2023: 183 Service Requests: Down 28%).
- **240** Check Bills were completed in MARCH 2024. **YTD total 908.** (Previous Year Month Comparison: MARCH 2023: 160 Check Bills: Up 33%).
- **YTD Service Requests and Check Bills combined: 1,311** (Previous YTD 2023 Comparison: 1,207 combined Service Requests & Check Bills: Up 8%).

Backflows:

- **525** backflows were tested in March 2024. **1,411 YTD.**

WASTEWATER:

California Integrated Water Quality System (CIWQS): Confirmation #2665052 Reported: “No Spill Report for March 2024.

2 Year internal Sewer System Management Plan (SSMP) completed April 03, 2024. Administrative lounge public binder updated.

March 03, 2024 - SSO called in at the North end of Pankey Road. Service call came in by San Diego County Health Department Duty officer, Leon Wierschem. Rainbow responded and no SSO was found, only stagnant rainwater.

Lift Stations: March 05, 2024 - FPUD vactor truck - Vactored out wet wells @ Old River Road, Horsecreek and sewer siphon (1,410- feet).

Collection System: Hakker vactor truck rental March 7 and 8, 2024 - Lift Station # 2, Siphon and I-15 freeway, 660-feet total.

March 11, 12, & 13, 2024, Haaker vactor truck rental - Little Gopher Canyon sewer line cleaning 10,881-feet on March 18 - 20, and West Lilac and North River, 14,561-feet.

Customer service: 5625 Lake Vista Dr. - Ratepayer called in to claim a private side sewer blockage from a water main break. Rainbow responded did not find any association with call - checked and flushed out 8" sewer line.

5455 West Lilac Road - March 14, Vanderlin Family trust called in due to past events having re-occurring private community of five homeowners' private blockages at the easement line. Met with homeowners and explained Rainbow and private responsibility line, advised homeowners to work as a group in finding a solution to their private system.

Projects:

- CIP - Thoroughbred sewer lift station.
- Odor control treatment USP.
- Evoqua - Odor trial

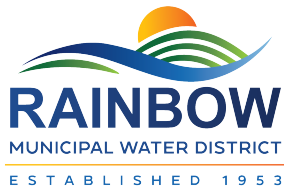
Mutual Aid:

- Fallbrook Equipment Rental - Water truck.
- FPUD - Vactor Truck
- HAAKER - Vactor Rental
- Traffic Safety Solutions



Robert Gutierrez
Chief Operating Officer

4/23/2024



BOARD INFORMATION

Item No.11.B

BOARD OF DIRECTORS

April 23, 2024

SUBJECT

ENGINEERING REPORT FOR MARCH 2024

DESCRIPTION

CAPITAL IMPROVEMENT PROJECTS:

West Lilac, Rancho Amigos, and Dentro De Lomas Pump Stations Project (Hoch Consulting), Division 1: (PN: 600013) The proposed project is for the installation of permanent pump stations to replace the annual rental of temporary pumps during the San Diego County Water Authority's aqueduct maintenance and any scheduled, or emergency/unscheduled shutdowns. The final design for the three pump stations (West Lilac, Rancho Amigos, and Dentro De Lomas) was completed by Hoch Consulting. The construction contract was awarded to Pacific Hydrotech Corporation in the amount of \$5,657,500 with a construction schedule of 180 working days (Completion Date: October 21, 2024). The Board awarded a construction management contract to Valley Construction Management in the amount of \$110,480. Inspection is being provided by the District's Senior Inspector, Ryan Stockton. A preconstruction meeting was held at the end of January. The Notice to Proceed was issued on February 7, 2024. The first deliveries of equipment arrived on March 29, 2024. The remaining deliveries will take place throughout April. The contractor is expected to break ground in early April. Bird surveys were conducted at the Rancho Amigos site with the results of three (3) surveys being negative.

Emergency Generators at Huntley-Gomez & Magee Pump Stations (JW Fowler Co.), Division 5: (PN: 600047) The project involves installing emergency generators at the Huntley-Gomez and Magee Pump Stations. Southern Contracting Company, a subcontractor to JW Fowler for Thoroughbred Lift Stations and Sewer Improvement project (PN:530001) is performing the work under the original contract via change orders. The Contractor installed emergency connections to the new generators in late April 2023. Change Order #10 in the amount of \$25,000.86 was issued to JW Fowler in November 2023 to replace a 2,000-amp breaker at the Huntley-Gomez pump station and includes MTA testing of the new circuit breaker. The Magee pump station emergency generator was tested and fully commissioned on January 31, 2024. The emergency generator at Huntley-Gomez pump station is expected to be commissioned at the end of spring due to delays in scheduling an SDG&E outage and Gomez tank being offline.

Thoroughbred Lift Stations and Sewer Improvements (JW Fowler Co.), Division 1, 2 & 4: (PN: 530001) The project is to construct a new sewer lift station, and surrounding pipelines, and enhance the

existing Lift Station 1 (LS-1). JW Fowler Company (Contractor) completed the emergency storage basin and the CMU block wall around the lift station. The lift station is now in testing and startup phase. The contractor is working on the final pipeline installation of the 18-inch water main between MH6 and MH8. After the completion of this work, the contractor will begin installation of the sewer bypass and perform the final Primus Liner installation in the existing gravity sewer. The installation of the pipeline on the Moosa Creek Bridge has been completed. The project is 95% complete and is scheduled to be 100% in May of 2024.

Live Oak Park Road Bridge Replacement Project (Hazard Construction), Division 5: (PN: 600037)

The project will relocate an 8-inch and 16-inch water main along Live Oak Park Rd. District staff continue to coordinate with the County of San Diego (County) and Hazard Construction on the Live Oak Park Road Bridge Replacement Project. All work related to the 16-inch main was completed on July 3, 2023. Phase II of the County's bridge project is underway. The 8-inch water main work started January 9, 2024 and is occurring concurrently with the County's construction. The District's project is now expected to be completed at the end of March 2024 due to all the rain events. The Contractor has been granted twelve (12) rain days since the start of 2024 and has 47 working days starting from January 9, 2024 to complete the job. Change order #5 in the amount of \$16,943.84 was executed due to the need for additional pipe supports on the bridge wing walls.

Camino Del Rey Waterline Relocation Project, Division 1: (PN: 600026)

The County of San Diego (County) is proposing the Camino Del Rey Drainage and Roadway Improvements Project, which will improve a portion of Camino Del Rey by raising the roadbed by 10 feet, incorporating culvert crossings under the road, improving intersections, and installing Green Street Best Management Practices (BMPs) for water quality treatment. As a result of the County's project, District infrastructure will be impacted. There is currently a 14-inch water main that runs down Camino Del Rey, a 20-inch water main at Camino Del Cielo, a 6-inch main for the San Luis Rey Downs Racetrack, and multiple gravity main crossings that are in conflict with the County's proposed improvements. On January 17, 2023, the County confirmed the District has prior rights over the roadway. On December 20, 2023, the County rejected claims of prior rights after finding a road easement from 1897. The County and District are now working together to determine the extent of prior rights along Camino Del Rey and each agency's scope of work for utility relocations.

MAJOR DEVELOPER PROJECTS:

Havens (FKA Bonsall Oaks), Division 1: 164 SFR / 205.8 EDUs– Construction for Phase 1A (Provence)

is complete and construction is underway for Phase 1A-1, also referred to as Provence. District staff continues coordinating with the Developer on plan reviews for future phases (Phases 1B, 2A and 2B). The District completed plan check No. 3 for those phases, the issues with new sewer manholes over 20-feet deep and flat slopes have not been resolved. The Developer moved in the direction of proposing sewer lift stations to resolve the issues and submitted the draft report in February and staff provided preliminary comments. District staff continues to review the sewer lift station for the project. The County approved the Amended Tract map, which dedicated non-exclusive water and sewer easements within the private roadways for all phases of the project; and exclusive water and sewer easements for the sewer main that will serve the development and future Dentro De Lomas pump station. In July 2023, the Developer's engineer notified the District that they will be revising all the roads and lots for future phases 1B, 2A, and 2B. This will require an Amended Tract map, which requires the District to relinquish all recently dedicated easements and this will potentially impact the Joint Use Agreement legal description. In December 2023 the District approved the newly revised Street Dedications for Phases 1B and 2A and is reviewing the Grant of Deed document. The Developer sold part of the development to Neighborhood 1 on November 23, 2021 consisting of 59 units and this portion of the project was re-named Provence. The Developer has started the process to join the SCIP Program, which will require the District to enter into an Acquisition Agreement. At the August 2023 Board meeting the Board authorized the District to continue negotiating with the Developer and execute the Acquisition Agreement on behalf of the District.

Citro (FKA Meadowood) by Tri Pointe Homes (FKA Pardee Homes), Division 4: Approximately 844 Units, 926.6 Sewer EDUs - On Pala Road/Horse Ranch Creek Road. The contractor has constructed

several of the improvements and is on-site excavating and installing both water and sewer mains. A second crew is on-site testing the water and sewer mains. The Developer has purchased 252 meters to date. The District continues to review the Developer's fee credit requests as received for the use of water capacity credits, for compensation of the construction work on the 18-inch Rice Canyon waterline and the 12-inch Horse Creek Road waterline. The Contractor has installed all 3 pressure reducing stations. All sewer water and PRS have been tested and accepted by the District. The Meadowood Final Map Tract No. 5354-5 is scheduled for recordation by the County of San Diego in November 2023. The improvements on the map are part of planning area 5B, which includes water and sewer improvements that have already been constructed. Out of 844 lots 581 are complete and in escrow leaving 263 lots to build on. As-builts for Planning Areas HRCR, PA5A and PA5B were approved in January 2024 and PA5C were approved by the District inspector in April 2024.

Pala Mesa Highlands (Beazer Homes), Division 4: 124 SFR / 160.2 Sewer EDUs – On Old Highway 395. One of the required Pressure Reducing Stations (PRS) has not yet been installed. All 129 required water meters have been purchased for this development. The Contractor is on site working on punch list items. Installed one of the valves in January 2024 and is currently waiting on the delivery of a second valve.

Pala Ranch (FKA Campus Park West) (Pappas Investments), Division 4: Residential and Commercial development. The Board approved an amended Sewer Service Agreement at the September 2023 meeting. Staff continued to work with the Developer on the amended Sewer Service Agreement. The District has approved the water and sewer improvement plans and the Developer is scheduled to begin work in September 2024.

Ocean Breeze Ranch, Division 1: The District completed a review of the revised water and sewer system analysis reports, conditions of approval, and improvement plans in December 2020. The second plan check was completed by the District December 2023. There are two sewer lift stations on the project. The District met with the Engineer to discuss the source of water for the development, which will impact their proposed pressure reducing stations and proposed connections to the District's water system. District staff also reviewed an exhibit showing a utility conflict and provided comments in January 2021. Staff responded to requests regarding expected costs for the Developer to move forward. The Developer has started the process to join the SCIP Program. As part of this program, the District and Developer negotiated to enter into an Acquisition Agreement. The Acquisition Agreement was executed in September 2023.

Rancho Alegre (Garrett Grp/Redhawk Communities), Division 5: The Developer paid a deposit for Sewer Analysis. Dexter Wilson Engineering, Inc. produced a comprehensive analysis of the District's sewer infrastructure. Preliminary findings concerning the impact of the Rancho Alegre development on District sewer infrastructure were provided to the Developer in September 2022. The Developer restarted communications regarding a potential project in August 2023. Communication in January 2024 involved a request for horizontal clearances between the Metropolitan Water District's existing 76-inch diameter aqueduct and the proposed RMWD's 8-inch diameter water main. Staff continues to respond to information inquiries from the Developer.

INACTIVE MAJOR DEVELOPER PROJECTS:

San Luis Rey Racetrack Improvement Plan, Division 1: The Developer paid a deposit for Sewer and Water Analysis. Dexter Wilson Engineering, Inc. produced a memorandum discussing the expected impacts on sewer infrastructure related to one of two expansion scenarios proposed by the Developer. Staff are waiting on data from the Developer related to the second expansion scenario to complete a second memorandum.

The Preserve at Riverbend (Cameron Development Grp.), Division 5: The proposed development plan includes 1,309 mixed-density residential units, mixed-use commercial, a fire station, parks, agricultural spaces, and open space. Development is going through preliminary planning with the District, County, LAFCO and the Pala Tribe. Preliminary findings concerning the impact of The Preserve at Riverbend development on District sewer infrastructure are in process.

MINOR DEVELOPER PROJECTS:

Cal-A-Vie (Spa Havens) Water/Sewer Main Extension on Spa Havens Way, Division 1: The Developer submitted the third plan check for District review. The District’s Engineer provided a letter to the developer stating no additional EDUs were needed. Developer’s Engineer inquired about the capacity in Gopher Canyon in the event Cal-A-Vie decides to add 12-14 more units to the property. Staff is coordinating with the Developer’s engineer as the Cal-A-Vie development was not part of the districtwide sewer impact study performed by Dexter Wilson. District staff found a discrepancy with the number of sewer EDUs owned by the Cal-a-Vie spa. The District found the spa owns 23.5 EDUs for sewer service. The Developer’s engineer provided a Sewer Report (dated August 8, 2023) stating that Cal-a-Vie had 60 EDUs. The District is currently investigating with the Developer’s engineer.

Carefield Senior Living, Division 2: *Inactive*

Doud Waterline Extension, Division 5: At the December 2023, the Board approved a quitclaim for a previously granted easement as a fire hydrant was no longer required due to the Customer building a fire access road to the property.

Melanie Lane Waterline Extension (Monserate Place, LLC), Division 4: *Inactive*

Pala Mesa Market Development Plan, Division 4: *Inactive*

View Point Road Waterline Extension, Division 3: The District completed the sixth plan check. The Owner also potholed the District’s waterline and resubmitted plans for approval in late April 2023. Staff has approved the plans for construction in May 2023. The Owner’s Contractor is currently completing submittals for District review.

Vista Valley Country Club Water Service , Division 1: *Inactive*

Walker Farm Road Waterline Extension, Division 4: *Inactive*

OTHER:

ITEMS	NO#
Water Meters Purchased	12



Chad Williams
Engineering and CIP Program Manager

04/23/2024

AS-NEEDED CONTRACT EXPENDITURES REPORT
March 2024

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	CONTRACT AMOUNT	AUTHORIZED ASSIGNMENT	INVOICED TO DATE	
Title: On-Call Civil Engineering Services, PSA #22-25 Firm: Ardurra Expires: 11/2/25 CCO:									
CONTRACT AMOUNT:						\$ 150,000			
		2023-__							
					Unspecified		\$ 150,000.00	\$ -	
						TOTALS:	\$ 150,000	\$ 150,000.00	\$ -
Title: On-Call Civil Engineering Services, PSA #22-26 Firm: Dexter Wilson Eng. Expires: 11/2/22 CCO:									
CONTRACT AMOUNT:						\$ 150,000.00			
		2023-__							
					Unspecified		\$ 150,000.00		
						TOTALS:	\$ 150,000	\$ 150,000.00	\$ -
Title: On-Call Civil Engineering Services, PSA #22-27 Firm: Harris & Assoc. Expires: 11/2/25 CCO:									
CONTRACT AMOUNT:						\$ 150,000			
		2023-__							
					Unspecified		\$ 150,000.00		
						TOTALS:	\$ 150,000	\$ 150,000.00	\$ -
Title: On-Call Civil Engineering Services, PSA #22-28 Firm: Water Works Engineers Expires: 11/2/25 CCO:									
CONTRACT AMOUNT:						\$ 150,000			
		2023-__							
					Unspecified		\$ 150,000.00	\$ -	
						TOTALS:	\$ 150,000	\$ 150,000.00	\$ -
Title: On-Call Real Estate Services, PSA #22-29 Firm: Anderson & Brabant Expires: 11/3/25 CCO:									
CONTRACT AMOUNT:						\$ 50,000			
		2023-__							
					Unspecified		\$ 50,000.00	\$ -	
						TOTALS:	\$ 50,000	\$ 50,000.00	\$ -

AS-NEEDED CONTRACT EXPENDITURES REPORT
March 2024

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	CONTRACT AMOUNT	AUTHORIZED ASSIGNMENT	INVOICED TO DATE
Title: On-Call Real Estate Services, PSA #22-30 Firm: Epic Land Solutions Expires: 11/3/25 CCO:								
CONTRACT AMOUNT:						\$ 50,000		
	Non CIP	2023-01	Closed	2/13/23	Bonsall Reservoir - Appraisal for Rental & Sale of Property. Beck Reservoir - Apparials for Sale of Property.		\$ 7,000.00	\$ 7,000.00
					Unspecified		\$ 43,000.00	\$ -
TOTALS:						\$ 50,000	\$ 50,000.00	\$ 7,000.00
Title: On-Call Land Surveying Services, PSA #22-33 Firm: GIS Surveyors, Inc. (GSI) Expires: 1/3/2026 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
	Non-CIP	2024-01	Open	3/28/24	Bonsall Reservoir Staking		\$ 4,840.00	
					Unspecified		\$ 95,160.00	\$ -
TOTALS:						\$ 100,000	\$ 100,000.00	\$ -
Title: On-Call Land Surveying Services, PSA #22-34 Firm: KDM Meridian Expires: 1/3/2026 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
	CIP	2023-01	Open	2/9/23	Live Oak Park Bridge - Staking of 8" and 16" Water main.		\$ 7,480.00	\$ 4,923.00
	Non-CIP	2024-02	Open	2/9/24	Kendall Farms Staking		\$ 10,000.00	\$ 10,000.00
					Unspecified		\$ 82,520.00	\$ -
TOTALS:						\$ 100,000	\$ 100,000.00	\$ 4,923.00
Title: On-Call Land Surveying Services, PSA #22-35 Firm: Right-of-Way Eng. Expires: 1/3/2026 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
	Non-CIP	2023-01	Closed	2/1/23	Genista Place - Staking of existing utility easements.		\$ 2,860.00	\$ 2,450.00
	Non-CIP	2023-02	Closed	2/6/23	Via Monserate/Ramona - Staking of existing utility easements.		\$ 7,500.00	\$ 2,692.34
	Non-CIP	2023-03	Closed	2/28/23	Via Mariposa - Staking of existing easment.		\$ 2,970.00	\$ 2,545.00
	Non-CIP	2023-04	Closed	8/9/23	Maravilla Lane - Staking of existing pipeline.		\$ 6,750.00	\$ 5,908.70
					Unspecified		\$ 79,920.00	\$ -
TOTALS:						\$ 100,000	\$ 100,000.00	\$ 13,596.04
Title: On-Call Geotechnical Services, PSA #22-36 Firm: Atlas Tech Consultants Expires: 1/6/2026 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
	Non-CIP	2023-01	Open	2/21/24	Morro Tank Movement		\$ 42,550.00	
					Unspecified		\$ 100,000.00	\$ -
TOTALS:						\$ 100,000	\$ 142,550.00	\$ -

AS-NEEDED CONTRACT EXPENDITURES REPORT

March 2024

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	CONTRACT AMOUNT	AUTHORIZED ASSIGNMENT	INVOICED TO DATE
Title: On-Call Geotechnical Services, PSA #22-37 Firm: Leighton Consultants Expires: 1/6/2026 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
	600013	2024-01	Open	2/26/24	West Lilac, Rancho Amigos, & Dentro Pump Stations		\$ 84,177.00	
					Unspecified		\$ 100,000.00	\$ -
TOTALS:						\$ 100,000	\$ 184,177.00	\$ -
Title: On-Call Geotechnical Services, PSA #22-38 Firm: Ninyo & Moore Expires: 1/6/2026 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
	CIP	2023-01	Closed	4/4/23	Sumac Communication Tower Photovoltaic & Battery System -		\$ 9,732.00	\$ 562.50
					Unspecified		\$ 90,268.00	\$ 562.50
TOTALS:						\$ 100,000	\$ 90,268.00	\$ 562.50
Title: On-Call Construction Management & Insp. Services, PSA #23-04 Firm: Acrostic Expires: 5/23/26 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
	CIP	2024-01	Open	3/22/24	District wide Construction Management Services		\$ 100,000.00	
					Unspecified		\$ -	\$ -
TOTALS:						\$ 100,000	\$ 100,000.00	\$ -
Title: On-Call Construction Management & Insp. Services, PSA #23-05 Firm: Ardurra Expires: 5/23/26 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
					Unspecified		\$ 100,000.00	\$ -
TOTALS:						\$ 100,000	\$ 100,000.00	\$ -

AS-NEEDED CONTRACT EXPENDITURES REPORT

March 2024

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	CONTRACT AMOUNT	AUTHORIZED ASSIGNMENT	INVOICED TO DATE
Title: On-Call Construction Management & Insp. Services, PSA #23-06 Firm: Valley CM Expires: 5/23/26 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
	Non-CIP	2023-01	Open	8/2/23	District staff support with coordination & logistics in finalizing the Standard Specifications and Drawings.		\$ 18,500.00	\$ 5,550.00
	Both	2023-02	Open	8/4/23	Inspection support services on various District projects.		\$ 51,993.00	\$ 1,908.00
					Unspecified		\$ 29,507.00	\$ -
					TOTALS:	\$ 100,000	\$ 70,493.00	\$ 7,458.00
Title: On-Call Environmental Services, PSA #23-07 Firm: Helix Expires: 5/23/26 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
	Non-CIP	2023-01	Closed	8/4/23	Nesting bird surveys for upcoming tree trimming at District headquarters.		\$ 2,025.00	\$ 652.50
	600013	2023-02	Open	8/17/23	Environmental compliance support for the West Lilac, Rancho Amigas, & Dentro de Lomas Pump Station project.		\$ 6,240.00	\$ 5,880.00
	530001	2023-03	Open	10/24/23	LS-1 Replacement environmental compliance support services		\$ 43,711.00	\$ 18,083.97
	600013	2024-04	Open	1/12/24	Pump Stations Bird Surveys		\$ 3,200.00	\$ 3,151.30
	Non-CIP	2024-05	Open	3/19/24	Bird Nesting Surveys Canonita Tank & HQ B-Plant		\$ 2,025.00	
					Unspecified		\$ 42,799.00	\$ -
					TOTALS:	\$ 100,000	\$ 57,201.00	\$ 27,767.77
Title: On-Call Environmental Services, PSA #23-08 Firm: RECON Expires: 5/23/26 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
		2024-			Unspecified		\$ 100,000.00	\$ -
					TOTALS:	\$ 100,000	\$ 100,000.00	\$ -



**SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT
March 2023**

STATUS SUMMARY	EDUs
Total Treatment Capacity Purchased from Oceanside	8,333
Less 5% Contractual Allowance	417
EDUs Set Aside by Board for Emergencies	60
EDUs Connected	6,083 *
EDUs Unconnected/Committed	475
Total EDUs Available for Purchase:	1,299

DEVELOPMENTS WITH UNCONNECTED/COMMITTED EDUs	EDUs	CAPACITY FEES / CFD Bonds
Bonsall Oaks (Polo Club) - 164 (SF/Other)	206	\$ 1,453,560
Citro (fka Meadowood) - 947 (SF/MF/Other)	168	\$ -
Passerelle (HRC Commercial)	97	\$ -
Other Development w/5 or less EDUs - (SF & Other)	5	\$ 70,630
TOTAL UNCONNECTED:	475	\$ 1,524,190

Notes:

*There is a delay between connections and new account activations.

1. Bonsall Oaks paid initial 50% of Sewer Capacity Fees. The remaining 50% \$1,453,560 is due prior to issuance of building permits.

2. CITRO Annexation Agreement 4/30/20 - Sewer Capacity \$10.5M to be paid by CFD bonds. Received \$8M payment from CFD bonds on 8/18/22. Received remaining \$2.5M payment from CFD bonds on 9/20/23.

3. Passarelle last remaining EDUs.

BOARD INFORMATION

Item No. 11.C

BOARD OF DIRECTORS

April 23, 2024

SUBJECT

ADMINISTRATIVE SERVICES REPORT FOR APRIL 2024

DESCRIPTION

Human resources, safety, risk management, and communications report for April 2024.

HUMAN RESOURCES:

STAFF UPDATES:

- Ed Bradley, Technical Services Team Lead, has officially announced his retirement in October after 35 years of service.
- Amanda Parra, Senior Project Manager resigned from her position effective March 27, 2024.

RECRUITMENT:

- Accounting Specialist: After losing our Grant Specialist in December and further evaluating the staffing needs in the Finance Department, it was concluded that adding another Accounting Specialist to alleviate the array of technical financial and accounting duties was more beneficial.
- Electrical/Instrumentation Technician: Following Ed's retirement announcement, we have started our search for an Electrical/Instrumentation Technician.
- Engineer: Following the resignation of one of our two Senior Project Managers in Engineering, we are now recruiting for an Engineer position with the necessary Engineering and CIP management experience.

APRIL ANNIVERSARIES:

4/3/2006	JUSTIN DEMARY	Construction	18 YEARS
4/3/2000	THOMAS SJUNESON	Construction	24 YEARS
4/8/2019	BERNARDO NUNEZ	Construction	5 YEARS
4/17/2023	EMANUEL OLIVAS	Construction	1 YEARS
4/24/2019	DENNIS MENDEZ	Construction	5 YEARS
4/27/2020	FREDDY ESPINO	Information Technology	4 YEARS
4/28/2008	CHRISTOPHER HAND	Wastewater	16 YEARS

EMPLOYEE RECOGNITIONS:

Excellence Coin Award	Coin Nomination
PROFESSIONALISM Honorable Mention: Clem Taylor	Mrs. Prudence McCalester praised RMWD for exceptional service. Clem's response to an after-hours leak exceeded expectations, described as a scene from a movie with bursting caps, flooding water, and rattling pipes. Clem not only fixed the issue but also provided

	resources for peace of mind. Mrs. McCalester contacted to express her satisfaction with Clem's handling of the situation.
Employee Award:	Award Description:
ACWA JPIA Professional Development Program Operations Certification: Justin Demary	ACWA JPIA Professional Development Program Operations Certification: The ACWA JPIA Professional Development Program (PDP) was developed to offer current, in-depth training and educational opportunities for JPIA members. The program focuses on giving participants the tools to perform their jobs safely, legally, and efficiently. Justin Demary has completed and met all requirements for the certification and completion of the Operations program. The certification requires approximately 40 hours of education, including face-to-face training, online, and self-study options.

WORKFORCE ANALYTICS:

Current headcount:	58	FYTD new hires:	6
FYTD separations:	5	Average tenure:	9 years, 6 months
FYTD turnover:	8%	Projected annual turnover:	19%
Retention rate:	91%	Projected retirements this year:	2

RISK MANAGEMENT:

Incidents

There were no recordable injuries or incidents this month.

Safety Program Management

- Annual Review and update of Safety Policies and Procedures:
 - Heat Illness Prevention Plan (HIPP) being updated per Cal/OSHA’s Feb. 2023 update for Water Provisions. It also included updated American Red Cross-compliant Heat Stroke Signs and Symptoms.
 - Injury and Illness Protection Program (IIPP) is being updated.
 - Standard Operating Procedure (SOP) for Personal Protective Equipment (PPE) is being drafted.
 - Creation of an OSHA Compliance Officer visit Quick Reference Guide is being created and will be easily accessible for all employees through SharePoint.
- Updated Annual Compliance Tracker and Employee Training Tracker are being updated and visible to all employees in SharePoint.
- Safety is working with IT on App creation for Site Inspections and Near Miss Reporting to streamline the tracking process and ensure there is follow-up on deficient items in the field. After these are complete, we will develop a Job Hazard Analysis (JHA) app as well. We are also looking into a dedicated Software for Safety Document Management to ensure compliance and ease of reporting.
- Community Emergency Response Team (CERT) has stored four Trailers in the District Lower Yard.
- RMWD Safety and Admin Manager meet with JPIA about a Pilot Program for Strain Reduction. Participation in the program is being reviewed with Management.

Environmental Programs

- Asbestos Cement Pipe (ACP) in the Lower Yard is being inventoried, and Safety has contacted multiple vendors to evaluate proper disposal of the material cutoffs.
- Pesticide Use was reviewed and didn’t require reporting through CalAgPermits this month because of “No Use.”

Emergency Response Programs

- Rainbow’s Emergency Action Plan (EAP) is being updated.

- Coordinating Workplace Violence Policy update and Training for Office and Field Staff. SB553 requires a Workplace Violence program and training by July 1st, 2024.

Safety Training / Tailgate Talks

- Operations and Office staff completed Harness and Fall Protection Inspections and reviewed the Inspection criteria for Rigging. We also discussed Back Awareness and ways to reduce the risk of back injuries.
- 3M and White Cap are scheduled for a Fall Protection demonstration and product demo on April 24th in alignment with OSHA's Safety Stand-down for Falls in Construction.

Claims in Progress/Completed

- Kendall Farms – JPIA is processing the claim and has been in communication with Kendall Farms' Operations Manager.

COMMUNICATIONS:

CropSWAP Program

- MOU Complete, consider for adoption with the board.
- The program will open to applicants on April 29th.
- The District will have information to promote the program at the Avocado Festival.
- We have an interest list of approximately 80 ratepayers who have requested updates on the program. We will mail them the information before the application window.

Customer Service Survey

- New survey introduced at the Avocado Festival.
 - Metrics to gauge performance will be reported at the May Communications and Customer Service Committee meeting.

Community Events Update

- Avocado Festival
 - Rainbow Water team members from Administrative Services, Customer Service, and Operations worked the booth and distributed promotional items to the community.
 - Space has been reserved for the 2025 event to feature a double booth along Main Street.
- Bonsall High School STEM students will visit the District for a field trip on Thursday, April 25
 - Students from the BHS STEM program will be led through a series of stations in the lower and upper yards and explore more about careers in the water industry with presentations from Engineering, Operations, Finance, and Administrative Services.
- Rainbow Run
 - Vallecitos School will host the inaugural Rainbow Run fundraiser on Saturday, June 15. Rainbow Water has committed to sponsoring the water booth and will help promote the event in the May newsletter. The event is open to all to attend and online registration is now available on the school's website.
- North County Water Agencies Poster Contest
 - Fourth-grade students from Bonsall Elementary School submitted poster contest entries to be reviewed by staff and will be sent to the NCWA for final selection for the 2025 calendar.

Newsletter Features

Quarterly Newsletter: Spring Issue to non-ratepayers

- Capital Improvement Program: Review of the top three projects and launch of a webpage featuring the most recent project updates and photos.
- Time to Check for Leaks: Tips for leaks and DIY leak checklist.
- Invest in Your Landscape: Create a sustainable landscape with WaterSmart's California Friendly Plants. Promotion for ratepayers to pick up their planting guide brochure and poppy seeds at the Avocado Festival.
- Update Your Contact Information: Contact Customer Service to update your account information with the most recent phone number to ensure communications are sent for water notices.
- Avocado Festival: Invitation to meet the Rainbow Water team in-person and spin the wheel to win prizes at the Avocado Festival on Sunday, April 21.
- Career Opportunities: Visit the careers webpage to apply online for District openings.

April newsletter articles included:

- Capital Improvement Program: Review of the top three projects, launch of webpage featuring the most recent project updates and photos.
- Become a Committee Member: Call for the community to join the Communications and Customer Service Committee and submit applications on a new website form.
- Invest in Your Landscape: Create a sustainable landscape with Metropolitan Water's Turf and Tree Rebate program and California Friendly Plants. Promotion for ratepayers to pick up their planting guide brochure and poppy seeds at the Avocado Festival.
- Avocado Festival: Invitation to meet the Rainbow Water team in-person and spin the wheel to win prizes at the Avocado Festival on Sunday, April 21.
- Career Opportunities: Visit the careers webpage to apply online for District openings.



Karleen Harp
Administrative Services Manager

04/23/2024



BOARD OF DIRECTORS

APRIL 23, 2024

SUBJECT

FINANCE REPORT FOR APRIL 2024

DESCRIPTION

Summary:

Water Sales:

Adjusted Budgeted 10,000 AF
Actual March FYTD 23/24 8,048 AF
Actual March FYTD 22/23 9,907 AF
Actual March FYTD 21/22 11,001 AF
Actual March FYTD 20/21 12,268 AF

February FYTD 2023/2024 Budget vs Actual:

Water Revenues are currently projected to end \$1.2M lower by the end of year from the Adjusted FY23/24 budget based on current trends and low water sales, offset by \$0.9M in projected lower Water Expenses mostly due to lower water purchases, for a projected Water Net Income of \$0.4M less than budget.

Wastewater Revenues are currently projected to be slightly less than the Adjusted FY23/24 budget by \$45K, with Wastewater Expenses projected at \$2.7M more than budgeted due to a same amount in prior years' amount owed to the City of Oceanside for operations and maintenance treatment expenses that was previously not billed and not recognized.

Treasury Report:

The District had \$12.9M in unrestricted investments in its portfolio at the end of March and received interest revenue in the amount \$54,823 for March compared to \$26,375 for the prior month. There were no sales or purchases this month. The increase in interest is due to moving idle cash from the non-interest-bearing bank account to a new AAA rated Local Government Investment Pool, the California Asset Management Program, that provides for daily cash withdrawals as necessary and competitive interest rates.

Water Purchases & Water Sales:

The Five-Year Water Purchases Demand Chart (Attachment D) reports imported water purchases; this data is available in real time. System demand for the current fiscal year totaled 8,303 AF through April 1, or 85% of the system demand at the same time last year.

The district ended FY23 with 11,835 in sales. Water sales experienced record lows in July through October and are on track to end at the Adjusted Budget projection of 10,000 acre-feet in sales or lower depending on whether the weather remains wet through the remainder of the year. Through March, the District has sold 8,048 AF or 81% of where we were the same time last year.

The Water Sales Summary Report (Attachment E) represents water that was billed to customers, so the data is time delayed in comparison to the Five-Year Water Purchases Demand Chart. These two reports will not

correlate unless they are both presented for the same date; we provide the purchases report in real time to provide the board with the most current demand information available.

Monthly Call Volume:

The call volume for March 2024 included 796 calls to customer service compared to 877 for the same month one year prior. The average talk time was 4 minutes and 33 seconds. The average time in the queue was 34 seconds. The max time in queue was 5 minutes and 30 seconds compared to 13 minutes and 15 seconds for the same month one year prior.

Attachments:

- A. Budget vs Actuals (February FY24)
- B. Fund Balance & Developer Projections (February FY24)
- C. Treasury Report (March FY24)
- D. Five-Year Water Purchases Demand Chart (through 04/01/2024)
- E. Water Sales Summary (March FY24)
- F. Check Register (February FY24)
- G. Directors' Expense Report (February FY24) **[Updated Format]**
- H. Credit Card Breakdown (February FY24)
- I. RMWD Properties



Richard R. Aragon
CFO/Treasurer

April 23, 2024

Rainbow Muncipal Water District
Operating Budget Summary by Fund
NET OPERATING INCOME

Description	FY 2023 Adjusted Budget	FY 2023 Actuals YTD 6/30/23	FY 2024 Actuals YTD 2/29/24	Projected - Over/(Under)	FY 2024 Approved Budget	FY 2024 Adjusted Budget
<u>Water Operating Fund</u>						
Water Revenues	\$ 44,836,269	\$ 41,921,858	\$ 30,828,416	\$ (1,205,238)	\$ 44,950,230	\$ 43,353,079
Water Expenses	41,137,744	39,507,410	26,962,908	(852,613)	41,901,026	38,158,535
Water Fund Net Income	\$ 3,698,525	\$ 2,414,448	\$ 3,865,508	\$ (352,625)	\$ 3,049,204	\$ 5,194,543
<u>Wastewater Operating Fund</u>						
Wastewater Revenues	3,555,551	3,468,470	3,146,993	(45,007)	4,788,000	4,788,000
Wastewater Expenses*	4,202,943	2,940,430	5,633,238	2,863,015	4,155,334	4,111,738
Wastewater Fund Net Income	\$ (647,392)	\$ 528,040	\$ (2,486,245)	\$ (2,908,022)	\$ 632,666	\$ 676,262
<u>General Operating Fund</u>						
General Revenues	9,165,657	8,484,231	6,335,941	359,639	8,964,453	8,735,000
General Expenses	9,165,657	8,484,231	6,335,941	359,639	8,964,453	8,735,000
General Fund Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CHANGE IN NET POSITION	\$ 3,051,133	\$ 2,942,488	\$ 1,379,263	\$ (3,260,647)	\$ 3,681,870	\$ 5,870,805

*Note - \$2.730M in Maintenance & Supply expenses is for prior years' amount owed to the City of Oceanside for treatment but previously not recorded.

% of Annual Budget

81% Water Purchases/Sales based on historical average

67% Fixed Fee Revenue & Expenses are based on time

**Rainbow Muncipal Water District
Water Fund Operating Budget Summary**

Water Operating

Description	FY 2023 Adjusted Budget	FY 2023 Actuals YTD 6/30/23	FY 2024 Actuals YTD 2/29/24	Projected - Over/(Under)	FY 2024 Adjusted Budget
Operating Revenues					
Water Sales	\$ 43,655,604	\$ 40,221,710	\$ 29,997,103	\$ (1,205,238)	\$ 42,172,414
Other Water Services	324,664	361,494	202,032	\$ 346,737	324,665
Total Operating Revenues	\$ 43,980,268	\$ 40,583,204	\$ 30,199,135	\$ (1,263,852)	\$ 42,497,079
Operating Expenses					
Purchased Water	23,701,080	22,273,944	14,989,683	(2,051,495)	21,997,021
Pumping	915,164	895,779	825,864	223,512	903,529
Operations	2,767,699	2,757,129	1,827,020	11,574	2,723,168
Valve Maintenance	368,077	414,667	302,897	31,225	407,508
Construction	2,405,684	2,288,866	2,099,523	483,059	2,424,696
Meters	1,029,243	843,155	695,276	(19,203)	1,071,718
General Fund Transfer	6,873,382	6,956,456	4,613,215	468,715	6,216,750
Total Operating Expenses	\$ 38,060,330	\$ 36,429,996	\$ 25,353,478	\$ (852,613)	\$ 35,744,391
Non-Operating Revenues					
Investment Income	100,000	273,504	228,167	161,500	100,000
Property Tax Revenue	650,000	777,390	386,657	(46,676)	650,000
Other Non-Operating Revenue	106,000	206,062	14,456	(56,211)	106,000
Total Non-Operating Revenues	\$ 856,000	\$ 1,256,956	\$ 629,280	\$ 58,613	\$ 856,000
Non-Operating Expenses					
Debt Service	3,077,414	3,077,414	1,609,430	-	2,414,145
Detachment Payment				0	
Total Non-Operating Expenses	\$ 3,077,414	\$ 3,077,414	\$ 1,609,430	\$ -	\$ 2,414,145
CHANGE IN NET POSITION	\$ 3,698,525	\$ 2,332,751	\$ 3,865,508	\$ (352,624)	\$ 5,194,544
	13,500AF	11,835 AF			10,000AF

% of Annual Budget

81% *Water Purchases/Sales based on historical average*

67% *Fixed Fee Revenue & Expenses are based on time*

**Rainbow Municipal Water District
Wastewater Fund Operating Budget Summary**

Wastewater Operating

Description	FY 2023 Adjusted Budget	FY 2023 Actuals YTD 6/30/23	FY 2024 Actuals YTD 2/29/24	Projected - Over/(Under)	FY 2024 Adjusted Budget
Operating Revenues					
Wastewater Revenues	\$ 3,489,551	\$ 3,467,420	\$ 3,126,003	\$ (14,664)	\$ 4,711,000
Other Revenues	66,000	1,050	20,990	\$ (30,343)	77,000
Total Operating Revenues	\$ 3,555,551	\$ 3,468,470	\$ 3,146,993	\$ (45,007)	\$ 4,788,000
Operating Expenses					
Total Payroll Expenses	678,835	771,934	551,782	61,857	734,888
Total Maintenance & Supply*	2,116,772	536,735	3,999,344	2,720,277	1,918,600
General Fund Transfer	1,407,335	1,631,761	1,082,112	109,945	1,458,250
Total Operating Expenses	\$ 4,202,943	\$ 2,940,430	\$ 5,633,238	\$ 2,892,079	\$ 4,111,738
Non-Operating Expenses					
Debt Service	-	-	442,014	-	663,021
Total Non-Operating Expenses			442,014	-	663,021
CHANGE IN NET POSITION	\$ (647,392)	\$ 528,040	\$ (2,486,245)	\$ (2,937,086)	\$ 13,241

*Note - \$2.730M in Maintenance & Supply expenses is for prior years' amount owed to the City of Oceanside for treatment but previously not recorded.

% of Annual Budget

81% Water Purchases/Sales based on historical average

67% Fixed Fee Revenue & Expenses are based on time

**Rainbow Muncipal Water District
General Fund Operating Budget Summary**

General Operating

Description	FY 2023 Adjusted Budget	FY 2023 Actuals YTD 6/30/23	FY 2024 Actuals YTD 2/29/24	Projected - Over/(Under)	FY 2024 Adjusted Budget
Operating Revenues					
Water Overhead Transfer	\$ 6,873,382	\$ 6,956,456	\$ 4,613,215	\$ 468,715	\$ 6,216,750
Wastewater Overhead Transfer	1,612,275	1,631,761	1,082,112	109,945	1,458,250
Other General Fund Revenue	680,000	-103,986	640,614	(66,053)	1,060,000
Total Operating Revenues	\$ 9,165,657	\$ 8,484,231	\$ 6,335,941	\$ 512,607	\$ 8,735,000
Operating Expenses					
Board of Directors	\$ 50,101	\$ 38,550	\$ 26,718	\$ 3,315	\$ 35,105
Garage	632,322	659,230	430,277	4,720	638,335
Administration	2,006,342	1,740,106	1,931,300	728,615	1,804,028
Human Resources	446,674	402,081	296,090	(9,193)	457,924
Risk Management	940,192	753,305	569,873	19,214	825,989
IT Services	1,604,844	1,328,485	1,053,155	68,744	1,476,617
Public Relations		5,424	40,962	(5,053)	69,022
Finance	1,169,321	1,097,433	735,709	(71,418)	1,210,691
Customer Service	594,822	592,942	336,779	(53,477)	585,384
Engineering	1,078,629	1,224,262	915,078	260,474	981,906
GASB 68 Pension	642,412	642,412			650,000
Total Operating Expenses	\$ 9,165,657	\$ 8,484,231	\$ 6,335,941	\$ 945,941	\$ 8,735,000
CHANGE IN NET POSITION	\$ -	\$ -	\$ -		\$ -

% of Annual Budget

81% Water Purchases/Sales based on historical average

67% Fixed Fee Revenue & Expenses are based on time

Operating & Debt Service Fund Balances

	Water Operating	Wastewater Operating	General Operating	Rate Stabilization	New Water Sources	Debt Service	TOTAL
	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 22/23
Fund Balances:							
Beginning Available Balance	\$6,470,643	\$692,556	\$1,494,076	\$0	\$1,432,256	\$856,132	\$10,945,663
Adjusted Budgeted Operating Surplus (Loss)	5,381,612	684,957			200,000		6,266,569
Budgeted Transfer to Water Capital	(3,049,205)	(632,666)			(1,632,256)		(5,314,127)
Transfer to/from Rate Stabilization							
Transfers In/(Out)							
Projected Ending Available Balance	\$8,803,050	\$744,847	\$1,494,076	\$0	\$0	\$856,132	\$11,898,105

Water Projected Balance

	<i>Adjusted Budget</i>	<i>Actual</i>	<i>Year 1 Adjusted Budget</i>	<i>Year 2 Planned Budget</i>	<i>Year 3 Planned Budget</i>	<i>Year 4 Planned Budget</i>	<i>Year 5 Planned Budget</i>
	FY 22/23	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 25/27	FY 25/28
Capital Fund Balances:							
Beginning Available Balance	\$13,067,355	\$13,067,355	\$ 5,397,944	(\$3,444,768)	(\$180,158)	(\$7,414,831)	(\$5,627,831)
Transfer to/from Operating & Debt Service		(1,488,594)	3,049,205	8,188,978	9,243,859	6,972,000	7,870,731
New Water Sources Funds	600,000	473,934	1,632,256				
Loan							
Capacity Fees	430,994	520,054					
Total Available Funding	14,098,349	12,572,750	10,079,405	4,744,211	9,063,701	(442,831)	2,242,900
Less Water & Wholesale Water Capital Projects	(13,706,420)	(7,174,806)	(13,524,172)	(4,924,369)	(16,478,532)	(5,185,000)	(5,700,000)
Projected Ending Capital Balance	\$ 391,929	\$ 5,397,944	\$ (3,444,768)	\$ (180,158)	\$ (7,414,831)	\$ (5,627,831)	\$ (3,457,100)

	<i>Adjusted Budget</i>	<i>Actual</i>	<i>Year 1 Adjusted Budget</i>	<i>Year 2 Planned Budget</i>	<i>Year 3 Planned Budget</i>	<i>Year 4 Planned Budget</i>	<i>Year 5 Planned Budget</i>
	FY 22/23	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 25/27	FY 25/28
All Water Balances:							
Projected Ending Capital Balance	\$ 391,929	\$ 5,397,944	\$ (3,444,768)	\$ (180,158)	\$ (7,414,831)	\$ (5,627,831)	\$ (3,457,100)
Water Operating Reserve Balance*	11,852,255	6,470,643	8,803,050	7,400,055	7,545,099	16,714,506	29,645,265
Rate Stabilization					2,798,000	251,800	274,450
Total Water Funds Balance	\$ 12,244,184	\$ 11,868,587	\$ 5,358,283	\$ 7,219,897	\$ 2,928,268	\$ 11,338,475	\$ 26,462,615

*FY 24-28 based on Proposed 5-year July 1, 2023 Cost of Service Study rate increases

Water Capital Project Budgets:

Project #	Project Name	Year-to-Date			Year 1	Year-to-Date		Year 2	Year 3	Year 4	Year 5
		Expended 6/30/2023 FY 22/23	Adjusted Budget FY 22/23	FY 23 Rollover FY 23/24	Adjusted Budget FY 23/24	Expended 2/29/2024 FY 23/24	Planned Budget FY 24/25	Planned Budget FY 25/26	Planned Budget FY 26/27	Planned Budget FY 27/28	
300007	Programatic EIR for Existing Easements	\$ 63,631	\$ 75,000	\$ 11,369	\$ 6,000	\$ 2,583	\$ 5,369	\$ -	\$ -	\$ -	
300008	New District Headquarters	912	50,000	49,088	-	1,089	520,000	500,000	500,000	500,000	
600003	San Luis Rey Imported Return Flow Recovery	424,986	600,000	175,014	225,000	101,192					
600007	Pressure Reducing Stations	183,446	150,000		25,000	22,936	150,000				
600009	Isolation Valve Installation Program	359,308	500,000	140,692	80,000	51,205					
600019	Water System Monitoring Program	142,597	185,000	42,403	67,403	4,541					
600026	Camino Del Rey Waterline Relocation	10,161	25,000	14,839	45,000	1,753	25,000				
600030	Corrosion Prevention Program Development	37,139	100,000	62,861	162,861	474	600,000	600,000			
600034	Rice Canyon Tank Transmission PL to I-15/SR	2,812,585	2,900,000	87,415	1,487,415	572,834					
600035	Morro Mixing	21,718			-	-					
600037	Live Oak Park Road Bridge Replacement	471,712	600,000	128,288	478,288	290,518					
600040	Vallecitos PS Relocation	-			-	-		500,000	1,400,000		
600043	Eagles Perch Water Pipeline Improvements (-			-	-		300,000	300,000	1,000,000	
600047	Community Power Resiliency Generator Gran	311,686	675,000	363,314	738,314	60,482					
600048	Northside Zone Supply Redundancy	-			-	-				150,000	
600050	Lookout Mountain Electrical Upgrade	-			-	-				1,000,000	
600051	North Feeder and Rainbow Hills Water Line F	-			-	-		150,000	1,850,000		
600058	Electrical Panel Switches	44,102			6,000	10,502	124,000				
600067	Pala Mesa Fairways 383 A and C	-			-	-				250,000	
600068	Sarah Ann Drive Line 400 A	-	-		-	-			35,000	1,500,000	
600069	Wilt Road (1331)	-			-	-		150,000	350,000		
600070	Katie Lendre Drive Line (PUP)	-			-	-				250,000	
600071	Del Rio Estates Line Ext 503	-			-	-				250,000	
600072	East Heights Line 147L	-			-	-				150,000	
600073	East Heights Line 147A	-			-	-				250,000	
600074	Via Zara - PUP	-			-	-		125,000	250,000		
600075	Roy Line Ext	-			-	-				250,000	
600077	Rainbow Water Quality Improvement	641,907	1,160,000	518,093	275,000	238,351					
600080	Los Alisos South 243	-			-	-				150,000	
600081	Heli-Hydrant on Tank	300			-	-					
600085	Gird to West Lilac Pipeline Rehabilitation	-			-	-		50,000			
300032	New Roof				150,000	70,409					
N/A	Department Level Capital Expenses	221,631	186,420		200,000	222,134	500,000	500,000	500,000		
Total		\$ 5,747,821	\$ 7,206,420	\$ 1,458,599	\$ 3,946,281	\$ 1,651,003	\$ 1,924,369	\$ 12,452,891	\$ 5,185,000	\$ 5,700,000	

Wholesale Water Efficiency Capital Project Budgets:

Project #	Project Name	Year-to-Date			Year 1	Year-to-Date	Year 2	Year 3
		Expended 6/30/2023	Adjusted Budget	FY 23 Rollover	Adjusted Budget	Expended 2/29/2024	Planned Budget	Planned Budget
		FY 22/23	FY 22/23	FY 23/24	FY 23/24	FY 23/24	FY 24/25	FY 25/26
600008	Weese WTP Permanent Emergency Interconnect Pump Station	\$ 73,967	\$ 1,825,000	1,751,033		\$ -	\$ -	\$ 1,725,000
600013	Hutton/Rancho Amigos (Turner)/Dentro Pump Stations	834,825	4,375,000	3,540,175	9,577,891	5,219,403	3,000,000	
600084	Morro Pump Station	122				-		1,225,000
600078	Wilt Road Feeder (18 inch Water Line)	107,435				-		1,075,641
600079	Gird Road 1,600' upsize from 12" to 18" or larger	410,636	300,000			-		
Total Spending		\$1,426,985	\$6,500,000	\$5,291,208	\$9,577,891	\$5,219,403	\$3,000,000	\$4,025,641

Wastewater Capital Fund Project Budgets:

Project #	Project Name	Year-to-Date			Year 1 Adjusted Budget	Year-to-Date		Year 2	Year 3	Year 4	Year 5
		Expended 6/30/2023 FY 22/23	Approved Budget FY 22/23	FY 23 Rollover FY 23/24		Expended 2/29/2024 FY 23/24	Planned Budget FY 24/25	Planned Budget FY 25/26	Planned Budget FY 26/27	Planned Budget FY 27/28	
530001	Thoroughbred Lane Lift Station and Pipeline Repair (LS1 Replacem	\$ 7,110,665	\$ 10,791,452	\$ 3,680,787	\$ 8,680,787	\$ 3,176,351	\$ -	\$ -	\$ -	\$ -	
530006	Sewer System Rehabilitation Program										
530015	Sewer System Condition Assessment Program								9,577,891		
530017	N River Road Land Outfall Rehabilitation (Operations Project)					13,768					
530018	Fallbrook Oaks Forcemain and Manhole Replacement								150,000	1,650,000	
530019	CIPP 500' of line 8" VCP line near Pala Mesa/Palomar								100,000		
530020	Rancho Viejo LS Wet Well Expansion							500,000	1,000,000		
530021	Almendra Court, I-15 Crossing Sewer Rehabilitation									125,000	
530023	Replace Rancho Monserate LS Emergency Generator									250,000	
XXXXX	HQ B-Plant Dry Well							250,000	1,000,000		
XXXXX	HQ B-Plant Generator Replacement							250,000	500,000	50,000	
XXXXX	Pala Mesa Sewer CIPP Lining							650,000		50,000	
XXXXX	Oakcliff Sewer CIPP Lining							650,000		50,000	
XXXXX	Old River Road between LS#1 & LS#2									1,000,000	
N/A	City of Oceanside WW Plant										
Total		\$ 7,110,665	\$ 10,911,452	\$ 3,680,787	\$ 8,680,787	\$ 3,190,119	\$ -	\$ 2,300,000	\$ 12,452,891	\$ 2,800,000	

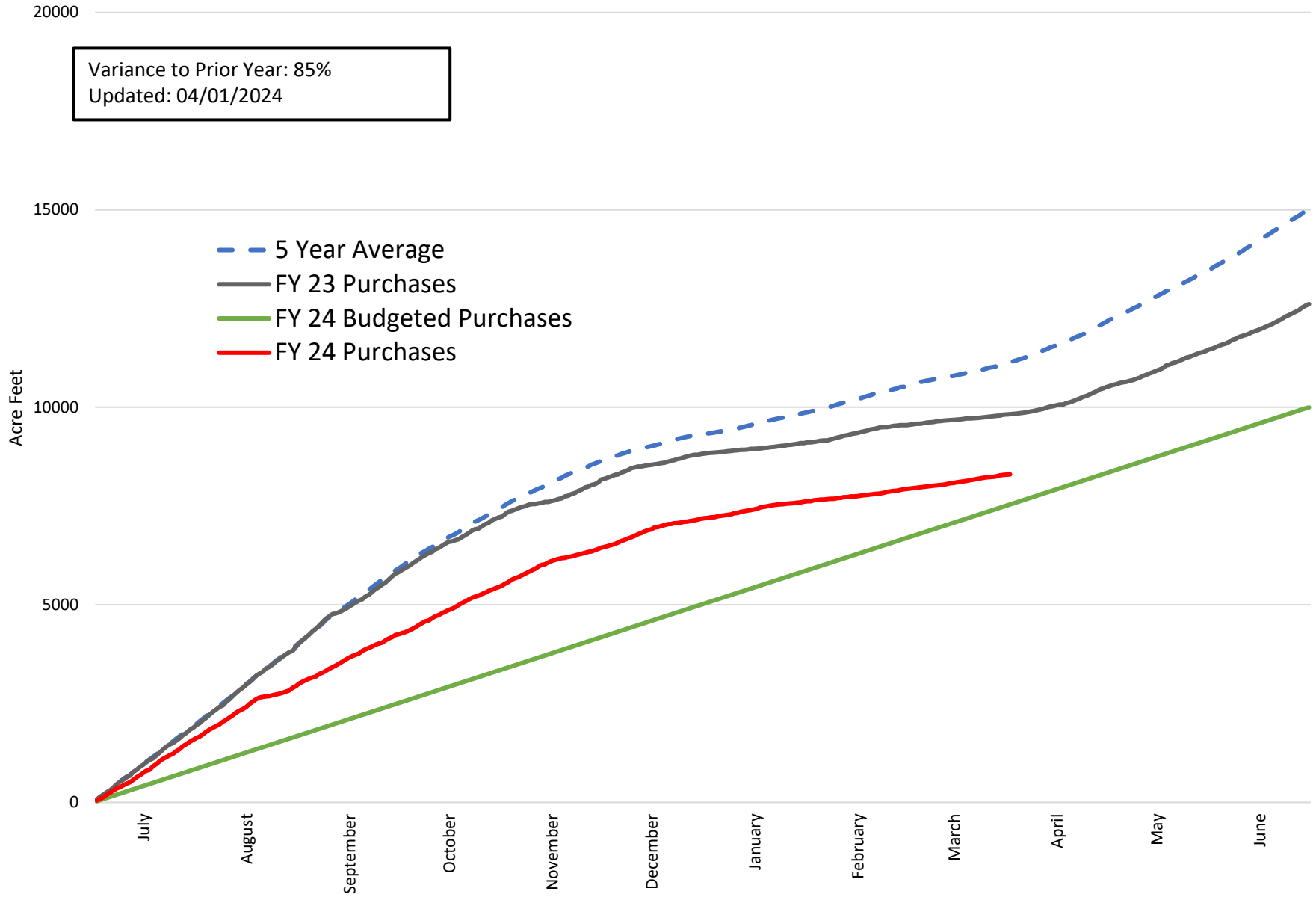
RAINBOW MUNICIPAL WATER DISTRICT
 TREASURER'S MONTHLY REPORT OF INVESTMENTS
 PORTFOLIO SUMMARY
 3/31/2024
 Quarter 3 FY24



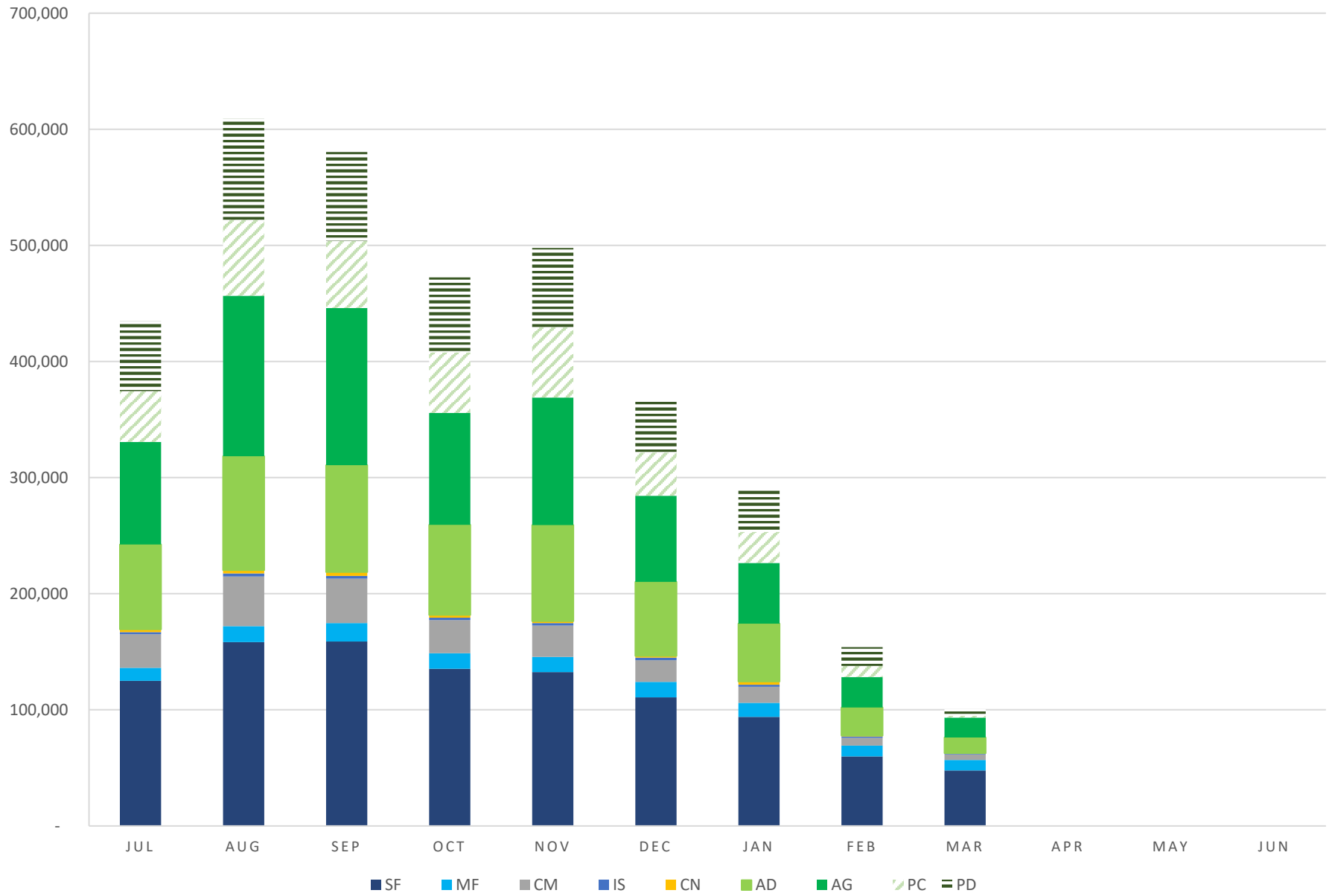
TYPE	ISSUER	RESTRICTION LEVEL	CUSIP	Bond Rating	Date of Maturity	Par Value	Cost Basis	Market Value*	Interest Rate	Yield to Maturity	Semi-Annual Interest	Days to Maturity	Object
Cash-Operating	US Bank x139	Unrestricted				\$ 997,961	\$ 997,961	\$ 997,961				0	10101
Cash-Oceanside Insurance Reserve	US Bank x381	Restricted				\$ 100,329	\$ 100,329	\$ 100,329				0	10104
Cash-Oceanside Plant Construction	US Bank x352	Restricted				\$ 104,190	\$ 104,190	\$ 104,190				0	10105
Cash-Oceanside Plant Replacement	US Bank x282	Restricted				\$ 1,074,331	\$ 1,074,331	\$ 1,074,331				0	10106
Money Market Funds	First American Government, US Bank	Unrestricted	31846V567			\$ 891	\$ 891	\$ 891				0	11508
Money Market Funds (Debt Reserve)	Western Alliance	Restricted				\$ 1	\$ 1	\$ 1				0	10301
Money Market Funds-Beck Restr (Debt Reserve)	Computershare Corporate Trust 201	Restricted				\$ 386,522	\$ 386,522	\$ 386,522				0	10301
Money Market Funds-Morro Restr (Debt Reserve)	Computershare Corporate Trust 301	Restricted				\$ 512,048	\$ 512,048	\$ 512,048				0	10301
Money Market Funds (Debt Reserve)	39170200 Trust 200	Restricted				\$ 61	\$ 61	\$ 61				0	10300
Money Market Funds (Debt Reserve)	39170300 Trust 300	Restricted				\$ 64	\$ 64	\$ 64				0	10300
Money Market Funds(Debt Reserve)	Zions Bank-D	Restricted				\$ 673,787	\$ 673,787	\$ 673,787				0	10310
Money Market Funds (Debt Reserve)	Zions Bank-E	Restricted				\$ 45	\$ 45	\$ 45				0	10309
Total Cash & Cash Equivalents						\$ 3,850,230	\$ 3,850,230	\$ 3,850,230					
Local Gov't Investment Program													
	California Asset Management Program (CAMP)	Unrestricted				\$ 7,497,655	\$ 7,497,655	\$ 7,497,655					
	Local Agency Investment Fund (LAIF)	Unrestricted				\$ 43,409	\$ 43,409	\$ 43,409				0	
Total Local Gov't Investment Program						\$ 7,541,064	\$ 7,541,064	\$ 7,541,064					
US Bank Government Obligations													
	FEDERAL HOME LOAN BKS	Unrestricted	3130APAM7	Aaa	10/14/26	\$ 500,000	\$ 497,500	\$ 456,345	0.900%	0.980%	\$ 2,239	927	11508
	FEDERAL HOME LOAN BKS	Unrestricted	3130AQF40	Aaa	12/20/24	\$ 500,000	\$ 499,710	\$ 485,185	1.000%	1.030%	\$ 2,499	264	11508
	FEDERAL HOME LOAN BKS STEP UP	Unrestricted	3130ARQ61	Aaa	10/21/24	\$ 500,000	\$ 502,195	\$ 496,205	2.200%	3.730%	\$ 5,524	204	11508
	FEDERAL HOME LOAN BKS	Unrestricted	3130ARJH5	Aaa	04/22/27	\$ 500,000	\$ 500,000	\$ 479,650	3.150%	3.270%	\$ 7,875	1117	11508
	FEDERAL HOME LOAN BKS	Unrestricted	3130ARY62	Aaa	05/23/25	\$ 600,000	\$ 594,210	\$ 593,418	4.000%	4.030%	\$ 11,884	418	11508
	FEDERAL HOME LOAN BKS	Unrestricted	3130AT2T3	Aaa	08/25/27	\$ 500,000	\$ 503,370	\$ 487,455	3.350%	4.070%	\$ 8,431	1242	11508
	TENNESSEE VALLEY AUTHORITY	Unrestricted	880591ER9	Aaa	09/15/24	\$ 500,000	\$ 497,780	\$ 494,255	2.875%	2.920%	\$ 7,156	168	11508
Total Government Obligations						\$ 3,600,000	\$ 3,594,765	\$ 3,492,513					
US Bank Corporate Issues													
	JPMORGAN CHASE & CO	Unrestricted	48128G3N8	A1	05/28/26	\$ 1,000,000	\$ 1,000,000	\$ 906,210	1.200%	1.320%	\$ 6,000	788	11508
Total Corporate Issues						\$ 1,000,000	\$ 1,000,000	\$ 906,210					
Investment Portfolio Totals						\$ 15,991,294	\$ 15,986,059	\$ 15,790,017					
Less Restricted Portfolio						\$ (2,851,378)	\$ (2,851,378)	\$ (2,851,378)					
Total Unrestricted Portfolio						\$ 13,139,916	\$ 13,134,681	\$ 12,938,639					

System Demands Comparison Chart

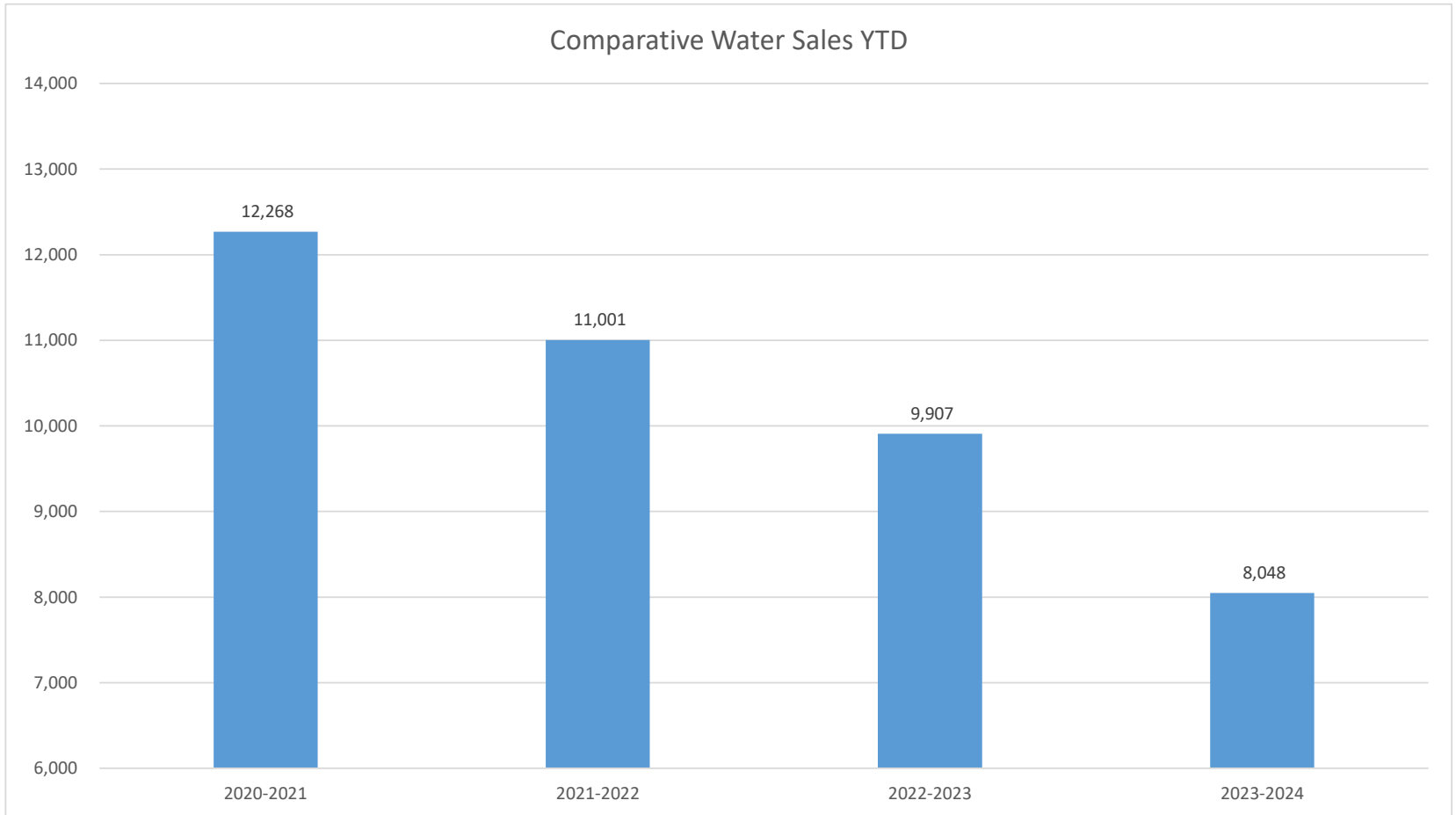
Variance to Prior Year: 85%
Updated: 04/01/2024

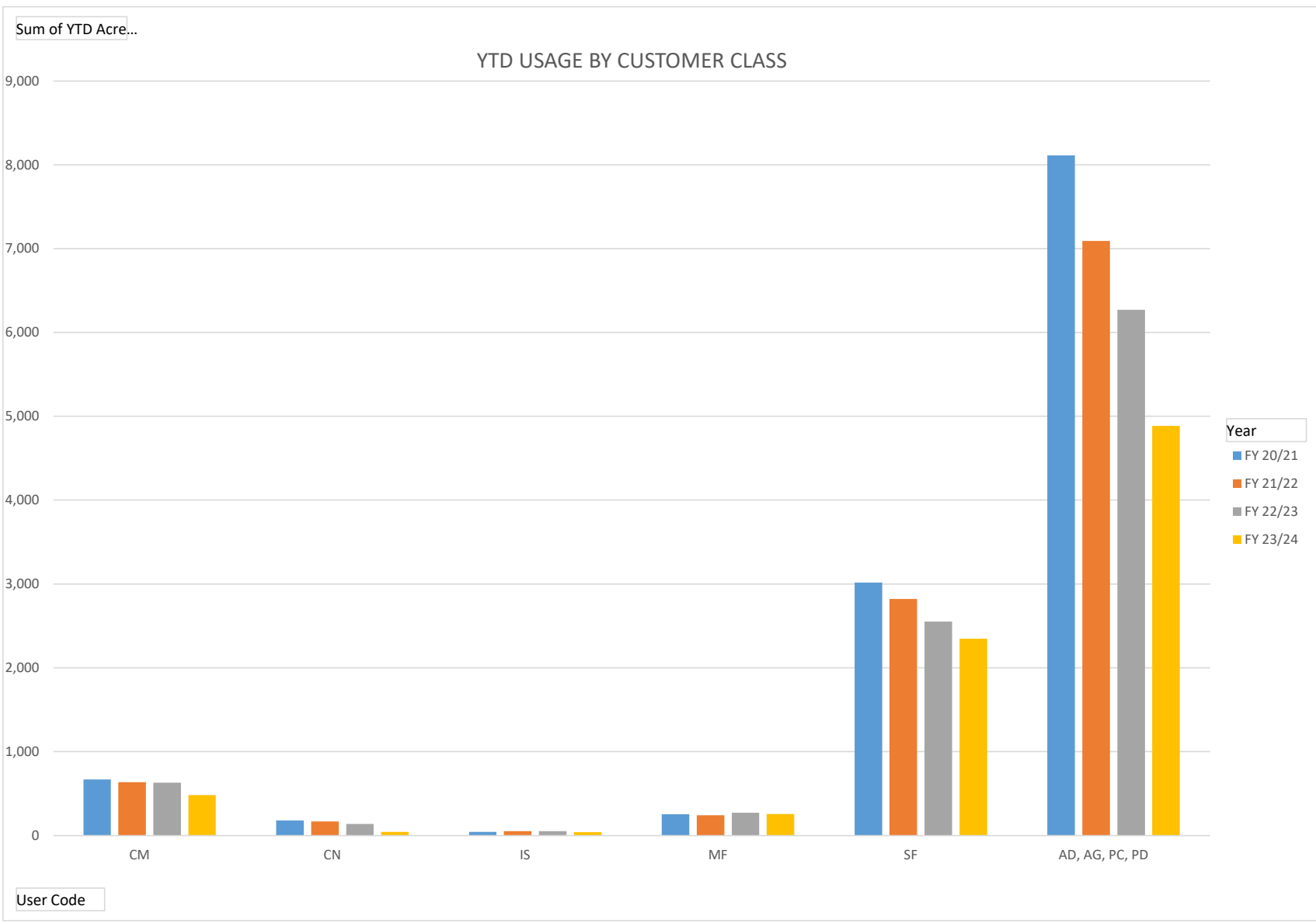


USAGE BY CUSTOMER CLASS FY 23-24



Comparative Water Sales YTD from Prior Years







Check Register
Fiscal Year 2023-2024

February 2024

Payments above 50K

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
145128786	WIRE		SAN DIEGO COUNTY WATER AUTHORITY	SDCWA WATER PURCHASE- DECEMBER 2023	02/12/2024	\$ 1,448,066.80
2500	ACH	700819	ENGINEERED FLUID INC	HUTTON, TURNER & DENTRO BPS - ENGINEERING SUBMITTAL DELIVERY	02/06/2024	\$ 734,377.81
2500	ACH	700819	ENGINEERED FLUID INC	HUTTON, TURNER & DENTRO BPS - ENGINEERING SUBMITTAL DELIVERY	02/06/2024	\$ 422,131.87
2500	ACH	700819	ENGINEERED FLUID INC	HUTTON, TURNER AND DENTRO BPS - ENGINEERING SUBMITTAL DELIVE	02/06/2024	\$ 409,120.10
27470	CHECK	702880	HAZARD CONSTRUCTION ENGR LLC	LIVE OAK PARK BRIDGE WATERLINE RELOCATION	02/06/2024	\$ 220,875.00
2530	ACH	700935	ACWA-JPIA	MONTHLY INSURANCE MEDICAL/VISION - MARCH 2024	02/28/2024	\$ 95,777.32
27482	CHECK	703030	ALTERNATIVE COATINGS SOLUTIONS, INC.	ROOF REPAIRS, BUILDING #2 & 3	02/16/2024	\$ 67,700.50
2510	ACH	700935	ACWA-JPIA	MONTHLY INSURANCE MEDICAL/VISION - FEBRUARY 2024	02/08/2024	\$ 65,862.63
2509	ACH	701621	VALLEY CONSTRUCTION MANAGEMENT	CONSTRUCTION MANAGEMENT/INSPECTION SERVICES FOR LS1 REPL PH1	02/06/2024	\$ 55,473.06

Payments below 50K

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
2488	ACH	700958	AIRGAS USA, LLC	DIGITAL HELMET, ROD TIG, GLOVES	02/02/2024	\$ 490.57
2488	ACH	700958	AIRGAS USA, LLC	OXYGEN, ACETYLENE	02/02/2024	\$ 271.48
2488	ACH	700958	AIRGAS USA, LLC	GLOVES, ROD TIG	02/02/2024	\$ 70.39
2489	ACH	701677	AZUGA, INC.	MONTHLY SERVICE FEE	02/02/2024	\$ 238.95
2490	ACH	701187	BP BATTERY INC.	GROUP 48 AGM BP BRAND	02/02/2024	\$ 237.64
2491	ACH	700638	CECILIA'S SAFETY SERVICE	TRAFFIC CONTROL-FLAGGING OPERATION	02/02/2024	\$ 1,725.00
2492	ACH	701930	FLYERS ENERGY LLC	ORDER #3442079-24, ETH 200 UNITS/DSL 150 UNITS	02/02/2024	\$ 1,468.97
2493	ACH	700663	ICONIX WATERWORKS (US) INC	12 3/4" OD 10 GAUGE STEEL PIPE WBXPE X20' LG CMLXCMC	02/02/2024	\$ 2,873.04
2493	ACH	700663	ICONIX WATERWORKS (US) INC	12 3/4" OD 10 GAUGE STEEL PIPE WBXPE X20' LG CMLXCMC	02/02/2024	\$ 1,436.52
2493	ACH	700663	ICONIX WATERWORKS (US) INC	14" 150# T316 SS FLG BOLT KIT WITH WASHERS	02/02/2024	\$ 1,352.69
2494	ACH	701312	PARKHOUSE TIRE, INC.	235/65R18 106T FST DEST LE 3	02/02/2024	\$ 4,167.34
2495	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	02/02/2024	\$ 365.39
2496	ACH	701341	QUALITY GATE COMPANY	QUARTERLY PREVENTATIVE MAINTENANCE - HORSE CREEK SEWER L/S	02/02/2024	\$ 145.00
2496	ACH	701341	QUALITY GATE COMPANY	QUARTERLY PREVENTATIVE MAINTENANCE - MAIN ENTRANCE GATE	02/02/2024	\$ 145.00
2496	ACH	701341	QUALITY GATE COMPANY	QUARTERLY PREVENTATIVE MAINTENANCE - MAIN PLANT GENERATOR	02/02/2024	\$ 145.00
2497	ACH	702116	WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	LANDSCAPE MAINTENANCE	02/02/2024	\$ 532.51
27423	CHECK	702983	ALEX DAGONDON	SAFETY BOOTS REIMBURSEMENT	02/02/2024	\$ 200.00
27424	CHECK	702723	ALPHA DOG TOWING LLC.	TOWING	02/02/2024	\$ 700.00
27425	CHECK	701826	ARAMARK UNIFORM SERVICES	MONTHLY UNIFORMS/MATS & MISC	02/02/2024	\$ 421.73
27426	CHECK	701510	BOOT BARN INC	SAFETY BOOTS - DHILL	02/02/2024	\$ 198.71
27427	CHECK	701004	BRAX COMPANY, INC	LOOKOUT MOUNTAIN PUMP STATION - PUMP 2	02/02/2024	\$ 3,100.00
27428	CHECK	702903	CHRISTIAN BROTHERS MECHANICAL SERVICES, INC.	QUARTERLY MAINTENANCE CONSTRUCTION TRAILER HVAC	02/02/2024	\$ 500.00
27429	CHECK	702421	CLEMMON TAYLOR	AWWA CROSS CONNECTION CONTROL REIMBURSEMENT	02/02/2024	\$ 100.00
27430	CHECK	702165	COPY 2 COPY	BUSINESS CARDS	02/02/2024	\$ 298.95
27431	CHECK	701977	CORE & MAIN LP	BALL CURB W/ INTEGRAL LEVER HANDLE	02/02/2024	\$ 3,609.63
27432	CHECK	700681	COUNTY OF SAN DIEGO DEPT OF PUBLIC WORKS	B-COMMUNICATION, ENCROACHMENT PERMIT	02/02/2024	\$ 959.00
27433	CHECK	702652	COUNTY OF SAN DIEGO, RCS	WATER RADIOS ON THE 800 MHZ NETWORK	02/02/2024	\$ 2,003.82
27434	CHECK	700797	DIAMOND ENVIRONMENTAL SERVICES	PORTA POTTY RENTAL	02/02/2024	\$ 342.66
27435	CHECK	702515	DITCH WITCH WEST	BALL BEARING, BELT SET, IDLER SHEAVE, VENTED LID	02/02/2024	\$ 661.39
27435	CHECK	702515	DITCH WITCH WEST	BELT SET	02/02/2024	\$ 85.51
27436	CHECK	703027	EASTERN MUNICIPAL WATER DISTRICT	MISC FEES - 50% ALESHIRE & WYNDER, AUG-OCT-SEPT INV	02/02/2024	\$ 16,504.52
27437	CHECK	700845	FALLBROOK AUTO PARTS	SPARE LOCK PIN JACK, DISC BRAKE PAD, SHOW TOWELS	02/02/2024	\$ 295.08

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
27437	CHECK	700845	FALLBROOK AUTO PARTS	50 50 FLT CHARGE A F (351)	02/02/2024	\$ 204.62
27437	CHECK	700845	FALLBROOK AUTO PARTS	TRIANGLES, FLARES, REFLECTORS	02/02/2024	\$ 159.98
27437	CHECK	700845	FALLBROOK AUTO PARTS	ENGINE FLUSH, MOTOR TUNE-UP	02/02/2024	\$ 116.63
27437	CHECK	700845	FALLBROOK AUTO PARTS	HOLD DOWN, BAT BOLT	02/02/2024	\$ 23.35
27438	CHECK	700884	FALLBROOK IRRIGATION SUPPLIES	MA PVC 3/4, POLY TUBING, TORO BS POLY, FIG 8 CLOSURE, TEE CO	02/02/2024	\$ 849.84
27439	CHECK	702551	FALLBROOK PROPANE GAS CO.	PROPANE - 256.4	02/02/2024	\$ 1,158.02
27440	CHECK	701169	FALLBROOK WASTE AND RECYCLING	WASTE SERVICE - JANUARY 2024	02/02/2024	\$ 333.96
27440	CHECK	701169	FALLBROOK WASTE AND RECYCLING	WASTE SERVICE - JANUARY 2024	02/02/2024	\$ 190.35
27441	CHECK	700855	FEDEX	DELIVERY SERVICE	02/02/2024	\$ 223.52
27442	CHECK	702763	FREDDY ESPINO	EDUCATION ASSISTANCE REIMBURSEMENT	02/02/2024	\$ 2,575.75
27443	CHECK	700885	GOSCH FORD ESCONDIDO	CAP ASY FUEL	02/02/2024	\$ 16.88
27444	CHECK	700974	HAWTHORNE MACHINERY COMPANY	PIN SPLIT, GROMMET	02/02/2024	\$ 52.89
27444	CHECK	700974	HAWTHORNE MACHINERY COMPANY	COUPLING, HOSE, SEAL O RING	02/02/2024	\$ 32.61
27445	CHECK	701006	HILL BROTHERS CHEMICAL CO.	AMMONIUM SULFATE 40%, FUEL SURCHARGE	02/02/2024	\$ 3,810.40
27446	CHECK	702391	ROBCAR CORPORATION	TRAFFIC CONTROL - PALA MESA DR & LOS PADRES	02/02/2024	\$ 3,240.00
27447	CHECK	701409	KNOCKOUT PEST CONTROL& TERMITES, INC.	ONE TIME METER BEE REMOVAL	02/02/2024	\$ 100.00
27448	CHECK	703036	MOTION INDUSTRIES, INC.	AK46 X 5/8 C.I. FHP SHEAVE	02/02/2024	\$ 150.21
27449	CHECK	701254	O'REILLY AUTO PARTS	AIR BRK FTG, DIESEL EXTRM	02/02/2024	\$ 183.35
27450	CHECK	701423	PERRAULT CORPORATION	CLASS II BASE RECYCLED	02/02/2024	\$ 1,150.51
27450	CHECK	701423	PERRAULT CORPORATION	SE30 SAND, TRUCKING, ENVIRONMENTAL FEE	02/02/2024	\$ 1,098.79
27451	CHECK	701307	POLLARDWATER	4X5 15 WIRE FLAG BLUE CUST 1000 CT, 4X5 15 WIRE FLAG GREEN C	02/02/2024	\$ 581.27
27452	CHECK	700705	POLLUTION CONTROL DISTRICT COUNTY OF SAN DIEGO, AIR	VIOLATION - CIVIL PENALTY	02/02/2024	\$ 250.00
27453	CHECK	701854	RHO MONSERATE C.C.H.A.	ELECTRIC CHARGE	02/02/2024	\$ 525.72
27454	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY SERVICE #3408 549 603 7	02/02/2024	\$ 517.07
27454	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY SERVICE #7382 505 701 4	02/02/2024	\$ 199.83
27454	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY SERVICE #7382 505 701 4	02/02/2024	\$ 185.41
27454	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY SERVICE #9632 211 707 2	02/02/2024	\$ 23.34
27454	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY SERVICE #2879 803 104 0	02/02/2024	\$ 22.75
27455	CHECK	702940	SLUDGEBOOSTERS INC	PUMPED LIFT STATION	02/02/2024	\$ 2,950.00
27455	CHECK	702940	SLUDGEBOOSTERS INC	PUMPED LIFT STATION	02/02/2024	\$ 2,802.50
27456	CHECK	701982	SOUTHWEST ANSWERING SERVICE, INC.	MONTHLY ANSWERING SERVICE	02/02/2024	\$ 1,145.00
27457	CHECK	702412	STEPHEN COFFEY	SAFETY BOOTS REIMBURSEMENT	02/02/2024	\$ 200.00
27458	CHECK	702900	ATS COMMUNICATIONS	UNMANNED WIRELESS COMMUNICATIONS FACILITIES MANAGEMENT	02/02/2024	\$ 750.00
27459	CHECK	701773	TRAFFIC SUPPLY, INC.	28" ORANGE SLIM-LINE 7LB REFLECTIVE CONE	02/02/2024	\$ 1,395.90
27460	CHECK	702067	VERIZON WIRELESS	MONTHLY CELLULAR SERVICE	02/02/2024	\$ 7,242.99
27461	CHECK	702099	VILLAGE NEWS	FULL PAGE AD, SHARE W/ FPUD	02/02/2024	\$ 467.50
27462	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 500 UNITS	02/02/2024	\$ 2,278.91
653537175	EFT		ADP	ADP - ADVICE OF DEBIT #653537175	02/02/2024	\$ 1,913.78
2498	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	02/06/2024	\$ 130.93
2499	ACH	701731	CUSTOM TRUCK BODY & EQUIPMENT, INC.	REPAIR UNIT #40-REPLACE RIGHT SIDE WHEEL WELL PANEL. REPAIR	02/06/2024	\$ 5,020.16
2501	ACH	701930	FLYERS ENERGY LLC	ORDER #3449337-24, ETH 403 UNITS/DSL 330 UNITS	02/06/2024	\$ 3,131.20
2501	ACH	701930	FLYERS ENERGY LLC	ORDER #3457722-24, ETH 410 UNITS/DSL 150 UNITS	02/06/2024	\$ 2,282.76
2501	ACH	701930	FLYERS ENERGY LLC	ORDER #3456731-24, DSL 400 UNITS	02/06/2024	\$ 1,903.90
2502	ACH	701400	HELIX ENVIRONMENTAL PLANNING INC	AS-NEEDED ENVIRONMENTAL SERVICES	02/06/2024	\$ 8,520.87
2503	ACH	700663	ICONIX WATERWORKS (US) INC	CRD-18 150-600 PSI REPAIR KIT	02/06/2024	\$ 1,445.47
2503	ACH	700663	ICONIX WATERWORKS (US) INC	6" 300# T316 SS FLG BOLT KIT WITH WASHERS	02/06/2024	\$ 758.48
2503	ACH	700663	ICONIX WATERWORKS (US) INC	1/2" BRASS PLUG	02/06/2024	\$ 49.35
2503	ACH	700663	ICONIX WATERWORKS (US) INC	1 SCH40 MALE ADAPTER, 3/4 SCH40 MALE ADAPTER, 1 SCH40 90 SXS	02/06/2024	\$ 14.61
2504	ACH	700772	KENNEDY/JENKS CONSULTANTS INC	AS-NEEDED ENGINEERING SERVICES DURING CONSTRUCTION L/S1 PH1	02/06/2024	\$ 5,065.00
2505	ACH	701348	PRINCIPAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - FEB 2024	02/06/2024	\$ 8,403.90
2506	ACH	701940	SONSRAY MACHINERY LLC.	VEH REPAIR: VALVE CONTROL, HARNESS WIRE, SHOP SUPPLY, LABOR	02/06/2024	\$ 5,537.20

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
2507	ACH	702490	SPECIALTY MOWING SERVICES, INC.	MORRO TANK VEGETATION CLEARING	02/06/2024	\$ 4,978.80
2507	ACH	702490	SPECIALTY MOWING SERVICES, INC.	MORRO RESERVOIR - EAST ACCESS ROAD TO CHEM FACILITY	02/06/2024	\$ 4,975.50
2507	ACH	702490	SPECIALTY MOWING SERVICES, INC.	MORRO TANK VEGETATON CLEARING	02/06/2024	\$ 4,251.00
2508	ACH	702788	US BANK	TRUST DEPARTMENT - FEES, 11/1/23-11/30/23	02/06/2024	\$ 291.67
27463	CHECK	702925	AMERICAN BUSINESS BANK	LIVE OAK PARK BRIDGE RELOCATION, CONTRACT 22-09	02/06/2024	\$ 11,625.00
27464	CHECK	701269	AT&T LONG DISTANCE	MONTHLY PHONE SERVICE	02/06/2024	\$ 0.11
27465	CHECK	700650	COLONIAL LIFE & ACCIDENT INS.	PR BATCH 2402_ HEALTH AND ACCIDENTAL INSURANCE	02/06/2024	\$ 43.59
27466	CHECK	701977	CORE & MAIN LP	12" X101C DRY VALVE POSITION INDICATOR	02/06/2024	\$ 594.78
27466	CHECK	701977	CORE & MAIN LP	3/4 PVC SCH40 PIPE SWB 20', 3/4 PVC SCH40 90 HXH 406-007	02/06/2024	\$ 39.17
27467	CHECK	701188	CRAIG SHOBE	PREP & PAINT TRIM, CLAUDIA'S OFFICE	02/06/2024	\$ 720.00
27467	CHECK	701188	CRAIG SHOBE	PREP & PAINT WALLS & DOORS, CLAUDIA'S OFFICE	02/06/2024	\$ 220.00
27468	CHECK	700860	FERGUSON WATERWORKS #1083	2" 90-01 CLA-VAL PRV 90-01-296D, CLA-VAL # 917003K, DIAPH AS	02/06/2024	\$ 4,496.41
27469	CHECK	700915	FREEDOM AUTOMATION, INC.	ENGINEERING SERVICES-COMPLETED GRAPHICAL PROGRAMMING FOR LS1	02/06/2024	\$ 15,400.00
27471	CHECK	701010	HOCH CONSULTING, APC	SAN LUIS REY VALLEY GROUND WATER RECOVERY	02/06/2024	\$ 34,491.25
27471	CHECK	701010	HOCH CONSULTING, APC	HUTTON, TURNER & DENTRO PUMP STATION DESIGN	02/06/2024	\$ 4,792.50
27472	CHECK	701775	OMNIS CONSULTING INC.	STANDARD AND SPECIFICATIONS UPDATES	02/06/2024	\$ 2,170.00
27472	CHECK	701775	OMNIS CONSULTING INC.	STANDARD AND SPECIFICATIONS UPDATES	02/06/2024	\$ 930.00
27473	CHECK	701320	PACIFIC PIPELINE SUPPLY	317 SADDLE DI SW-SS IP 2.38" 2X1	02/06/2024	\$ 176.75
27474	CHECK	701835	RANCHO LADERA ROAD ASSOCIATION	ANNUAL PREMIUM FOR RLR LIABILITY INSURANCE POLICY	02/06/2024	\$ 125.00
27475	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS & ELECTRIC, #2100 0004 3577 8	02/06/2024	\$ 32,292.57
27475	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY SERVICE #4065 592 756 6	02/06/2024	\$ 5,750.78
27476	CHECK	701948	STATE WATER RESOURCES CONTROL BOARD	WATER SYSTEM ANNUAL FEES, 7/1/23-6/30/24	02/06/2024	\$ 45,717.68
27477	CHECK	702022	T S INDUSTRIAL SUPPLY	8, 18, & 10 IN ADJ WRENCH CHROME, RIDGID 18IN ALUM PIPE WREN	02/06/2024	\$ 600.17
27478	CHECK	701059	TIME WARNER CABLE/SPECTRUM	MONTHLY INTERNET SERVICE	02/06/2024	\$ 1,400.00
27479	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 1550 UNITS	02/06/2024	\$ 7,064.63
27479	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 1500 UNITS	02/06/2024	\$ 6,836.74
27479	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 1500 UNITS	02/06/2024	\$ 6,836.74
27480	CHECK	703040	AMANDA PARRA	TRAVEL EXP REIMB-TRANSFORMATIVE WATER LEADERSHIP ACADEMY	02/08/2024	\$ 1,421.13
27481	CHECK	703039	RICK ARAGON	TRAVEL EXP REIMB-CSMFO ANNUAL CONFERENCE	02/08/2024	\$ 1,161.37
654170251	EFT		ADP	ADP - ADVICE OF DEBIT #654170251	02/14/2024	\$ 568.25
2511	ACH	700958	AIRGAS USA, LLC	CYLINDER RENTAL - ACETYLENE, CARBON DIOXIDE, OXYGEN	02/16/2024	\$ 215.73
2511	ACH	700958	AIRGAS USA, LLC	CYLINDER RENTAL - ACETYLENE, AIR, OXYGEN, CARBON DIOXIDE	02/16/2024	\$ 137.52
2512	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	02/16/2024	\$ 180.00
2512	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	02/16/2024	\$ 152.00
2512	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	02/16/2024	\$ 119.00
2512	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	02/16/2024	\$ 119.00
2512	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	02/16/2024	\$ 102.00
2512	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	02/16/2024	\$ 102.00
2513	ACH	701187	BP BATTERY INC.	BATTERY PROS WITH CORE EXCHANGE	02/16/2024	\$ 337.57
2513	ACH	701187	BP BATTERY INC.	AGM BP GROUP 94R	02/16/2024	\$ 254.12
2513	ACH	701187	BP BATTERY INC.	RV MARINE BATTERY WITH CORE EXCHANGE	02/16/2024	\$ 180.34
2514	ACH	700638	CECILIA'S SAFETY SERVICE	TRAFFIC CONTROL - N RIVER RD/EMERALD, BONSTALL	02/16/2024	\$ 2,015.00
2514	ACH	700638	CECILIA'S SAFETY SERVICE	TRAFFIC CONTROL - GOPHER CANYON ROAD, VISTA	02/16/2024	\$ 2,015.00
2514	ACH	700638	CECILIA'S SAFETY SERVICE	TRAFFIC CONTROL - CORNER OF RAINBOW VALLEY BLVD/CANYON HEIGH	02/16/2024	\$ 1,725.00
2515	ACH	701731	CUSTOM TRUCK BODY & EQUIPMENT, INC.	TRAILER 116 WASTE WATER EMERGENCY RESPONSE	02/16/2024	\$ 4,627.69
2515	ACH	701731	CUSTOM TRUCK BODY & EQUIPMENT, INC.	UNIT #116-INSTALL CARR STEP	02/16/2024	\$ 2,038.31
2515	ACH	701731	CUSTOM TRUCK BODY & EQUIPMENT, INC.	UNIT #73-SPRING ROLLER ASSEMBLY, VINYL ARM TARP, PULLROD, PU	02/16/2024	\$ 1,920.48
2515	ACH	701731	CUSTOM TRUCK BODY & EQUIPMENT, INC.	UNIT #22-REMOVE 2 LEAKY LIFTGATE CYLINDERS	02/16/2024	\$ 1,869.59
2515	ACH	701731	CUSTOM TRUCK BODY & EQUIPMENT, INC.	15' ASPHALT-2 TARP	02/16/2024	\$ 696.52
2515	ACH	701731	CUSTOM TRUCK BODY & EQUIPMENT, INC.	UNIT #22-VMAC 5400750 COMPLETE WASHER BOTTLE AND HARNESS	02/16/2024	\$ 224.31
2516	ACH	702834	EUROSOURCE JANITORIAL SERVICE INC.	JANITORIAL SERVICES - JANUARY 2024	02/16/2024	\$ 3,935.00

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
2517	ACH	700853	FALLBROOK EQUIPMENT RENTAL	WATER TRUCK 2000 GAL	02/16/2024	\$ 2,700.00
2518	ACH	701930	FLYERS ENERGY LLC	ORDER #3465558-24, ETH 500 UNITS/DSL 600 UNITS	02/16/2024	\$ 5,072.49
2519	ACH	702583	HARRIS & ASSOCIATES, INC.	TRI POINTE HOMES REIMBURSEMENT REVIEW SERVICES	02/16/2024	\$ 5,933.80
2520	ACH	700663	ICONIX WATERWORKS (US) INC	1 JONES 110CTSXMIP COUPLING NL	02/16/2024	\$ 408.07
2521	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	02/16/2024	\$ 330.89
2522	ACH	701619	RT LAWRENCE CORPORATION	LOCKBOX PROCESSING FEES - JAN 2024	02/16/2024	\$ 626.67
2523	ACH	701888	SAFETY-KLEEN	5G BRAKE CLEANER-AQUEOUS,SOLVENT,OIL FILTER, PARTS WASHER, G	02/16/2024	\$ 755.57
2524	ACH	702490	SPECIALTY MOWING SERVICES, INC.	HUTTON TANK - VEGETATION CLEARING	02/16/2024	\$ 4,960.80
2525	ACH	702107	THE WELD SHOP, INC	EMERGENCY REPAIR AND MODIFCATION OF ALUM RAMPS	02/16/2024	\$ 750.00
2525	ACH	702107	THE WELD SHOP, INC	ALUM DRUM CART	02/16/2024	\$ 377.13
2526	ACH	702015	TRENCH SHORING COMPANY	K RAIL CONCRETE, K RAIL CONNECTING PIN, K-RAIL DELIVERY	02/16/2024	\$ 711.20
2527	ACH	702042	UNDERGROUND SERVICE ALERT	RAI88 NEW TICKET CHARGES	02/16/2024	\$ 253.25
2527	ACH	702042	UNDERGROUND SERVICE ALERT	CA STATE FEE FOR REGULATORY COSTS	02/16/2024	\$ 73.19
2528	ACH	702788	US BANK	TRUST DEPARTMENT - FEES, 12/1/23-12/31/23	02/16/2024	\$ 291.67
2529	ACH	702648	ZION BANCORPORATION, NATIONAL ASSOCIATION	ESCROW SERVICES, ANNUAL ADMIN FEE 11/23-10/24	02/16/2024	\$ 1,000.00
27483	CHECK	701826	ARAMARK UNIFORM SERVICES	MONTHLY UNIFORMS/MATS & MISC	02/16/2024	\$ 427.73
27483	CHECK	701826	ARAMARK UNIFORM SERVICES	MONTHLY UNIFORMS/MATS & MISC	02/16/2024	\$ 427.23
27483	CHECK	701826	ARAMARK UNIFORM SERVICES	THREE SEASON JACKET	02/16/2024	\$ 52.18
27484	CHECK	701264	AT&T	MONTHLY PHONE SERVICE	02/16/2024	\$ 86.18
27484	CHECK	701264	AT&T	MONTHLY PHONE SERVICE	02/16/2024	\$ 72.73
27485	CHECK	701266	AT&T	MONTHLY PHONE SERVICE	02/16/2024	\$ 856.67
27485	CHECK	701266	AT&T	MONTHLY PHONE SERVICE	02/16/2024	\$ 205.07
27485	CHECK	701266	AT&T	MONTHLY PHONE SERVICE	02/16/2024	\$ 31.13
27485	CHECK	701266	AT&T	MONTHLY PHONE SERVICE	02/16/2024	\$ 29.39
27486	CHECK	702525	BADGER METER INC.	1" BADGER M55 METER W/ M25 REGISTER, 1" BADGER M70 METER W/	02/16/2024	\$ 12,136.75
27486	CHECK	702525	BADGER METER INC.	ORION CELLULAR LTE SERV UNIT	02/16/2024	\$ 99.60
27487	CHECK	702809	BASSETT COMMUNICATIONS, INC	SPARE BATTERY, SPEAKER MIC, UNIT CHARGER, PORTABLE RADIO	02/16/2024	\$ 2,518.42
27488	CHECK	700586	BONSALL PEST CONTROL	MONTHLY PEST CONTROL	02/16/2024	\$ 210.00
27489	CHECK	703038	COACHELLA VALLEY WATER DISTRICT	CSMFO ANNUAL MEMBERSHIP, CSMFO CONFERENCE	02/16/2024	\$ 650.00
27490	CHECK	700650	COLONIAL LIFE & ACCIDENT INS.	PR BATCH 2403_HEALTH AND ACCIDENTAL INSURANCE	02/16/2024	\$ 43.59
27491	CHECK	702165	COPY 2 COPY	BUSINESS CARDS - ARAGON	02/16/2024	\$ 89.38
27492	CHECK	701977	CORE & MAIN LP	HP HYMAX GRIP CPLG, 8X6 FLG TEE, CI LID ONLY WATER IMP, PVC	02/16/2024	\$ 3,844.75
27492	CHECK	701977	CORE & MAIN LP	1" FIP x COMP COUPLING	02/16/2024	\$ 134.69
27493	CHECK	700688	COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	ANNUAL HAZMAT PERMIT FOR HORSE CREEK RANCH L/S	02/16/2024	\$ 574.00
27494	CHECK	701188	CRAIG SHOBE	HANG ART , RAN 4 CAT 6 WIRES	02/16/2024	\$ 810.00
27495	CHECK	700645	CSDA, SAN DIEGO CHAPTER	CSDA QUARTERLY DINNER MEETING-WILEY, HARP, HAMILTON, MACK, J	02/16/2024	\$ 420.00
27496	CHECK	700799	D & H WATER SYSTEMS INC	TUBE ASSY, SPARE MEMBRANE, ELECTROLYTE SOLUTION, SILICONE	02/16/2024	\$ 2,197.57
27497	CHECK	700797	DIAMOND ENVIRONMENTAL SERVICES	PORTA POTTY RENTAL	02/16/2024	\$ 483.12
27498	CHECK	702515	DITCH WITCH WEST	BELT SET	02/16/2024	\$ 56.91
27499	CHECK	703027	EASTERN MUNICIPAL WATER DISTRICT	MISC FEES - 50% ALESHIRE & WYNDER, NOV INV 82506	02/16/2024	\$ 3,088.20
27500	CHECK	700845	FALLBROOK AUTO PARTS	SOCKET SET, WORK LIGHT	02/16/2024	\$ 783.94
27500	CHECK	700845	FALLBROOK AUTO PARTS	LAMP-GROMMET KIT, LED3 SERIES LAMP, LED MDL 33 M C GMT KT	02/16/2024	\$ 290.78
27500	CHECK	700845	FALLBROOK AUTO PARTS	EXHAUST SENSOR, RADIAL SEAL FILTER, SPIN-ON FLUID FILTER, MO	02/16/2024	\$ 267.99
27500	CHECK	700845	FALLBROOK AUTO PARTS	HOUSING THERMOSTAT, CURVED HOSE, RAD HOSE	02/16/2024	\$ 265.56
27500	CHECK	700845	FALLBROOK AUTO PARTS	HOSE CLAMP	02/16/2024	\$ 198.69
27500	CHECK	700845	FALLBROOK AUTO PARTS	22IN TRICO FORCE BLDE	02/16/2024	\$ 142.17
27500	CHECK	700845	FALLBROOK AUTO PARTS	SPIN-ON FLUID FILTER, RADIAL SEAL FILTER	02/16/2024	\$ 71.61
27500	CHECK	700845	FALLBROOK AUTO PARTS	LINCH PIN 1 4, SPIN-ON FLUID FILTER, RADIAL SEAL FILTER	02/16/2024	\$ 43.82
27500	CHECK	700845	FALLBROOK AUTO PARTS	KEYLESS REMOTE CASE	02/16/2024	\$ 18.31
27500	CHECK	700845	FALLBROOK AUTO PARTS	BRANCHED RAD HOSE, CAM FRONT SEAL SET, INT MAN GASKET SET	02/16/2024	\$ (118.49)
27501	CHECK	700884	FALLBROOK IRRIGATION SUPPLIES	MA PVC 1", TEE, ELL, COUP, WILKINS NR3DU 1" LEAD	02/16/2024	\$ 417.80

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
27501	CHECK	700884	FALLBROOK IRRIGATION SUPPLIES	UNION S40, STAINLESS S HOSE CLAMP, COUP, ELL, ADAPT BARB	02/16/2024	\$ 108.61
27501	CHECK	700884	FALLBROOK IRRIGATION SUPPLIES	PIPE PVC SCH40 2", CATCH BASIN 1 WAY 6, POP UP DRAIN EMITER	02/16/2024	\$ 64.36
27501	CHECK	700884	FALLBROOK IRRIGATION SUPPLIES	PIPE ABS CELL CORE 3, FA ABS 3	02/16/2024	\$ 56.55
27501	CHECK	700884	FALLBROOK IRRIGATION SUPPLIES	TEE PVC SSS 21/2X1 , BUSH PVC SSS 21/2X2	02/16/2024	\$ 16.31
27502	CHECK	700855	FEDEX	DELIVERY SERVICE	02/16/2024	\$ 19.21
27503	CHECK	701711	FLUME TECH	FLUME SMART WATER SYSTEM	02/16/2024	\$ 822.13
27504	CHECK	703022	GARDA CL WEST, INC	ARMORED TRANSPORTATION SERVICE	02/16/2024	\$ 958.60
27504	CHECK	703022	GARDA CL WEST, INC	ARMORED TRANSPORTATION SERVICE	02/16/2024	\$ 84.80
27505	CHECK	700907	GIL FRANCO, TIRE HAULER	RECYCLING & DISPOSAL-PASSENGER & TRUCK TIRES	02/16/2024	\$ 226.00
27506	CHECK	700949	GRANGETTO'S-FALLBROOK	STRAW WATTLE 9"X25', STAKE FOR STRAW WATTLE 18"	02/16/2024	\$ 340.40
27506	CHECK	700949	GRANGETTO'S-FALLBROOK	MALE ADAPTER, COUPLING SXS, SCH40 BELL END	02/16/2024	\$ 68.49
27507	CHECK	703016	GSK ENTERPRISES	15' FLOW CONDITIONER BAND	02/16/2024	\$ 361.25
27508	CHECK	701006	HILL BROTHERS CHEMICAL CO.	AMMONIUM SULFATE 40%, FUEL SURCHARGE	02/16/2024	\$ 4,286.70
27509	CHECK	702503	IMPACT DESIGN	NEW HIRES & RESTOCK	02/16/2024	\$ 687.28
27509	CHECK	702503	IMPACT DESIGN	NEW HIRES & RESTOCK	02/16/2024	\$ 404.86
27510	CHECK	703032	INSIGHT PUBLIC SECTOR INC.	APPLE MACBOOK PRO - 16.2"	02/16/2024	\$ 3,457.01
27510	CHECK	703032	INSIGHT PUBLIC SECTOR INC.	APPLE 15-IN MACBOOK AIR	02/16/2024	\$ 1,681.14
27510	CHECK	703032	INSIGHT PUBLIC SECTOR INC.	APPLECARE EXTENDED SERVICE AGREEMENT	02/16/2024	\$ 176.00
27511	CHECK	701656	LINCOLN NATIONAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - MARCH 2024	02/16/2024	\$ 5,893.80
27512	CHECK	702731	MOBILE MODULAR	OFFICE SPACE RENTAL, 2/13/24 TO 03/13/24	02/16/2024	\$ 3,502.51
27513	CHECK	702452	MICHAEL MACK	MILEAGE REIMBURSEMENT	02/16/2024	\$ 41.54
27514	CHECK	702467	MOBILE MINI, INC	STORAGE CONTAINER RENTAL	02/16/2024	\$ 261.34
27514	CHECK	702467	MOBILE MINI, INC	STORAGE CONTAINER RENTAL	02/16/2024	\$ 250.13
27514	CHECK	702467	MOBILE MINI, INC	STORAGE CONTAINER RENTAL	02/16/2024	\$ 250.13
27514	CHECK	702467	MOBILE MINI, INC	STORAGE CONTAINER RENTAL	02/16/2024	\$ 250.13
27514	CHECK	702467	MOBILE MINI, INC	STORAGE CONTAINER RENTAL	02/16/2024	\$ 250.13
27515	CHECK	701180	MODULAR BUILDING CONCEPTS, INC	LEASE AGREEMENT	02/16/2024	\$ 868.46
27515	CHECK	701180	MODULAR BUILDING CONCEPTS, INC	LEASE AGREEMENT	02/16/2024	\$ 490.26
27515	CHECK	701180	MODULAR BUILDING CONCEPTS, INC	LEASE AGREEMENT	02/16/2024	\$ 447.16
27516	CHECK	701241	NATIONAL SAFETY COMPLIANCE,INC	SERVICES PERFORMED	02/16/2024	\$ 628.50
27517	CHECK	701723	NUTRIEN AG SOLUTIONS, INC	CHAIN LOOP	02/16/2024	\$ 179.90
27517	CHECK	701723	NUTRIEN AG SOLUTIONS, INC	CHAIN LOOP	02/16/2024	\$ 120.64
27518	CHECK	701254	O'REILLY AUTO PARTS	LED MINI, LED MINIBULB	02/16/2024	\$ 154.04
27518	CHECK	701254	O'REILLY AUTO PARTS	AIR FILTER, FUEL FILTER	02/16/2024	\$ 77.36
27519	CHECK	701257	ONESOURCE DISTRIBUTORS, LLC	T&B TY527MX TY-RAP 13.40" WEATHER RESISTANT BLACK NYLON CABL	02/16/2024	\$ 1,016.75
27520	CHECK	701320	PACIFIC PIPELINE SUPPLY	INSUL FLANGE KIT TYPE-E NEO-FACE FF 150# 6", GASKET PO 6", W	02/16/2024	\$ 1,091.18
27520	CHECK	701320	PACIFIC PIPELINE SUPPLY	GALV TOP SECTION 12" X 12", GATE CAP M/ WATER 8"	02/16/2024	\$ 618.34
27520	CHECK	701320	PACIFIC PIPELINE SUPPLY	FLANGE 90 ELL #250 4" 444.150/ea	02/16/2024	\$ 478.57
27520	CHECK	701320	PACIFIC PIPELINE SUPPLY	GASKET NON-ASB RING #150 1/16" 12"	02/16/2024	\$ 180.22
27521	CHECK	701284	PALOMAR HEALTH	SERVICES PERFORMED	02/16/2024	\$ 85.00
27522	CHECK	701423	PERRAULT CORPORATION	CLASS II BASE, TRUCKING, ENVIRONMENTAL FEE	02/16/2024	\$ 1,936.37
27522	CHECK	701423	PERRAULT CORPORATION	SE30 SAND, TRUCKING, ENVIRONMENTAL FEE	02/16/2024	\$ 1,451.22
27522	CHECK	701423	PERRAULT CORPORATION	SE30 SAND, TRUCKING, ENVIRONMENTAL FEE	02/16/2024	\$ 522.04
27523	CHECK	702429	RICARDO ZARAGOZA	COMPUTER FINANCIAL ASSISTANCE PROGRAM	02/16/2024	\$ 2,000.00
27524	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS & ELECTRIC, #1065 087 935 1	02/16/2024	\$ 34,984.22
27524	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS & ELECTRIC, #2100 0068 2605 3	02/16/2024	\$ 1,715.02
27524	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS & ELECTRIC, #2100 0109 4398 5	02/16/2024	\$ 519.88
27524	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS & ELECTRIC, #2100 0106 9169 1	02/16/2024	\$ 42.76
27525	CHECK	702940	SLUDGEBOOSTERS INC	22 LOADS TRANSFERRED-LITTLE GOPHER CYN	02/16/2024	\$ 4,988.75
27525	CHECK	702940	SLUDGEBOOSTERS INC	19 LOADS TRANSFERRED-LITTLE GOPHER CYN	02/16/2024	\$ 4,820.00
27526	CHECK	702513	SOUTHERN CONTRACTING COMPANY	ANTENNA REPAIRS	02/16/2024	\$ 7,000.00

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
27527	CHECK	701928	STERICYCLE, INC.	REGULAR SERVICES, 1/1/24-1/31/24	02/16/2024	\$ 687.84
27527	CHECK	701928	STERICYCLE, INC.	REGULAR SERVICES, 1/31/24-1/31/24	02/16/2024	\$ 475.34
27528	CHECK	701972	STREAMLINE	MONTHLY WEB MANAGEMENT FEE	02/16/2024	\$ 355.00
27529	CHECK	702022	T S INDUSTRIAL SUPPLY	RAZORBACK SHOVEL, TRENCH SHOVEL, WOOD TAPER, HANDLE BRACE, S	02/16/2024	\$ 355.97
27530	CHECK	701984	TCN, INC	MONTHLY 48 HOUR NOTICE	02/16/2024	\$ 11.22
27531	CHECK	702899	THE ALCHEMY GROUP INC	ACTIVITIES FROM 1/1/24-1/31/24	02/16/2024	\$ 15,000.00
27532	CHECK	701773	TRAFFIC SUPPLY, INC.	TRAFFIX DEVICES ECONBUSTER NON-SPRING BACK STAND	02/16/2024	\$ 2,122.78
27533	CHECK	703041	U.S. BANK EQUIPMENT FINANCE, a division of U.S. BANK NATIONAL ASSOCIATION	MONTHLY LEASE AGREEMENT	02/16/2024	\$ 3,814.70
27534	CHECK	703041	U.S. BANK EQUIPMENT FINANCE, a division of U.S. BANK NATIONAL ASSOCIATION	MONTHLY LEASE AGREEMENT	02/16/2024	\$ 3,368.28
27535	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 1650 UNITS	02/16/2024	\$ 7,520.41
27535	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 1500 UNITS	02/16/2024	\$ 6,345.00
27535	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 1200 UNITS	02/16/2024	\$ 5,076.00
27535	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 1100 UNITS	02/16/2024	\$ 4,653.00
27536	CHECK	702897	WEST COAST TELECOM PRODUCTS	MEASURING TIP 18 MM FOR W-7 GROUND MICROPHONE	02/16/2024	\$ 63.03
27537	CHECK	702126	WHITE CAP CONSTRUCTION SUPPLY	HELMET, 20'LEADING EDGE HD SELF RETRACTABLE LIFELINE, RAIN J	02/16/2024	\$ 4,695.29
27537	CHECK	702126	WHITE CAP CONSTRUCTION SUPPLY	LG TOP GRAIN PIGSKIN GLOVES WEST HIGH RISK 14MIL EXAM DISPOS	02/16/2024	\$ 731.30
27537	CHECK	702126	WHITE CAP CONSTRUCTION SUPPLY	4XL/5XL LIME CL3 ECONOMY RAINUIT	02/16/2024	\$ 152.98
27537	CHECK	702126	WHITE CAP CONSTRUCTION SUPPLY	4XL/5XL LIME CL3 ECONOMY RAINUIT	02/16/2024	\$ 152.98
27537	CHECK	702126	WHITE CAP CONSTRUCTION SUPPLY	2XL/3XL LIME STORM STOP RAIN PANTS	02/16/2024	\$ 38.78
27538	CHECK	702840	WRIKE INC	SUBSCRIPTION FEES	02/16/2024	\$ 10,800.00
0001893924	EFT		WEX	WEX - ADMIN FEES (JAN 2024)	02/26/2024	\$ 85.00
27539	CHECK	702425	CHRIS HAND	REIMBURSEMENT FOR DISTRIBUTION CERTIFICATE FEE	02/28/2024	\$ 80.00
27540	CHECK	702630	ESAUD LAGUNAS	EDUCATION ASSISTANCE REIMBURSEMENT	02/28/2024	\$ 5,250.00
27541	CHECK	703042	OLYMPIC SHRINK WRAP	DEPOSIT - SHRINK WRAP WATER PIPES	02/28/2024	\$ 1,200.00
27542	CHECK	702569	SAN DIEGO LAFCO	EXTENSION OF PROCEDINGS RELATED TO RMWD DETACHMENT	02/28/2024	\$ 610.00
79597	EFT		US BANK	US BANK CC - CENTRAL BILL (JANUARY STATEMENT)	02/28/2024	\$ 2,589.44
Net Distribution						\$ 4,092,699.40



Director's Expense Report Fiscal Year 2023-2024

July 2023

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Miguel Gasca	1	\$ -				\$ -	\$ -
Claude Hamilton	2	\$ 150.00				\$ -	\$ 150.00
Julie Johnson	2	\$ 150.00				\$ -	\$ 150.00
Michael Mack	1	\$ -				\$ -	\$ -
Patti Townsend-Smith	1	\$ -				\$ -	\$ -
Monthly Totals	7	\$ 300.00	\$ -	\$ -	0	\$ -	\$ 300.00

August 2023

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Miguel Gasca	1	\$ 150.00	\$ 70.00			\$ -	\$ 220.00
Claude Hamilton	1	\$ 150.00	\$ 70.00			\$ -	\$ 220.00
Julie Johnson	2	\$ 300.00	\$ 170.00		62	\$ 40.61	\$ 510.61
Michael Mack	1	\$ 150.00	\$ 70.00		90	\$ 58.95	\$ 278.95
Patti Townsend-Smith		\$ -	\$ 70.00		74	\$ 48.47	\$ 118.47
Monthly Totals	5	\$ 750.00	\$ 450.00	\$ -	226	\$ 148.03	\$ 1,348.03

September 2023

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Miguel Gasca	3	\$ 450.00	\$ 815.00			\$ -	\$ 1,265.00
Claude Hamilton	2	\$ 300.00	\$ 815.00			\$ -	\$ 1,115.00
Julie Johnson	6	\$ 900.00	\$ 815.00	\$ 433.95		\$ -	\$ 2,148.95
Michael Mack	6	\$ 900.00	\$ 815.00	\$ 279.48	110	\$ 72.05	\$ 2,066.53
Patti Townsend-Smith	4	\$ 600.00				\$ -	\$ 600.00
Monthly Totals	21	\$ 3,150.00	\$ 3,260.00	\$ 713.43	110	\$ 72.05	\$ 7,195.48

October 2023							
Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Miguel Gasca	2	\$ 300.00				\$ -	\$ 300.00
Claude Hamilton	2	\$ 300.00				\$ -	\$ 300.00
Julie Johnson	2	\$ 300.00		\$ 855.29		\$ -	\$ 1,155.29
Michael Mack	2	\$ 300.00		\$ 1,114.82		\$ -	\$ 1,414.82
Patti Townsend-Smith	2	\$ 300.00				\$ -	\$ 300.00
Monthly Totals	10	\$ 1,500.00	\$ -	\$ 1,970.11	0	\$ -	\$ 3,470.11

November 2023							
Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Miguel Gasca		\$ -	\$ 70.00			\$ -	\$ 70.00
Claude Hamilton		\$ -	\$ 70.00			\$ -	\$ 70.00
Julie Johnson		\$ -				\$ -	\$ -
Michael Mack	1	\$ 150.00	\$ 70.00			\$ -	\$ 220.00
Patti Townsend-Smith	2	\$ 300.00				\$ -	\$ 300.00
Monthly Totals	3	\$ 450.00	\$ 210.00	\$ -	0	\$ -	\$ 660.00

December 2023							
Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Miguel Gasca	5	\$ 750.00			232	\$ 151.96	\$ 901.96
Claude Hamilton	6	\$ 900.00			170	\$ 111.35	\$ 1,011.35
Julie Johnson	6	\$ 900.00		\$ 605.82		\$ -	\$ 1,505.82
Michael Mack	8	\$ 1,200.00		\$ 171.61	252	\$ 165.06	\$ 1,536.67
Patti Townsend-Smith	1	\$ 150.00				\$ -	\$ 150.00
Monthly Totals	26	\$ 3,900.00	\$ -	\$ 777.43	654	\$ 428.37	\$ 5,105.80

January 2024							
Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Miguel Gasca		\$ -		\$ 965.12		\$ -	\$ 965.12
Claude Hamilton		\$ -		\$ 523.14		\$ -	\$ 523.14
Julie Johnson		\$ -	\$ 720.00			\$ -	\$ 720.00
Michael Mack		\$ -		\$ 995.12		\$ -	\$ 995.12
Patti Townsend-Smith		\$ -	\$ 490.00			\$ -	\$ 490.00
Monthly Totals	0	\$ -	\$ 1,210.00	\$ 2,483.38	0	\$ -	\$ 3,693.38

February 2024							
Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Miguel Gasca		\$ -				\$ -	\$ -
Cari Dale		\$ -				\$ -	\$ -
Claude Hamilton	1	\$ 150.00	\$ 70.00			\$ -	\$ 220.00
Julie Johnson	1	\$ 150.00	\$ 910.00			\$ -	\$ 1,060.00
Michael Mack	2	\$ 300.00	\$ 910.00		62	\$ 41.54	\$ 1,251.54
Patti Townsend-Smith	1	\$ 150.00	\$ 840.00			\$ -	\$ 990.00
Monthly Totals	5	\$ 750.00	\$ 2,730.00	\$ -	62	\$ 41.54	\$ 3,521.54

Fiscal Year 2023-2024 Total

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Miguel Gasca	12	\$ 1,650.00	\$ 955.00	\$ 965.12	232	\$ 151.96	\$ 3,722.08
Cari Dale	0	\$ -	\$ -	\$ -	0	\$ -	\$ -
Claude Hamilton	14	\$ 1,950.00	\$ 1,025.00	\$ 523.14	170	\$ 111.35	\$ 3,609.49
Julie Johnson	19	\$ 2,700.00	\$ 2,615.00	\$ 1,895.06	62	\$ 40.61	\$ 7,250.67
Michael Mack	21	\$ 3,000.00	\$ 1,865.00	\$ 2,561.03	514	\$ 337.60	\$ 7,763.63
Patti Townsend-Smith	11	\$ 1,500.00	\$ 1,400.00	\$ -	74	\$ 48.47	\$ 2,948.47
FY23-24 Total	77	\$ 10,800.00	\$ 7,860.00	\$ 5,944.35	1052	\$ 689.99	\$ 25,294.34



**Conference/Seminar and Expense Summary
Fiscal Year 2023-2024**

Miguel Gasca

Date Paid	Description	Event Date(s)	# of		Registration Fee	Travel Expense	Mileage Reimb		Total
			Meetings	Per Diem			# Miles	Amount	
8/10/2023	Board Meeting	7/25/2023	1	\$ 150.00				\$ -	\$ 150.00
8/22/2023	CSDA Quarterly Dinner Meeting	8/17/2023			\$ 70.00			\$ -	\$ 70.00
9/7/2023	GM Interviews	8/10/2023	1	\$ 150.00				\$ -	\$ 150.00
9/7/2023	Special Board Meeting	8/11/2023	1	\$ 150.00				\$ -	\$ 150.00
9/7/2023	Board Meeting	8/22/2023	1	\$ 150.00				\$ -	\$ 150.00
10/5/2023	2023 ACWA Fall Conference	11/28/23-11/29/23		\$ 300.00	\$ 815.00	\$ 965.12	156	\$ 102.18	\$ 2,182.30
10/7/2023	Special Board Meeting	9/6/2023	1	\$ 150.00				\$ -	\$ 150.00
10/7/2023	Board Meeting	9/26/2023	1	\$ 150.00				\$ -	\$ 150.00
12/14/2023	Board Meeting	11/1/2023	1	\$ 150.00				\$ -	\$ 150.00
12/14/2023	Special Board Meeting	11/15/2023	1	\$ 150.00				\$ -	\$ 150.00
12/14/2023	CSDA Quarterly Dinner Meeting	11/16/2023	1	\$ 150.00	\$ 70.00		76	\$ 49.78	\$ 269.78
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
FY23-24 Total			9	\$ 1,650.00	\$ 955.00	\$ 965.12	232	\$ 151.96	\$ 3,722.08



Conference/Seminar and Expense Summary
Fiscal Year 2023-2024

Claude Hamilton

Date Paid	Description	Event Date(s)	# of		Registration Fee	Travel Expense	Mileage Reimb		Total
			Meetings	Per Diem			# Miles	Amount	
7/13/2023	Board Meeting	5/23/2023	1	\$ 150.00				\$ -	\$ 150.00
8/10/2023	Board Meeting	7/25/2023	1	\$ 150.00				\$ -	\$ 150.00
8/22/2023	CSDA Quarterly Dinner Meeting	8/17/2023			\$ 70.00			\$ -	\$ 70.00
9/7/2023	Special Board Meeting	8/11/2023	1	\$ 150.00				\$ -	\$ 150.00
9/7/2023	Board Meeting	8/22/2023	1	\$ 150.00				\$ -	\$ 150.00
10/5/2023	Special Board Meeting	9/6/2023	1	\$ 150.00				\$ -	\$ 150.00
10/5/2023	Board Meeting	9/26/2023	1	\$ 150.00				\$ -	\$ 150.00
12/7/2023	2023 ACWA Fall Conference	11/28/23-11/29/23	2	\$ 300.00	\$ 815.00	\$ 523.14	170	\$ 111.35	\$ 1,749.49
12/14/2023	Board Meeting	11/1/2023	1	\$ 150.00				\$ -	\$ 150.00
12/14/2023	Special Board Meeting	11/15/2023	1	\$ 150.00				\$ -	\$ 150.00
12/14/2023	CSDA Quarterly Dinner Meeting	11/16/2023			\$ 70.00			\$ -	\$ 70.00
12/14/2023	Board Meeting	12/5/2023	1	\$ 150.00				\$ -	\$ 150.00
12/28/2023	Special Board Meeting	12/19/2023	1	\$ 150.00				\$ -	\$ 150.00
2/8/2024	Board Meeting	1/23/2024	1	\$ 150.00				\$ -	\$ 150.00
2/16/2024	CSDA Quarterly Dinner Meeting	2/15/2024			\$ 70.00			\$ -	\$ 70.00
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
FY23-24 Total			13	\$ 1,950.00	\$ 1,025.00	\$ 523.14	170	\$ 111.35	\$ 3,609.49



Conference/Seminar and Expense Summary
Fiscal Year 2023-2024

Julie Johnson

Date Paid	Description	Event Date(s)	# of		Registration Fee	Travel Expense	Mileage Reimb		Total
			Meetings	Per Diem			# Miles	Amount	
7/27/2023	ACWA Region10 Meeting	6/29/2023	1	\$ 150.00				\$ -	\$ 150.00
8/10/2023	Board Meeting	7/25/2023	1	\$ 150.00				\$ -	\$ 150.00
8/10/2023	SoCal Water Coalition Meeting	7/28/2023	1	\$ 150.00	\$ 100.00		62	\$ 40.61	\$ 290.61
8/22/2023	CSDA Quarterly Dinner Meeting	8/17/2023			\$ 70.00			\$ -	\$ 70.00
9/12/2023	2023 CSDA Annual Conference	8/27/23-8/31/23	3	\$ 450.00		\$ 1,289.24		\$ -	\$ 1,739.24
9/21/2023	GM Interviews	8/10/2023	1	\$ 150.00				\$ -	\$ 150.00
9/21/2023	Special Board Meeting	8/11/2023	1	\$ 150.00				\$ -	\$ 150.00
9/21/2023	Board Meeting	8/22/2023	1	\$ 150.00				\$ -	\$ 150.00
10/5/2023	2023 ACWA Fall Conference	11/28/23-11/29/23	2	\$ 300.00	\$ 815.00	\$ 605.82		\$ -	\$ 1,720.82
10/5/2023	Special Board Meeting	9/6/2023	1	\$ 150.00				\$ -	\$ 150.00
10/5/2023	Board Meeting	9/26/2023	1	\$ 150.00				\$ -	\$ 150.00
12/14/2023	Board Meeting	11/1/2023	1	\$ 150.00				\$ -	\$ 150.00
12/14/2023	Board Meeting	11/15/2023	1	\$ 150.00				\$ -	\$ 150.00
12/14/2023	Board Meeting	12/5/2023	1	\$ 150.00				\$ -	\$ 150.00
12/28/2023	Board Meeting	12/19/2023	1	\$ 150.00				\$ -	\$ 150.00
1/11/2024	2024 Special District Leadership Academy	12/4/2023			\$ 720.00			\$ -	\$ 720.00
1/24/2024	2024 ACWA Spring Conference	5/7/24-5/9/24			\$ 840.00			\$ -	\$ 840.00
2/8/2024	Board Meeting	1/23/2024	1	\$ 150.00				\$ -	\$ 150.00
2/16/2024	CSDA Quarterly Dinner Meeting	2/15/2024			\$ 70.00			\$ -	\$ 70.00
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
FY23-24 Total			18	\$ 2,700.00	\$ 2,615.00	\$ 1,895.06	62	\$ 40.61	\$ 7,250.67



Conference/Seminar and Expense Summary Fiscal Year 2023-2024

Michael Mack

Date Paid	Description	Event Date(s)	# of				Mileage Reimb		Total
			Meetings	Per Diem	Registration Fee	Travel Expense	# Miles	Amount	
8/10/2023	Board Meeting	7/25/2023	1	\$ 150.00				\$ -	\$ 150.00
8/22/2023	CSDA Quarterly Dinner Meeting	8/17/2023	1	\$ 150.00	\$ 70.00		90	\$ 58.95	\$ 278.95
9/21/2023	Special Board Meeting	8/11/2023	1	\$ 150.00				\$ -	\$ 150.00
9/21/2023	2023 CSDA Annual Conference	8/27/23-8/31/23	3	\$ 450.00		\$ 1,394.30	110	\$ 72.05	\$ 1,916.35
9/21/2023	Board Meeting	8/22/2023	1	\$ 150.00				\$ -	\$ 150.00
10/5/2023	Special Board Meeting	9/6/2023	1	\$ 150.00				\$ -	\$ 150.00
10/5/2023	Board Meeting	9/26/2023	1	\$ 150.00				\$ -	\$ 150.00
11/16/2023	CSDA - Governance Training	10/30/2023	1	\$ 150.00				\$ -	\$ 150.00
12/14/2023	Board Meeting	11/1/2023	1	\$ 150.00				\$ -	\$ 150.00
12/14/2023	Special Board Meeting	11/15/2023	1	\$ 150.00				\$ -	\$ 150.00
12/14/2023	CSDA Quarterly Dinner Meeting	11/16/2023	1	\$ 150.00	\$ 70.00		96	\$ 62.88	\$ 282.88
12/14/2023	Board Meeting	12/5/2023	1	\$ 150.00				\$ -	\$ 150.00
12/22/2023	2023 ACWA Fall Conference	11/28/23-11/29/23	3	\$ 450.00	\$ 815.00	\$ 171.61	156	\$ 102.18	\$ 1,538.79
12/28/2023	Special Board Meeting	12/19/2023	1	\$ 150.00				\$ -	\$ 150.00
2/8/2024	ACWA Region10 Meeting	1/22/2024	1	\$ 150.00			62	\$ 41.54	\$ 191.54
2/8/2024	Board Meeting	1/23/2024	1	\$ 150.00				\$ -	\$ 150.00
2/6/2024	2024 ACWA Spring Conference	5/7/24-5/9/24			\$ 840.00	\$ 995.12		\$ -	\$ 1,835.12
2/16/2024	CSDA Quarterly Dinner Meeting	2/15/2024			\$ 70.00			\$ -	\$ 70.00
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
								\$ -	\$ -
FY23-24 Total			20	\$ 3,000.00	\$ 1,865.00	\$ 2,561.03	514	\$ 337.60	\$ 7,763.63



Credit Card Transactions
Fiscal Year 2023-2024

February 2024

GL Finance Code	GL Transaction Amount	Description	Card Type
GL 03 42 56513	16.15	AMAZON - BANQUET DECORATIONS	AMEX
GL 03 42 56513	32.30	AMAZON - BANQUET DECORATIONS	AMEX
GL 03 42 56513	78.99	AMAZON - BANQUET DECORATIONS	AMEX
GL 03 42 56513	225.06	AMAZON - BANQUET DECORATIONS	AMEX
GL 03 42 56513	32.30	AMAZON - BANQUET DECORATIONS	AMEX
GL 03 44 60100	111.26	AMAZON #111-0440604-7373836	AMEX
GL 03 44 60100	577.71	AMAZON #111-1630930-1028222	AMEX
GL 03 44 60100	1,065.30	AMAZON #111-1630930-1028222	AMEX
GL 03 44 72000	1,938.42	AMAZON #111-2612010-4097845	AMEX
GL 03 44 60100	27.99	AMAZON #111-2661485-9268260	AMEX
GL 03 44 60100	21.39	AMAZON #111-3872387-0016213	AMEX
GL 03 44 60100	85.12	AMAZON #111-4104591-9430643	AMEX
GL 03 44 60100	82.77	AMAZON #111-4556867-3321840	AMEX
GL 03 44 60100	42.86	AMAZON #111-5305741-3974628	AMEX
GL 03 44 60100	654.23	AMAZON #111-5932184-9177061	AMEX
GL 03 44 60100	62.48	AMAZON #111-6229960-3493825	AMEX
GL 03 44 60100	45.24	AMAZON #111-8063261-9836206	AMEX
GL 03 44 72000	915.50	AMAZON #111-8201758-3171433/PO# 13549	AMEX
GL 03 44 60100	656.52	AMAZON #111-8391216-1740213	AMEX
GL 01 34 72000	86.40	AMAZON #113-0342102-4942635	AMEX
GL 03 41 63401	8.46	AMAZON #113-0342102-4942635	AMEX
GL 01 34 72000	71.56	AMAZON #113-0513537-4358635	AMEX
GL 03 44 60100	43.09	AMAZON #113-1696128-9316205/PO# 13513	AMEX
GL 01 35 72000	1,043.62	AMAZON #113-1696128-9316205/PO# 13513	AMEX
GL 03 41 63401	67.10	AMAZON #113-3252494-4407438	AMEX
GL 01 33 72000	430.98	AMAZON #113-4430085-9453011/PO# 13588	AMEX
GL 03 41 63400	915.86	AMAZON #113-4445010-0341054	AMEX
GL 03 41 63401	147.61	AMAZON #113-4981785-0705828/PO# 13599	AMEX
GL 03 36 72000	166.98	AMAZON #113-8785179-8198646/PO# 13589	AMEX
GL 03 43 72500	115.18	AMAZON #114-2545380-9260266	AMEX
GL 03 43 72500	291.20	AMAZON #114-2545380-9260266	AMEX
GL 03 43 72500	117.30	AMAZON #114-9739108-7330602	AMEX

GL Finance Code	GL Transaction Amount	Description	Card Type
GL 03 44 72400	0.56	AMAZON WEB SERVICES	AMEX
GL 03 42 56513	(824.44)	AMEX CORP REWARDS	AMEX
GL 03 42 56513	(790.21)	AMEX CORP REWARDS	AMEX
GL 03 42 56513	(539.36)	AMEX CORP REWARDS	AMEX
GL 03 42 56513	(249.74)	AMEX CORP REWARDS	AMEX
GL 03 44 72400	4.99	APPLE.COM	AMEX
GL 03 44 72400	29.99	APPLE.COM	AMEX
GL 03 42 56513	536.60	APPLE.COM	AMEX
GL 03 44 72400	98.20	ATLISSIAN	AMEX
GL 03 42 56513	786.56	BEST BUY	AMEX
GL 03 20 75300	264.96	BM AIRFARE	AMEX
GL 03 20 75300	264.96	BM AIRFARE	AMEX
GL 03 20 75300	314.96	BM AIRFARE	AMEX
GL 03 20 75300	25.00	BM AIRFARE FEE	AMEX
GL 03 20 75300	25.00	BM AIRFARE FEE	AMEX
GL 03 20 75300	1,128.93	BM HOTEL STAY	AMEX
GL 03 20 75300	301.22	BM HOTEL STAY	AMEX
GL 03 20 75300	788.51	BM HOTEL STAY	AMEX
GL 03 20 75300	80.60	BOARD MEETING LUNCH	AMEX
GL 03 41 75300	110.29	BOARD MEETING LUNCH	AMEX
GL 03 44 72400	192.50	CORELOGIC	AMEX
GL 03 41 56513	721.73	CROWN AWARDS	AMEX
GL 03 44 72400	94.52	DIRECT TV	AMEX
GL 03 42 56513	450.00	DJ MANDY MIXES	AMEX
GL 03 91 75300	30.00	EM AIRFARE	AMEX
GL 03 42 56513	4,959.45	EMPLOYEE BANQUET - TEMECULA CREEK INN	AMEX
GL 03 41 63400	96.50	FRUIT GUYS #200542	AMEX
GL 03 41 63400	48.25	FRUIT GUYS #201629	AMEX
GL 03 41 63400	96.50	FRUIT GUYS #202331	AMEX
GL 03 41 63400	48.25	FRUIT GUYS #203631	AMEX
GL 03 41 75300	203.96	GM AIRFARE	AMEX
GL 03 41 74100	1,276.57	GOTOCNECT	AMEX
GL 03 44 72400	41.97	GRAMMARLY	AMEX
GL 03 42 56513	46.08	I SEE ME PERSONALIZED BOOKS GIFT	AMEX
GL 02 61 73000	3,015.93	JACKERY #172755	AMEX
GL 03 42 56513	66.76	KING DOUGHNUT	AMEX
GL 03 42 75500	169.99	LINKEDIN	AMEX
GL 03 41 75300	19.73	MEETING - BREAKFAST	AMEX

GL Finance Code	GL Transaction Amount	Description	Card Type
GL 03 44 72400	191.08	MICROSOFT	AMEX
GL 03 41 70300	9,711.65	NOSSAMAN #557618	AMEX
GL 03 91 70300	1,136.00	NOSSAMAN #557618	AMEX
GL 03 43 70300	639.00	NOSSAMAN #557618	AMEX
GL 53 99 70300 530001	142.00	NOSSAMAN #557618	AMEX
GL 03 41 70300 300020	4,905.00	NOSSAMAN #557619	AMEX
GL 03 91 70300 300020	2,070.00	NOSSAMAN #557619	AMEX
GL 53 99 70300 530001	1,260.00	NOSSAMAN #557619	AMEX
GL 62 99 70300 600013	8,730.00	NOSSAMAN #557619	AMEX
GL 03 91 70300 700027	2,160.00	NOSSAMAN #557619	AMEX
GL 03 41 70300 300024	5,051.50	NOSSAMAN #557620	AMEX
GL 03 41 70300 300024	20,762.25	NOSSAMAN #557621	AMEX
GL 62 99 70300 600013	2,162.50	NOSSAMAN #557621	AMEX
GL 03 42 56513	821.14	PREMIUM INCENTIVE SALES	AMEX
GL 03 41 75300	17.65	PREPASS	AMEX
GL 03 99 12121	59.53	RGUTIERREZ ACCIDENTAL CHARGE	AMEX
GL 03 44 72400	10.00	RING	AMEX
GL 03 43 72500	1,806.96	SAFETY DEPOT INV#16122/PO# 13366	AMEX
GL 03 91 75300	82.40	SPOTHERO	AMEX
GL 03 44 72400	41.10	TWILIO	AMEX
GL 03 44 72400	41.10	TWILIO	AMEX
GL 03 44 72400	20.19	TWILIO	AMEX
GL 03 42 56513	247.64	UNBEATABLE SALE	AMEX
GL 03 45 72000	18.40	USPS	AMEX
GL 03 44 72400	131.76	WASABI	AMEX
GL 03 36 72000	676.15	WAXIE	AMEX
GL 03 36 72000	484.00	WHIP AROUND	AMEX
GL 03 91 75300	92.29	WHOLE FOODS	AMEX
GL 03 43 72000	135.00	WIENHOFF DRUG TESTING	AMEX
GL 01 35 72000	40.25	ZOHO	AMEX
GL 03 44 72400	325.87	ZOOM	AMEX
GL 01 34 72000	54.68	AFTER HOURS MEALS FOR CREW-OHANA	US BANK VISA
GL 01 34 72000	149.77	AFTER HOURS MEALS FOR CREW-LA PERLA	US BANK VISA
GL 01 34 72000	12.97	AFTER HOURS MEALS FOR CREW-COUNTRY MARKET	US BANK VISA
GL 03 36 63422	180.79	K4 SWITCHES - AMBER AND WORK LIGHT SWITCHES	US BANK VISA
GL 01 34 72000	77.44	AFTER HOURS MEALS FOR CREW-LA PERLA	US BANK VISA
GL 01 34 72000	153.32	AFTER HOURS MEALS FOR CREW-PRIMOS	US BANK VISA
GL 01 34 72000	23.67	AFTER HOURS MEALS FOR CREW-ALBERTSONS	US BANK VISA

GL Finance Code	GL Transaction Amount	Description	Card Type
GL 03 42 56513	126.92	STICKER GIANT - BANQUET	US BANK VISA
GL 03 41 63400	392.83	COSTCO - KITCHEN SUPPLIES	US BANK VISA
GL 03 45 72000	64.13	COMMUNICATIONS STRATEGIC PLANNING WORKSHOP BREAKFAST	US BANK VISA
GL 01 34 72000	82.96	AFTER HOURS MEALS FOR CREW-OHANA	US BANK VISA
GL 01 34 72000	48.34	AFTER HOURS MEALS FOR CREW-OHANA	US BANK VISA
GL 02 61 72000	21.83	AFTER HOURS MEALS FOR CREW-CORTES	US BANK VISA
GL 02 61 72000	7.27	AFTER HOURS MEALS FOR CREW-7 ELEVEN	US BANK VISA
GL 02 61 72000	42.31	AFTER HOURS MEALS FOR CREW-CORTES	US BANK VISA
GL 02 61 72000	18.68	AFTER HOURS MEALS FOR CREW-VILLAGE MARKET	US BANK VISA
GL 02 61 72000	33.26	AFTER HOURS MEALS FOR CREW-CORTES	US BANK VISA
GL 01 34 72000	173.48	AFTER HOURS MEALS FOR CREW-LA PERLA	US BANK VISA
GL 03 36 72000	440.00	RJ LOCK SMITH #00358 / UNIT #61	US BANK VISA
TOTAL CHARGES	90,190.26		

Rainbow Municipal Water District
Property spreadsheet

APN	Description of Use	Acreage
1023000800	North Reservoir	4.8
1023001100	U-1 Pump Station	0.14
1023005000	Rainbow Creek Crossing near North Reservoir	0.89
1023005300	Connection 9	0.01
1024300900	Pump Station across PS1 (not in use)	0.12
1025702000	U-1 Tanks	1.08
1026305400	Pump Station #1	0.33
1026602000	Booster Pump Station #4	0.03
1027001600	Pump Station #3	0.67
1071702800	Connection 7	1.60
1071702900	Pala Mesa Tank	10.35
1080206900	Northside Reservoir	9.23
1082210600	Beck Reservoir	27.25
1082210900	Near Beck Reservoir	4.82
1082211000	Near Beck Reservoir	6.23
1082211800	Near Beck Reservoir - Excess Property (not in use)	4.68
1084210600	Rice Canyon Tank	1.00
1084410300	Canonita Tank	2.41
1091410700	Gomez Creek Tank	1.00
1092310900	Rainbow Heights Tank	0.35
1092330300	Rainbow Heights Tank	0.99
1092341000	Rainbow Heights Concrete Tank - used for SCADA	1.74
1093101800	Vallecitos Tank	0.55
1093822800	Magee Tank	1.03
1093912400	Magee Pump Station	0.3
1100721000	Huntley Road Pump Station	0.52
1102203700	Huntley Chlorination Station (not in use)	0.2
1212011000	Morro Tank	0.31
1212011100	Morro Tank	4.85
1212011200	Morro Reservoir	13.01
1213300900	Morro Reservoir	6.79
1250703200	Sumac Reservoir (Not in Use)	1.72
1250902600	Headquarters	7.38
1250903400	Headquarters	4.43
1250903500	Headquarters	3.40
1250903800	Headquarters	17.03
1251002100	Rancho Viejo Lift Station #5	0.05
1252311800	Hutton Tank	1.39
1252312600	Hutton Tank	0.89
1260803100	Via de los Cepillos Easement	0.47
1261708700	Lift Station #2	0.08
1261708900	Lift Station #2	0.12
1263004200	Lift Station #1	0.01
1270710500	Bonsall Reservoir (Not in Use)	6.19
1270710600	Connection 6	0.28
1271512300	Turner Tank	15.12
1721404300	Gopher Canyon Tank	1.84
	<i>Total</i>	167.68



TO: Rainbow Municipal Water District

FROM: Alfred Smith

DATE: April 23, 2024

RE: Attorney Report: Directors, Social Media and the First Amendment
501668-0002

I. INTRODUCTION.

This attorney report provides an update on a recent decision from the United States Supreme Court involving the use of social media accounts by directors and local agency officials. On March 15, 2024, the U.S. Supreme Court decided *Lindke v. Freed*, Case Number 22-611, holding that a public official who prevents someone from commenting on the official’s social media page engages in state action under 42 U.S.C. § 1983 if the official both (1) possessed actual authority to speak on the state’s behalf on a particular matter, and (2) purported to exercise that authority when speaking in the relevant social media posts.

The *Lindke* case involves to what extent a public official can block viewers from a page that contains both public and private posts. The Supreme Court’s unanimous ruling provides that the social media accounts of directors and other local officials will be considered personal (and not required to protect the First Amendment rights of commenters) unless the author both possessed authority to speak on the district’s behalf and exercised that authority when posting on a social media account.

The Supreme Court notes that determining whether a public official’s social media activity constitutes state action, and thus must protect commenters’ rights, is a “fact-intensive inquiry.” However, the Court makes clear that unless the official possesses actual authority to speak on behalf of the local agency, the appearance or function of the social media account is not dispositive. The source of the authority can spring from several potential places, such as a statute, ordinance, regulation, custom, or usage. However, to qualify as “custom” or “usage,” the local official’s use of a social media account as an official voice of the government must be “permanent and well settled” and that authority must extend to the type of speech in question.

One suggestion made by the Court is that a social media account carry a label (e.g., “this is the personal page of [public official]” or a disclaimer (e.g., “the views expressed are strictly my own”). However, the Court notes that while such labels or disclaimers create a heavy presumption that the account is personal, that presumption is not irrebuttable.

II. BACKGROUND.

In 2008, James Freed created a private Facebook profile. When Freed began nearing the platform's 5,000-friend limit, he converted his profile to a public "page." In 2014, Freed updated his Facebook page and began posting about his appointment as City Manager of Port Huron, Michigan, information related to his job, and soliciting feedback from the public on issues of concern, all while continuing to post personal family information and images.

Kevin Lindke objected to the content of Freed's posts. Lindke particularly took issue with the City's handling of the COVID-19 pandemic. Initially, Freed deleted Lindke's comments and subsequently blocked him from commenting. However, Lindke remained able to view Freed's Facebook page.

Due to being blocked, Kevin Lindke sued James Freed under 42 United States Code section 1983, alleging that Freed violated Lindke's First Amendment rights because Lindke was not allowed to post to Freed's Facebook page, which he considered to be a public forum.

The District Court granted summary judgment to Freed. The United States Court of Appeals for the Sixth Circuit affirmed. The Sixth Circuit did not find a constitutional violation because Freed managed his Facebook page in his private capacity, and because only state action can give rise to liability under Section 1983. Lindke appealed to the United States Supreme Court.

III. SUPREME COURT'S ANALYSIS.

The United States Supreme Court's decision establishes a new standard for determining if a public official's social media activity violates the law. First, the Supreme Court noted the longstanding rule that public officials and employees do not surrender their first amendment rights when they assume a public position. The Supreme Court stated that "a defendant like Freed must have actual authority rooted in written law or longstanding custom to speak for the State." The Supreme Court wrote:

"The first prong of this test is grounded in the bedrock requirement that the conduct allegedly causing the deprivation of a federal right be fairly attributable to the State. An act is not attributable to a State unless it is traceable to the State's power or authority. By contrast, when the challenged conduct entails functions and obligations in no way dependent on state authority, state action does not exist. Authority granted by statute, ordinance, regulation, custom or usage must extend to speech of the sort that caused the alleged rights deprivation. If the plaintiff cannot make this threshold showing of authority, he cannot establish state action."

The Supreme Court also clarified that local officials “have a choice about the capacity in which they choose to speak.” Local officials must “purport to use” agency authority to qualify as state action. The Court cautioned that: “The inquiry is not whether making official announcements *could* fit within the job description; it is whether making official announcements is *actually* part of the job that the State entrusted the official to do.”

The Supreme Court’s decision includes a comprehensive discussion on whether a local official who prevents someone from commenting on the official’s social-media page engages in “state action” under 42 U.S.C. Section 1983. This section protects against actions attributable to a state, not those of a private person. Section 1983 provides a cause of action against “every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State,” deprives someone of a federal constitutional or statutory right. When a state or municipal employee violates a federal right, such as a First Amendment right, while acting “under color of law,” that official can be sued in an individual capacity.

Applying this rule of law, the Supreme Court held that a local official’s social media activity violates section 1983 if the official both: (1) possessed actual authority to speak on the State’s behalf on a particular matter, and (2) purported to exercise that authority when speaking in the relevant social-media posts. However, if an official has authority to speak for the state, such as by authority of an ordinance, he may have the authority to do so on social media even if the law does not make that explicit.

The Supreme Court raised a cautionary note for those who post about arguably agency-related actions on their otherwise private social media accounts. Such accounts may be treated as “mixed use” such that blocking someone from posting any comments could subject an individual to liability for blocking posts on “official” matters. The Supreme Court stated: “A public official who fails to keep personal posts in a clearly designated personal account therefore exposes himself to greater potential liability.”

In a *per curiam* opinion, the Supreme Court also resolved a similar case, *Garnier v. O’Connor-Ratcliff*, Case Number 22-324, which involved two California school board members who blocked parents on social media. The Court vacated the Ninth Circuit’s ruling that the school board members were acting “under color of state law” and sent the case back for further proceedings consistent with the opinion in *Lindke*. In so doing, the Supreme Court contrasted the Ninth Circuit’s approach with the Sixth Circuit’s approach saying the Ninth Circuit focused “more on whether the account’s appearance and content look official” and not “the connection between the official’s authority and the account.”

IV. CONCLUSION.

The United States Supreme Court’s unanimous 9-0 ruling in *Lindke v. Freed* vacates the Sixth Circuit’s ruling and remands the case back to the Sixth Circuit

for further proceedings. The Supreme Court's opinion establishes a new test for determining whether a director's personal social media account can be considered "state action." First, the director must have authority to speak on behalf of the agency. Second, the director must have been exercising that power when creating the social media post in question.

In the Supreme Court's written opinion, Justice Amy Coney Barrett explained that on remand, Lindke will have to show that Freed had the actual authority to make posts on behalf of the local agency in his role as city manager, and that Freed exercised that governmental authority in his posts. Justice Barret further explained that "the line between private conduct and state action is difficult to draw." She also noted that "the distinction between private conduct and state action turns on substance, not labels." Justice Barret concluded that a director's social media account could be one of "mixed use" where sometimes the director posts as a government official and sometimes posts for personal reasons.

The Supreme Court's decision encourages local agencies to evaluate their social media policies and administrative codes to determine (1) who has the ability to speak for the agency; and (2) in what situations, if any, a director or employee is speaking for the agency. While the ruling clarifies when a private post constitutes "state action," it must be stressed that a private social media account does not, *per se*, mean that the content is not "state action." The first step is to ensure that private accounts remain "private," and that the use of such accounts is consistent with the agency's existing policies, procedures and administrative code.

In addition, as noted by Justice Barrett, "Had Freed's account carried a label (e.g., this is the personal page of James R. Free') or a disclaimer (e.g., the views expressed are strictly my own), he would be entitled to a heavy (though not irrebuttable) presumption that all of the posts on his page were personal." Based upon this guidance, it is advisable that public officials label their social media pages with a disclaimer along the line of "the views expressed are strictly my own" or "this is the personal page of [Your Name Here]."

The Supreme Court further indicated that "a post that expressly invokes state authority to make an announcement not available elsewhere is official, while a post that merely repeats or shares otherwise available information is more likely personal." Finally, the Supreme Court stated a public official who uses government staff to make a post on a personal or public account "will be hard pressed to deny that he was conducting government business."

AES



SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING MARCH 28, 2024

1. Adopt positions on various state bills:

The Board adopted a position of Support on:

- The Low-Income Household Water Assistance Program (LIHWAP) Establishment Act (Senator Alex Padilla).
- AB 2257 (Wilson), relating to local government: property-related water and sewer fees and assessments: remedies.
- AB 2409 (Papan), relating to Office of Planning and Research: permitting accountability transparency dashboard.
- AB 2715 (Boerner) relating to Ralph M Brown Act: closed sessions.
- SB 1072 (Padilla), relating to local government: Proposition 218: remedies.
- SB 1218 (Newman), relating to emergency water supplies.

The Board adopted a position of Concerns on SB 1147 (Portantino) relating to drinking water: bottled water: microplastics.

2. Sponsor Senate Bill (SB) 1342 (Atkins) related to Regulatory Streamlining for Major Water and Energy Projects in San Diego Region.

The Board agreed to Sponsor SB 1342 (Atkins).

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

The Board noted and filed the Treasurer's report.

4. Contract Amendment for Questica Ltd., for annual budget software maintenance, support, and hosting services.

The Board authorized the General Manager to amend the Questica Ltd., software subscription agreement to extend the agreement term for an additional three years, in the amount of \$103,093.84, for annual budget software maintenance, support, and hosting services, increasing the authorized contract amount from \$145,395.00 to \$248,488.84.

5. Notice of Completion for the Kearny Mesa Headquarters HVAC Equipment Replacement.

The Board authorized the General Manager, or designee, to accept the Kearny Mesa Headquarters HVAC Equipment Replacement project as complete, record the Notice of Completion, and release funds held in retention to SWCS, Inc. dba Southwest Construction Services (Southwest) in accordance with the contract and applicable law.



6. Approval of Minutes.
The Board approved the minutes of the Special Board of Directors' meeting of February 8, 2024, and the Formal Board of Directors' meeting of February 22, 2024.
7. Retirement of Director.
The Board adopted Resolution No. 2024-05 honoring Jimmy Ayala upon his retirement from the Board of Directors.
8. Ordinance making amendments to Chapters 1.04 and 2.00.
The Board adopted Ordinance No. 2024-01, an ordinance of the Board of Directors of the San Diego County Water Authority making amendments to chapters of the Administrative Code.
9. Investigative Procedural Rules.
The Board adopted Procedures for Investigation of Conflict of Interest/Ethics or Code of Conduct Violations of the Board of Directors of the San Diego County Water Authority.