



DUE TO THE COVID-19 STATE OF EMERGENCY AND PURSUANT TO WAIVERS TO CERTAIN BROWN ACT PROVISIONS UNDER THE GOVERNOR'S EXECUTIVE ORDERS, THIS MEETING IS BEING CONDUCTED VIA TELECONFERENCE AND THERE WILL BE NO PHYSICAL LOCATION FROM WHICH MEMBERS OF THE PUBLIC MAY PARTICIPATE

MEMBERS OF THE PUBLIC ARE ENCOURAGED TO PARTICIPATE IN THE BOARD MEETING OPEN SESSION BY GOING TO <https://us02web.zoom.us/j/82573795749> OR BY CALLING 1-669-900-6833 or 1-346-248-7799 or 1-253-215-8782 or 1-301-715-8592 or 1-312-626- 6799 or 1-929-205-6099 (WEBINAR/MEETING ID: 825 7379 5749) (CLOSED SESSION WILL NOT BE ACCESSIBLE TO MEMBERS OF THE PUBLIC; HOWEVER, INSTRUCTIONS FOR SUBMITTING PUBLIC COMMENT ON CLOSED SESSION ITEMS ARE PROVIDED IN ITEM #4.)

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

RAINBOW MUNICIPAL WATER DISTRICT BOARD MEETING

Tuesday, October 27, 2020

Closed Session 12:00 p.m.

Open Session 1:00 p.m.

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

District Office

3707 Old Highway 395

Fallbrook, CA 92028

Board Agenda Policies

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

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

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

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

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

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

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

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

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

(*) - Asterisk indicates a report is attached.

Notice is hereby given that the Rainbow Municipal Water District Board of Directors will hold Closed Session at 12:00 p.m. and Open Session at 1:00 p.m. Tuesday, October 27, 2020, at the District Office located at 3707 Old Highway 395, Fallbrook, CA 92028. At any time during the session, the Board of Directors Meeting may adjourn to Closed Session to consider litigation or to discuss with legal counsel matters within the attorney client privilege.

AGENDA

1. **CALL TO ORDER**
2. **ROLL CALL: Brazier ___ Hamilton ___ Gasca ___ Mack ___ Rindfleisch ___**
3. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
4. **INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE**

CHAIR TO READ ALOUD - "If at any point, anyone would like to ask a question or make a comment and have joined this meeting with their computer, they can click on 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.

*Those who have joined by dialing a number on their telephone, will need to press *6 to unmute themselves and then *9 to alert us that they would like to speak.*

A slight pause will also be offered at the conclusion of each agenda item discussion to allow public members an opportunity to make comments or ask questions."

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

Under Oral Communications, any person wishing to address the Board on matters regarding the Closed Session agenda should email or mailing their comments to the Board Secretary one hour before the Closed Session scheduled start time. All written public comments will be read to the Board prior to their adjournment to Closed Session. Any person wishing to speak to the Board regarding Closed Session agenda items may do so by calling (760) 728-1178, listening for "Thank you for calling Rainbow Municipal Water District", dialing Extension 429, and entering pin 8607 at the Closed Session scheduled start time. Once all public comment is heard, this call will be disconnected, and the Board will adjourn to Closed Session. To participate in the Open Session portion of the meeting, please follow the instructions provided at the top of Page 1 of this agenda. Speaking time shall generally be limited to three minutes unless a longer period is permitted by the Board President.

6. **CLOSED SESSION**
 - A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))
 - * One Item
 - B. Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
 - * Chris Waite v. Rainbow Municipal Water District, et al.

(*) - Asterisk indicates a report is attached.

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

Time Certain: 1:00 p.m.

8. **REPEAT CALL TO ORDER**

9. **PLEDGE OF ALLEGIANCE**

10. **REPEAT ROLL CALL**

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

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

13. **REPEAT INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE**

CHAIR TO READ ALOUD - *"If at any point, anyone would like to ask a question or make a comment and have joined this meeting with their computer, they can click on 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.*

*Those who have joined by dialing a number on their telephone, will need to press *6 to unmute themselves and then *9 to alert us that they would like to speak.*

A slight pause will also be offered at the conclusion of each agenda item discussion to allow public members an opportunity to make comments or ask questions."

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

Under Oral Communications, any person wishing to address the Board on matters not on this agenda should indicate their desire to speak or may email or mail their comments to the Board Secretary one hour before the Open Session scheduled start time. All written public comments received will be read to the Board during the appropriate portion of the meeting. No action will be taken on any oral communications item since such item does not appear on this Agenda, unless the Board of Directors makes a determination that an emergency exists or that the need to take action on the item arose subsequent to posting of the Agenda (Government Code §54954.2). Speaking time shall generally be limited to three minutes unless a longer period is permitted by the Board President.

*15. **APPROVAL OF MINUTES**

A. September 22, 2020 - Regular Board Meeting

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

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

A. President's Report (Director Brazier)

(*) - Asterisk indicates a report is attached.

- B. Representative Report (Appointed Representative)
 - 1. SDCWA
 - A. Summary of Board Meeting September 24, 2020
 - 2. CSDA
 - 3. LAFCO
 - 4. San Luis Rey Watershed Council
 - 5. Santa Margarita River Watershed Watermaster Steering Committee
 - 6. ACWA
- C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
 - 1. Board Seminar/Conference/Workshop Training Attendance Reports
- D. Directors Comments
- E. Legal Counsel Comments
 - 1. Attorney Report: Brown Act and Social Media Update 501668-0002

17. COMMITTEE REPORTS

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

BOARD ACTION ITEMS

***18. DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM ORDINANCE 19-04 TO ALLOW A LOT, LARGER THAN 0.5 ACRES, TO QUALIFY FOR CAPACITY CLASS “B” AND APPROVE THE CAPACITY CLASS WATER USE AGREEMENT**

(The property owner of APN 107-410-21-00, Anna Ross, has requested a variance from Ordinance 19-04 to downsize an existing 1” meter on a 1.13 acre parcel to a 3/4- inch meter and reduce her monthly fixed fees.)

***19. CONSIDER APPROVAL OF A PROFESSIONAL SERVICE AGREEMENT WITH PALOMAR BACKFLOW FOR THE TESTING OF BACKFLOWS THROUGHOUT THE DISTRICT**

(Staff is asking the Board to consider entering a Professional Service Agreement (PSA) with Palomar backflow for their services in regards to testing backflows.)

***20. CONSIDER APPROVAL OF AN AMENDMENT TO THE ANNEXATION AGREEMENT WITH PARDEE HOMES AND APPROVAL OF RESOLUTION 20-14 (1) AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (THE “AUTHORITY”) TO FORM A COMMUNITY FACILITIES DISTRICT WITHIN THE TERRITORIAL LIMITS OF THE RAINBOW MUNICIPAL WATER DISTRICT TO FINANCE CERTAIN PUBLIC IMPROVEMENTS AND DEVELOPMENT IMPACT FEES; (2) EMBODYING A JOINT COMMUNITY FACILITIES AGREEMENT SETTING FORTH THE TERMS AND CONDITIONS OF THE COMMUNITY FACILITIES DISTRICT FINANCING; (3) APPROVING A FORM OF ACQUISITION AGREEMENT BETWEEN THE AUTHORITY, THE DISTRICT AND THE DEVELOPER; AND (4) AUTHORIZING STAFF TO COOPERATE WITH THE AUTHORITY AND ITS CONSULTANTS IN CONNECTION THEREWITH**

(This agenda item is to fulfill the obligations of the District to form a Community Facilities District outlined in the Annexation Agreement with Pardee approved in April 2020. The Amendment to the Annexation Agreement clarifies certain terms of the Agreement related to the timing of the payment of wastewater capacity fees by Pardee.)

***21. CONSIDER AND APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH SANEXEN FOR A CURED IN PLACE PIPE PILOT PROJECT**

(Request the Board of Directors consider and approve a professional services agreement with Sanexen to implement a pilot pipeline lining project. The pilot project includes the lining of two sections of steel water pipelines with an Aqua-Pipe liner and evaluating the technology’s suitability for implementation District-wide.)

(*) - Asterisk indicates a report is attached.

- *22. **CONSIDER AND APPROVE A CONSTRUCTION AGREEMENT BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND D.R. HORTON FOR THE FAIRVIEW DEVELOPMENT (LILAC DEL CIELO, TM 5427)**
(Request the Board of Directors consider and approve entering into a construction agreement with DR Horton for the Fairview Development. The construction agreement is needed to allow the Developer to move forward with the future construction of the necessary water and sewer facilities for the Fairview Development project.)
- *23. **NOTICE OF COMPLETION AND ACCEPTANCE OF THE NORTH RIVER ROAD SEWER POINT REPAIRS (PHASE I) IMPROVEMENT PROJECT**
(Request that the Board of Directors accept the North River Road Sewer Point Repairs Improvement project as complete and to approve filing the project Notice of Completion. Six critical point repairs along the District's existing sanitary sewer line running beneath North River Road were completed.)
- *24. **DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 20-13 — A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RANGES FOR DISTRICT EMPLOYEES AND THE GENERAL MANAGER EFFECTIVE OCTOBER 27, 2020 THROUGH JUNE 30, 2021**
(In compliance with state and CalPERS regulations, the District maintains a Salary Grade structure that includes all job titles, salary grade levels, and monthly salary ranges for each grade. The table is available for public review, accessible from the Rainbow MWD website, and is published on a website hosted by the California State Controller.)
- *25. **DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 20-09 AMENDING AND UPDATING ADMINISTRATIVE CODE TITLE 3 – BOARD MEETINGS**
(As part of the ongoing process, staff conducted a review of RMWD's Administrative Code Title 3 and found no significant changes needed to be made, but rather minor typographical, grammatical, and formatting updates.)
- 26. **BOARD MEMBER REQUESTS FOR AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

BOARD INFORMATION ITEMS

- *27. **PRESENTATION OF THE 2021 RATE INCREASE TO PASS THROUGH SAN DIEGO COUNTY WATER AUTHORITY (SDCWA) RATE INCREASES**
(As presented in the FY 20/21 Annual Budget, the District will be passing through the SDCWA increases but will not be increasing any of the rates charged by the District.)
- *28. **RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS**
 - A. **General Manager Comments**
 - 1. Meetings, Conferences and Seminar Calendar
 - B. **Communications**
 - 1. Staff Training Reports
 - C. **Operations Comments**
 - 1. Operations Report
 - D. **Engineering Comments**
 - 1. Engineering Report
 - 2. As-Needed Services Expenditures Summary
 - 3. RMWD Sewer Equivalent Dwelling Units (EDU's) Status
 - E. **Human Resource & Safety Comments**
 - 1. Human Resources Report

(*) - Asterisk indicates a report is attached.

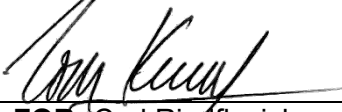
F. Finance Comments

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

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

30. **ADJOURNMENT - To Tuesday, December 8, 2020 at 1:00 p.m.**

ATTEST TO POSTING:



FOR: Carl Rindflesich
Secretary of the Board

10-23-20 @ 11:00 a.m.

Date and Time of Posting
Outside Display Cases

(*) - Asterisk indicates a report is attached.

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
SEPTEMBER 22, 2020**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on September 22, 2020 was called to order by Vice President Hamilton at 11:30 a.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Vice President Hamilton, presiding.

2. **ROLL CALL**

Present: Director Gasca (*via video conference*), Director Hamilton, Director Mack, Director Rindfleisch.

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

Absent: Director Brazier.

Also present via teleconference or video conference:

Legal Counsel Smith.

No members of the public were present via teleconference or video teleconference before Closed Session.

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

There were no changes to the agenda.

4. **INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE**

Vice President Hamilton read aloud the instructions for those attending this meeting via teleconference or video conference.

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

There were no comments.

The meeting adjourned to Closed Session at 11:36 a.m.

(*) - Asterisk indicates a report is attached.

6. CLOSED SESSION

- A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))
 - * One Item
- B. Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
 - * Robert and Linda Burton v. Rainbow Municipal Water District
- C. Appointment, Employment; Evaluation of Performance – General Manager (Government Code §54957(B)(1))

The meeting reconvened at 1:03 p.m.

7. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

The item was addressed under Item #11.

Time Certain: 1:00 p.m.

8. REPEAT CALL TO ORDER

The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on September 22, 2020 was called to order by Vice President Hamilton at 1:03 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Vice President Hamilton, presiding.

9. PLEDGE OF ALLEGIANCE

10. REPEAT ROLL CALL

Present: Director Gasca (*via video conference*), Director Hamilton, Director Mack, Director Rindfleisch.

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

Absent: Director Brazier.

Also present via teleconference or video conference:

Legal Counsel Smith, Acting District Engineer Williams, Finance Manager Largent, Associate Engineer Powers, Engineering Technician Rubio, Senior Accountant Rubio, Utility Worker Tornero.

Five members of the public were present for Open Session via teleconference or video teleconference.

(*) - Asterisk indicates a report is attached.

11. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the Board met in Closed Session to discuss three items during which time the Board approved a settlement in the Robert and Linda Burton litigation matter. He said the Settlement Agreement was in the process of being finalized and would be available upon request.

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

There were no changes to the agenda.

13. REPEAT INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE

Vice President Hamilton read aloud the instructions for those attending this meeting via teleconference or video conference.

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

There were no comments.

15. EMPLOYEE RECOGNITIONS**A. Renee Rubio (5 Years)**

Mr. Kennedy announced Renee Rubio joined RMWD as a Customer Service Representative and how after a serving in a few different roles and completing her MBA, she is now the District's Senior Accountant. He thanked Ms. Rubio for her tenure and service and said he would present her with the plaque and check after the conclusion of this meeting.

Ms. Rubio stated she was extremely grateful and appreciative for every opportunity she has been presented during her time at RMWD.

B. Victor Tornero (5 Years)

Mr. Kennedy announced Mr. Tornero was also joined RMWD as a Customer Service Representative who had decided to explore a job opportunity with the City of Corona for a short while before returning to RMWD full time. He thanked Mr. Tornero for his tenure and service and stated he, too, would be presented with his plaque and check after the conclusion of this meeting.

Mr. Tornero said he did explore the opportunity with another agency to utilize his water certifications; however, when an opportunity opened at RMWD to use these certifications along with a better schedule for his young family, he decided to return. He said he was thankful for the opportunity he has been given and very much appreciates the District.

Mr. Kennedy mentioned Mr. Tornero's flexibility and ability to backfill in roles when needed in having varying skillsets and experience. He pointed out Mr. Tornero was currently a part of the meter box excavation crew associated with the WSUP program.

(*) - Asterisk indicates a report is attached.

***16. APPROVAL OF MINUTES**

A. August 25, 2020 - Regular Board Meeting

Motion:

To approve the minutes.

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

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

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

Absent: Director Brazier.

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

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

A. President's Report (Director Brazier)

President Brazier was not present to give a report.

Vice President Hamilton reiterated President Brazier's prior meeting comments that everyone voting by mail be sure to leave plenty of time to their vote counted.

B. Representative Report (Appointed Representative)

1. SDCWA

A. Summary of Board Meeting August 27, 2020

Mr. Kennedy reported one of the main points of discussion was related to whether to continue to Phase B of the Regional Conveyance System which the Board ultimately agreed with the staff recommendation to delay this matter until later in the year to allow for opportunity to determine the risks associated with making a \$5M-\$6M gamble. He announced new Board officers will be selected within the next week.

2. CSDA

Director Mack reported he received an email soliciting for interest in serving on the annual CSDA committees to which he responded he was interested in serving on the Legislation Committee. He said has since received a form to be completed confirming the request and that the RMWD Board was aware of any potential costs associated with his serving on a committee should he be selected.

Legal Counsel confirmed any action the Board would like to take regarding this request can be taken under Item #22.

(*) - Asterisk indicates a report is attached.

3. LAFCO

Mr. Kennedy reported he attended the Special Districts Advisory Committee meeting at which time an ad hoc committee was formed to which he was appointed to serve. He noted the ad hoc committee will review Rule 4 which is related to evaluating latent powers of any given agency including possibly updating the Rule to include recycled water to the Rule.

4. San Luis Rey Watershed Council

Director Gasca stated there was no action to report.

5. Santa Margarita River Watershed Watermaster Steering Committee

Vice President Hamilton stated there was no action to report and the next meeting will be in October.

6. ACWA

Director Mack stated there was no action to report.

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

1. Board Seminar/Conference/Workshop Training Attendance Reports

There were no reports.

D. Directors Comments

There were no comments.

E. Legal Counsel Comments

1. Attorney Report: Public Records Act Update 150152-0005

Legal Counsel summarized the information contained in his report noting RMWD complies with record retention requirements related to emails.

18. COMMITTEE REPORTS

A. Budget and Finance Committee

Ms. Largent reported the committee received an update on the WSUP program, reviewed a slide show giving a background on all the financial software implemented over the past year leading up to the audit, as well as reviewed the financial packet.

B. Communications and Customer Service Committee

Vice President Hamilton reported the committee received updates on the COVID situation, Flume devices, and WSUP program.

(*) - Asterisk indicates a report is attached.

C. Engineering and Operations Committee

Mr. Williams summarized what took place at the Engineering and Operations Committee meeting as well as noted the committee discussed the Morro Reservoir mixing options being presented to the Board today for consideration. He mentioned the as-needed civil engineering services matter was placed on hold until further notice.

BOARD ACTION ITEMS

- *19. CONSIDER APPROVAL OF A RENTAL AGREEMENT FOR A VACUUM WITH HAWTHORNE MACHINERY, CONSIDER APPROVAL OF AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH HARRIS AND ASSOCIATES FOR ADDITIONAL CONSTRUCTION MANAGEMENT SUPPORT, CONSIDER APPROVAL OF CHANGE ORDER 04 FOR BACKFILL AND BOX PLACEMENT AND FOR ADDITIONAL BACKFLOW RELOCATIONS WITH CONCORD UTILITY SERVICES FOR USE ON THE WATER SERVICE UPGRADE PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE AGREEMENTS ON THE DISTRICT’S BEHALF**

Mr. Gutierrez shared a presentation on the Water Service Upgrade Project (WSUP) overview mentioning the historical background. He recalled between 2016-2018 RMWD began developing a project to address the inaccurate water meters in its system with the existing meters only recording at 93% accuracy. He stated the Board approved a contract with in two parts that totaled just over \$10.7 million based on the known conditions at the time. (In late 2019 the contract was ended with ABM and the District executed a contract with Concord Utility Services (“Concord”).)

Mr. Gutierrez noted beginning in early 2020, the WSUP program began and a few months into the project, it was realized there were some challenges that required some additional resources. He shared photographs of some of the issues encountered.

Discussion ensued regarding the backflow device challenges.

Discussion ensued regarding RMWD staff staying ahead of Concord as the project progresses.

Mr. Gutierrez pointed out the initial contract with Concord was a little more than \$1.5 million, the first Change Order was for \$50,000 was to relocate backflows directly tied into meters, the second Change Order was for no cost to the District, and the third Change Order was related to the Peak Workflow software utilized to collect data. He noted Change Order four in the amount of \$842,500 before the Board today for consideration includes \$200,000 for backflow relocation as well as \$624,500 for backfilling meter boxes which would bring Concord’s contract total to approximately \$2.4 million. He explained the analysis conducted in determining these amounts including reviewing internal resources as well as the unexpected challenges and underestimated costs.

Mr. Gutierrez talked about the contract with Harris & Associates Construction Management for as-needed inspection services. He pointed out the project has escalated customer service calls which in turn interrupted internal staff’s ability to conduct the necessary inspections; therefore, the as-needed contract has been utilized to help with the inspection process. He indicated that this was compounded by the departure of our Meters Services Supervisor this summer. He noted \$100,000 has been expended on this as-needed services contract and after reviewing internal staff resources, staff was proposing an amendment to the existing as-needed contract with Harris & Associates not to exceed \$400,000 for 2,424 hours.

(*) - Asterisk indicates a report is attached.

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Mr. Gutierrez mentioned staff was also requesting execution of a rental agreement with Hawthorne Machinery in the amount of \$60,000 for the temporary rental of a vacuum excavator. Director Mack asked if it would overall be less costly to purchase the vacuum if the difference in price was \$24,000. Mr. Kennedy pointed out this cost estimate was for renting the vacuum for the entire duration of the project but could be much less if the rental period is shorter. He also noted there was not a foreseeable use for this equipment; therefore, purchasing it may not be beneficial to the District.

Mr. Gutierrez recapped the total costs for the project.

Director Gasca inquired as to where the costs for the operating the second excavator can be found within the budget. Ms. Largent explained the two staff positions who work on the WSUP project full time are fully budgeted under the CIP project in addition to a portion of other staff's time. Mr. Gutierrez explained the Construction and Maintenance Supervisor is tasked with scheduling for operating the second vacuum. Mr. Kennedy explained there would be more internal and external labor charged to the capital side of the budget; however, since the budget was already approved for this project in the amount of \$10.7 million, so the budget would not need to be increased. He stated the action today was to approve a Change Order for Concord, Harris & Associates and renting additional equipment.

Vice President Hamilton asked whether it would benefit RMWD to hire a full-time inspector for this project if having this position available for future CIP projects. Mr. Kennedy offered to have Ms. Harp research the costs with adding an employee. Vice President Hamilton stated he would like to know all options were explored.

Director Rindfleisch asked if the original cost of the ABM contract included acquisition of the equipment in the storage containers (in the lower yard) and if the contract with Concord included the same. Mr. Kennedy confirmed it did. Director Rindfleisch inquired as to how much was money was paid to ABM. Mr. Kennedy answered slightly more than \$3 million which included the meters and all the boxes found in the District's lower yard.

Vice President Hamilton raised the question of RMWD spending all this money and whether the District was really saving any money. Mr. Kennedy said Ms. Largent would provide a report once the data is available after a six-month period.

Motion:

To approve Option 1 – Authorize the General Manager to execute the rental agreement with Hawthorne Machinery in the amount of \$60,000 for the temporary rental of a vacuum excavator, authorize the General Manager to execute a Professional Services with Harris & Associates in the amount of \$400,000 for construction management services, authorize the General Manager to approve Change Order 04 with Concord Utility Services in the amount of \$824,500 for the relocation of backflow devices and backfill services, and make CEQA exemption findings specified above.

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

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

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

Absent: Director Brazier.

(*) - Asterisk indicates a report is attached.

Discussion returned from Item #20.

Mr. Carey said he reviewed the original WSUP program information on the RWMD website and how he observes shutoff valves being installed where the website states they will not be. He said no one has communicated with him regarding his RP. His concern was the information on the website not matching up with what is transpiring in the field. He suggested the tail was wagging the dog at this point. He said the original proposal stated meters would be available for a certain number of days for validation purposes; therefore, he wanted to know what RMWD was not testing the meters being extracted before approving additional costs for this project. He said it was unfortunate he was unable to comment prior to the vote being taken.

Vice President Hamilton acknowledged Mr. Carey's comments.

Discussion went to Item #21.

***20. CONSIDER APPROVAL OF A CONTRACT WITH CPC SYSTEMS INC. FOR THE INSTALLATION OF A RESERVOIR MIXING SYSTEM IN THE MORRO RESERVOIR**

Mr. Gutierrez shared a presentation on the Morro Mixing System noting the water quality issues associated with the Morro Reservoir. He mentioned after realizing these issues for which staff worked on finding resolutions. He explained the mixing equipment proposed by two separate vendors and how it was determined the Kasco proposed solution would be best resolution for RMWD. Mr. Gutierrez and Mr. Kennedy explained how this system would work.

Mr. Kennedy pointing out the memo provided in the agenda packet explains how this proposed solution will provide for better performance from the chlorine system. He noted the anticipated completion date is December 2020.

Vice President Hamilton requested confirmation staff would be able to operate this system using SCADA. Mr. Kennedy stated yes.

Director Mack asked if a similar system existed at another site. Mr. Kennedy explained it was in Orange County on a reservoir similar to Morro. Director Mack inquired as to whether the treatment would need to be modified once the mixers are installed. Mr. Gutierrez stated not necessarily. Discussion followed.

Mr. Carey inquired as to whether Mazzei has been consulted regarding this matter. Mr. Kennedy asked Mr. Carey to forward their contact information.

Motion:

To approve Professional Services Agreement with CPC Systems Inc. in the amount of \$232,998.00 for the installation of water quality mixers at the Morro Reservoir and authorize the General Manager to execute the contract.

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

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

(*) - Asterisk indicates a report is attached.

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

Absent: Director Brazier.

Discussion returned to Item #19.

21. DISCUSSION AND POSSIBLE ACTION REGARDING THE APPOINTMENT; EMPLOYMENT; EVALUATION OF PERFORMANCE; OR COMPENSATION OF THE GENERAL MANAGER

Director Rindfleisch made a motion when Vice President Hamilton inquired about the numbers asking Director Rindfleisch if he was adding an additional 1%. Director Rindfleisch clarified the 2% was to the current based salary bringing it to \$248,403.82 prior to the cost of living adjustment. He explained this would bring him above the regional average which is \$246,500. He stated in his opinion Mr. Kennedy has performed at an exemplary level where his current pay below average of all general managers in the region really does not fit the work he has done with respect to protecting ratepayer interest far beyond anyone could have done at this point with detachment from SDCWA.

Vice President Hamilton asked for verification on the discretionary bonus amount. Director Rindfleisch stated it was \$10,000 which is by looking previous bonus ranges reported for general managers. He said since he has moved into RMWD, that Mr. Kennedy has performed at the high level of what the Board would expect of a general manager.

Director Rindfleisch shared his thought on average salary and how Mr. Kennedy clearly performed above average with the detachment being way beyond the status quo. He explained status quo would have been not pursuing detachment in the first place and running the District with the day-to-day operations instead of finding a way to improve the financial situation on behalf of the ratepayers first and the water district second by investing his time and resources internally to pursue a solution for the ratepayers. He pointed out by turning around the Pardee development for a significant increase in capacity fees, getting the District up and running at full capacity within 48-hours after COVID-19 shut down the offices, being an absolute leader in detachment representing both Fallbrook and Bonsall in water protection of ratepayer interests first, and utilizing a very practical strategy in assisting the ratepayers when explaining his position as well as a practical way of designing strategy as opposed to focusing on the bureaucracy but on the actual practicality.

Director Gasca stated for the record in review of Mr. Kennedy's performance, one of the goals set for this year was to attend and participate in two different seminars to develop skills; however, in light of the development of COVID-19 he was only successful in attending one of the two, he became apparent he was involved in setting up a leadership effort with one of the vendors in which he participated which met the second goal. He also mentioned with COVID-19 occurred, Mr. Kennedy set aside a family vacation which was above and beyond the call of duty. He said this was an example of Mr. Kennedy's dedication to the District and what he was willing to do to protect the ratepayers.

Director Gasca pointed out how Mr. Kennedy had identified some of the areas where things may not have gone as well in his self-evaluation. He stated it takes a certain type of individual in a leadership position to be honest. He also pointed out Mr. Kennedy had identified other staff members who assisted with making the 48-hour turnaround happen at the onset of the pandemic. He expressed how important it is to keep in mind how we deal with compensation of people who deliver for the District and put it in as good a position as it was in now.

(*) - Asterisk indicates a report is attached.

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Vice President Hamilton pointed out the two required trainings both had to do with communications. He said despite the circumstances making it difficult to attend the second training, the evaluation training in which Mr. Kennedy participated followed up by his offering to share his evaluations with his staff was a form of communications and demonstrated Mr. Kennedy's efforts to complete the required training. He concluded with noting his agreement with Director Rindfleisch's assessments.

Vice President Hamilton asked if any of the Board Members wanted to revise the recommended compensation plan which there was no response. He called for the vote.

Motion:

I move to approve an increase an increase to the General Manager's compensation by a 1.8% cost of living adjustment to the annual salary in accordance with the existing contract between Rainbow Municipal Water District and Tom Kennedy and a base pay merit increase to bring the General Manager's annual salary to \$248,403.82 representing a 2% merit increase and a one-time lump sum discretionary bonus in the amount of \$10,000 to be paid on September 10, 2020.

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

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

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

Absent: Director Brazier.

Mr. Kennedy thanked the Board for their kind words. He stated having a great team is a big part of allowing him to do what he needs to; therefore, he would like to thank his team as well. He said everyone looks forward to having even more success in the next year.

Director Rindfleisch thanked Mr. Khattab for his assistance in getting the District up and running so quickly during the pandemic outbreak.

Director Gasca excused himself from the meeting at 3:09 p.m.

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

Director Mack stated he was interested in applying to serve on the CSDA Legislative Committee. He said part of the process was to ensure the RMWD Board was aware of the application.

Motion:

To encourage Director Mack to apply for the position at CSDA and the Board approve any travel expenses associated with or in conjunction to receiving appointment to that position.

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

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

(*) - Asterisk indicates a report is attached.

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Ayes: Director Hamilton, Director Mack, Director Rindfleisch.

Absent: Director Brazier, Director Gasca.

Vice President Hamilton called for a break at 3:12 p.m.

The meeting reconvened at 3:20 p.m.

BOARD INFORMATION ITEMS

23. STATUS UPDATE ON LAFCO DETACHMENT APPLICATION FEES

Mr. Kennedy recalled the Board approved the Resolution authorizing him to pay the initial fees and any fees requested by LAFCO. He said there has been extra LAFCO staff time spent on this matter; therefore, LAFCO has requested an additional deposit of approximately \$62,000 which LAFCO believes will get the process completed. He referenced the document noting SDCWA has requested to meet with RMWD and FPUD to discuss this matter as opposed to spending more of LAFCO's staff time on it.

Vice President Hamilton asked if the Board received a copy of the cost breakdown. Mr. Kennedy said he would forward it to the Board.

Director Mack inquired as to a potential lawsuit being filed on LAFCO by SDCWA and if RMWD would be required to pay the attorney fees. Mr. Kennedy stated RMWD would be responsible for those fees.

***24. INITIAL REVIEW OF PROPOSED AMENDMENTS AND UPDATES TO ADMINISTRATIVE CODE TITLE 3 – BOARD MEETINGS**

Mr. Kennedy noted item was an opportunity for the Board to review the proposed amendments and provide Ms. Washburn with any comments or feedback over the next two weeks so the final proposed revisions can be prepared to present to the Board in October for their consideration.

25. COVID-19 UPDATE

Mr. Kennedy stated the District was remaining status quo since the County requirements continue to change.

Mr. Mack asked if RMWD was following the CDC's ruling for reopening. Mr. Kennedy explained unless there was significant feedback from the public or Board, the District will remain closed to the public and status quo while continuing to follow San Diego County's guidelines.

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

A. General Manager Comments

1. Meetings, Conferences and Seminar Calendar

B. Operations Comments

1. Operations Report

C. Engineering Comments

1. Engineering Report
2. As-Needed Services Expenditures Summary

(*) - Asterisk indicates a report is attached.

- 3. RMWD Sewer Equivalent Dwelling Units (EDU's) Status
- D. Human Resource & Safety Comments**
 - 1. Human Resources Report
 - 2. Organizational Chart
- E. Finance Comments**
 - 1. Board Information Report
 - 2. Budget vs. Actual Fund 1, 2, and 3
 - 3. Fund Balance Projections
 - 4. Treasury Report
 - 5. Five Year Demand
 - 6. Water Sales Summary
 - 7. Check Register
 - 8. Directors' Expenses
 - 9. Credit Card Breakdown
 - 10. Developer Projections
 - 11. RMWD Properties

Ms. Largent reported the preliminary audit review was complete and was pleased to announce there were no findings. She said the final report will be prepared in the next few weeks and most likely be presented to the Board at the December meeting.

Motion:

To receive and file the information and financial items.

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

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

Ayes: Director Hamilton, Director Mack, Director Rindfleisch.

Absent: Director Brazier, Director Gasca.

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

It was noted Administrative Code Title 3 proposed revisions, the audit findings, a presentation on the 2021 rate increase to pass through SDCWA rate increases, and a report on the concerns and observations raised by Mr. Carey.

Mr. Carey reiterated some of his concerns and observations for clarification. He expressed concern with a disconnect between what is going on in the field and what is being briefed at the executive level. Mr. Kennedy stated Mr. Gutierrez will work with Mr. Carey regarding these matters. Mr. Carey emphasized the importance of his concerns especially with the Board approving increased costs to the WSUP program coupled with what he observed.

(*) - Asterisk indicates a report is attached.

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28. ADJOURNMENT

The meeting was adjourned by Director Hamilton to a regular meeting on October 27, 2020 at 1:00 p.m.

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

Hayden Hamilton, Board Vice President

Dawn M. Washburn, Board Secretary



SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING
September 24, 2020

1. Election of Board Officers for October 1, 2018 – September 30, 2020.
The Board elected officers to the Board for a two-year term beginning October 1, 2020 as follows:
Chair: Gary Croucher
Vice Chair: Christy Guerin
Secretary: Jerry Butkiewicz
2. Amendment 2 to the services contract with OneSource Distributors, LLC, for preventative maintenance, upgrades, repair, and technical support for medium voltage variable frequency drives.
The Board authorized the General Manager to execute Amendment 2 to the services contract with OneSource Distributors, LLC, for preventative maintenance, upgrades, repair, and technical support for medium voltage variable frequency drives for an additional three years, increasing the contract maximum amount by \$646,005 for a new not-to-exceed maximum of \$1,219,197.
3. Notice of Completion for the Vallecitos Water District 11/Vista Irrigation District 12 Flow Control Facility project.
The Board authorized the General Manager to accept the Vallecitos Water District 11 / Vista Irrigation District 12 Flow Control Facility project as complete, record the Notice of Completion, and release all funds held in retention to Kiewit Infrastructure West, Inc., following the expiration of Notice of Completion period.
4. Adopt a Permanent Special Agricultural Water Rate Program ordinance and grant temporary PSAWR eligibility for existing Transitional Special Agricultural Water Rate Program customers.
The Board adopted Ordinance No. 2020-04 to establish the Permanent Special Agricultural Water Rate (PSAWR) Program effective January 1, 2021, and grant existing Transitional Special Agricultural Water Rate (TSAWR) Program participants eligibility to participate in the PSWAR Program on a temporary basis through June 30, 2021, to allow member agencies sufficient time to verify compliance with new PSAWR Program eligibility requirements.
5. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.

6. New Treated Water Service Connection for City of Poway.
The Board authorized City of Poway's (Poway) request for a new service connection on the Water Authority's system to be owned and operated by the Water Authority for the purpose of conveying treated water into Poway's distribution system; that a planning study be conducted and include the original stakeholders (City of San Diego, Olivenhain MWD, and Ramona MWD); and that the connection point, and the terms and conditions, be determined for Board approval at a later date and would involve the original stakeholders that funded the Ramona Pipeline.
7. Equipment purchase and service contract with Reliability Controls Corporation for the purchase of three Bently Nevada machinery protection systems for the San Vicente Pump Station, including software and support services for system installation and commissioning.
The Board authorized the General Manager to execute an equipment purchase and service contract with Reliability Controls Corporation for machinery protection system equipment and services for an amount not-to-exceed \$250,032.
8. Approve City of Carlsbad Waiver Request for Late Fee on June 2020 Water Bill.
The Board authorized the General Manager to waive City of Carlsbad late fee for the June 2020 water invoice amounting to \$23,808.25.
9. Agreement with San Diego Gas & Electric to Rent Water Authority Property.
The Board authorized the General Manager to negotiate and enter into an agreement with San Diego Gas & Electric (SDGE) to rent Water Authority property to store construction materials and equipment for an amount up to \$560,000.
10. Formal Board of Directors' meeting of August 27, 2020.
The Board approved the minutes of the Formal Board of Directors' meeting of August 27, 2020.



TO: Rainbow Municipal Water District
FROM: Alfred Smith
DATE: October 27, 2020
RE: Attorney Report: Brown Act and Social Media Update
501668-0002

I. INTRODUCTION.

This attorney report provides an update on recent legislation providing guidance on how elected officials may communicate on social media without violating the Brown Act. On September 18, 2020, Governor Gavin Newsom signed Assembly Bill 992 (AB 992). AB 992 is the first amendment to the Brown Act to address the use of social media by locally elected officials.

Under AB 992, board members may not respond *directly* to any communications posted on the internet *by other members of the same board*. Under this prohibition, even giving a “thumbs up” to another board member’s social media post on a topic within the District’s subject matter jurisdiction could violate the Brown Act.

II. BACKGROUND.

The Brown Act prohibits a majority of members of a legislative body from meeting outside a properly noticed public meeting to “discuss, deliberate, or take action on an item” that is within the legislative body’s subject matter jurisdiction. (Government Code section 54952.2). This restriction includes “serial” meetings in which members of a legislative body communicate indirectly through the use of intermediaries or through a chain of communications, ultimately involving a majority of a legislative body.

The Brown Act was adopted in 1953, when today’s technological advances could not have been contemplated. The proliferation of social media has made it easier to connect with the public, solicit feedback from constituents, and promote idea sharing within local communities. However, these new avenues of communication have also raised many questions regarding the extent to which technology impacts the Brown Act’s restrictions.

In particular, the rise of social media has increased the ways in which members of a legislative body may, potentially and unintentionally, engage in a prohibited serial meeting. For example, does posting a board member’s tweet on a Facebook page,

which is then commented on by another board member violate the prohibition against serial meetings? Does a majority of board members “liking” a post on social media violate the Brown Act? The Brown Act has mostly been silent on this technological reality, until now.

AB 992 was sponsored by Assembly Speaker pro Tem Kevin Mullin. In describing the motivation and legislative history of the bill, Speaker pro Tem Mullin stated:

“When the Brown Act was first enacted in 1953, the significant evolution of communication and advent of social media was not on anyone’s radar. When local officials approached me asking for legislation that might clarify how they could better interact with constituents without being in violation of existing policy, I was happy to pursue a solution with AB 992.

AB 992 clarifies that members of a local elected body may engage on social media platforms provided they do not do so in a way that violates the Brown Act. In other words, a majority of members cannot use social media to discuss business of a specific nature among themselves or business that is within the subject matter jurisdiction of that respective legislative body. The bill does not encourage or allow local officials to deliberate without notice on social media, but instead provides structure and clarity to interactions that are most likely already happening online.

Civic engagement is a core principal of democracy. We have evolved from the times when a constituent could only access their local officials by appointment, by attending a Council meeting, or by chance meeting them out and about in the community. To exclude social media participation in the 21st century, does a disservice to the public and undermines transparency. AB 992 helps give citizens nearly full access to their elected officials.”

Speaker pro Tem Mullin also stated that AB 992 is intended to provide guidance to locally elected officials by setting the same standard as is currently in place under the “community meetings exception” to the Brown Act. The “community meetings exception” to the Brown Act allows a majority of the members of a local agency body to attend an open and publicized meeting held by another organization—such as a neighborhood association meeting, local candidates night, or service club meeting—to address a topic of local community concern.

However, the “community meetings exception” does not permit a board majority to discuss among themselves business of a specific nature that is within the agency’s subject matter jurisdiction. Speaker pro Tem Mullin stated the goal of AB 992 is to strike “an appropriate balance between encouraging the type of robust civic

engagement that is necessary for a healthy democracy and ensuring that local agencies conduct the people's business openly and publicly."

The California Special Districts Association ("CSDA") supported AB 992 as it moved through the legislative process and to the Governor's desk for signature.

III. DISCUSSION.

The Brown Act generally requires that a legislative body's meetings be open and public, including advance notice, posting of the agenda and accessibility by the public. The Act prohibits a majority of members of a legislative body from engaging in a "series of communications," directly or through intermediaries, to "discuss, deliberate, or take action on an item" that is within the legislative body's subject matter jurisdiction. AB 992 amends Government Code section 54952.2, by providing direction on what kind of communications locally elected officials may have via social media and what kind of communications are prohibited.

First, AB 992 clarifies that a public official may communicate on social media platforms to answer questions, provide information to the public or to solicit information from the public regarding a matter within the legislative body's subject matter jurisdiction. However, the latter types of communications are only allowed as long as members of the same legislative body do not use any social media platform to "discuss among themselves" official business. According to AB 992 -- "discuss among themselves" includes making posts, commenting and even using digital icons that express reactions to communications (i.e., emojis) made by other members of the legislative body.

Second, a single contact between one public official and another normally would not constitute a prohibited serial meeting. However, AB 992's social media prohibitions go further. AB 992 prohibits a board member from responding "directly to any communication on an Internet-based social media platform regarding a matter that is within the subject matter jurisdiction of the legislative body that is made, posted, or shared by any other member of the legislative body." Consequently, now if one public official posted a comment in response to another public official's social media post about an agency issue, that could be a Brown Act violation, assuming the two serve on the same legislative body.

The bill applies to "internet-based social media platforms" that are open and accessible to the public. AB 992 defines an "internet based social media platform" and allows communication on such platforms without *per se* constituting a serial meeting. AB 992's definitional scheme includes the following new key terms:

- An "internet-based social media platform" is any online service that is open and accessible to the public.

- "Open and accessible to the public" means that "members of the general public have the ability to access and participate, free of charge, in the social media platform without the approval by the social media platform or a person or entity other than the social media platform, including any forum and chatroom, and cannot be blocked from doing so, except when the internet-based social media platform determines that an individual violated its protocols or rules."

AB 992 encompasses activity on many types of social media platforms -- including, but not limited to, Snapchat, Instagram, Facebook, Twitter, blogs, TikTok and Reddit. AB 992 accordingly affects social media commenting, retweeting, liking, disliking, responding with positive or negative emojis and/or screenshotting (photographing) and reposting.

AB 992 clarifies that it ordinarily does not violate the Brown Act to participate in social media. Interestingly, AB 992 specifically allows the use of "digital icons," i.e., emojis, in discussions on social media. However, AB 992 also creates a bright-line rule that members of a legislative body may not respond *directly* to any communications posted on the internet *by other members of the same legislative body* regarding a matter within the jurisdiction of the legislative body.

In sum, under AB 992, a member of a legislative body may participate freely in open and public social media platforms so long as they do not respond directly to a fellow member of their legislative body. Presumably, given the definitional scheme of AB 992, this means that a member of a legislative body may post a "smiley face" emoji in response to a constituent's Facebook post, but may not post a "thumbs up" emoji if the post is from a fellow member of the legislative body.

IV. CONCLUSION.

AB 992 is the first amendment to the Brown Act to address the use of social media by locally elected officials. Key take-aways include:

- Section 54952.2 of the Brown Act is now amended to address the use of social media by board members.
- The new law adopts the same standard as is currently in place under the "community meetings exception" to the Brown Act. This allows board members to freely use social media, as long as board members do not discuss among themselves specific business within the agency's subject matter jurisdiction.
- Board members may use social media to answer questions, provide information to the public, or to solicit feedback from the public.
- Board members may not respond directly on social media to other members on the same board – doing so could be considered a serial meeting in violation of the Brown Act.

- AB 992 affects social media commenting, retweeting, liking, disliking, responding with positive or negative emojis and/or screenshotting (photographing) and reposting. The scope of AB 992 is therefore quite broad and may implicate simple actions such as “liking,” giving a “thumbs up,” or other such written or visual comments on social media.

AES

BOARD OF DIRECTORS

10/27/2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE A VARIANCE FROM ORDINANCE 19-04 TO ALLOW A LOT, LARGER THAN 0.5 ACRES, TO QUALIFY FOR CAPACITY CLASS "B" AND APPROVE THE CAPACITY CLASS WATER USE AGREEMENT

BACKGROUND

On March 26th 2019 the Board of Directors adopted Ordinance 19-04 which states "*Lot size less than 21,7880 sqft (0.5 acres) may qualify for a 3/4 inch meter.*" The ordinance contains a typographic error, the square footage should be 21,780. The property owner of APN 107-410-21-00, Anna Ross, has requested a variance from Ordinance 19-04 to downsize an existing 1" meter on a 1.13 acre parcel to a 3/4- inch meter and reduce her monthly fixed fees (See Attachment 1). According to the attached variance application, the landscape on the property is mainly succulents and mature evergreen, which according to the customer do not require much watering. The customer has not been at this property for a full year, but the average water usage on the parcel from 11/2019-8/2020 has been 14.3 units per month, with a maximum usage of 28 units.

DESCRIPTION

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

The staff will draft an agreement, with Board authorization, whereby District will suspend the requirement to pay Fixed Charges beyond those applicable to capacity class B under District Ordinance No. 19-04 provided that the Parcel does not exceed a maximum of 50 units of water use per month on average, for any 12-month period, based on the 12-month rolling average (month determined by scheduled meter reading cycle). The agreement further stipulates the following to ensure the customer will be held accountable to comply with the purpose of Ordinance No. 19-04.

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

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

POLICY/STRATEGIC PLAN KEY FOCUS AREA

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

BOARD OPTIONS/FISCAL IMPACTS

If the Board approves the variance, the customer will save \$40.03 per month (assuming Single-Family rate) in monthly service charges to Rainbow MWD unless they exceed the intended capacity of 50 units/month.

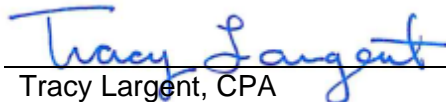
- 1) Approve the variance to Ordinance 19-04 to allow a property larger than 0.5 acres to qualify for capacity class B and approve the New Water Service Agreement.
- 2) Provide other direction to staff.

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends Option 1.



Tracy Largent, CPA
Finance Manager

10/27/20

ORDINANCE NO. 19-04

**ORDINANCE OF THE RAINBOW MUNICIPAL WATER DISTRICT
REVISING APPENDIX A OF THE RULES AND REGULATIONS
REGARDING WATER AND WASTEWATER SERVICE CHARGES**

WHEREAS, the Rainbow Municipal Water District (“RMWD” or the “District”) Board of Directors is committed to providing reliable, high-quality water services at the most efficient costs for our ratepayers; and

WHEREAS, to meet this commitment, the District undertook an evaluation of the infrastructure needs, programs, and operations and maintenance costs of its water and wastewater services; and

WHEREAS, on or around August 2018, the District retained Raffelis Financial Consultants (“RFC”), an industry-leading third party rate and fee public finance consultant, to update the already developed financial plan and assist the district in updating rates that support and optimize a blend of various utility objectives, such as affordability for essential needs, revenue sufficiency and stability, drought conditions, and ease of implementation, as well as ensure compliance with California Constitution Article XIII D, section 6 (“Proposition 218”); and

WHEREAS, between August 2018 and January 2019, the District held a series of meetings with staff and the District Budget and Finance Committee to discuss the RFC study and details regarding the proposed water increases, which meetings were publicly noticed and open to the public; and

WHEREAS, the District Board of Directors reviewed and heard presentations on the proposed rate changes at a regular board meeting on January 26, 2019, and were presented with RFC’s updated Financial Plan, which remain available to the public on RMWD’s website; and

WHEREAS, at this point in time, based on the RFC’s recommendations and findings, together with all prior public meetings, staff reports and presentations, the Board of Directors of the RMWD hereby desires to adjust certain rates related to wastewater service for commercial with irrigation class only; and

WHEREAS, the Board of Directors is provided authority to establish rates and charges by California Water Code §71616 and §71670; and

WHEREAS, Proposition 218 requires that prior to imposing any increase to the water service rates, the District shall provide written notice (the “Notice”) by mail of: (1) the proposed increases to such rates and charges to the record owner of each parcel upon which the rates and charges are proposed for imposition and any tenant directly liable for payment of the rates and charges; (2) the amount of the rates and charges proposed to be imposed on each parcel; (3) the basis upon which the rates and charges were calculated; (4) the reason for the rates and charges; and (5) the date, time, and location of a public hearing (the “Public Hearing”) on the proposed rates and charges; and

WHEREAS, pursuant to Proposition 218, such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the rates and charges not less than forty-five days prior to the Public Hearing on the proposed rates and charges; and

WHEREAS, the District did provide such timely Notice of the Public Hearing to the affected property owners and tenants of the proposed water service rate increases in compliance with Proposition 218 on or before February 10, 2019, and the District's Notice set forth a procedure by which property owners and tenants may submit written protests to the proposed water service fee increase; and

WHEREAS, the Public Hearing was held at the duly noticed public meeting on March 26, 2019; and

WHEREAS, at the Public Hearing the District Board of Directors heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases for water services, and at the close of the Public Hearing the District did not receive written protests against the establishment and imposition of the proposed rate increases for water services from a majority of the affected property owners and tenants directly liable for the payment of the water service rates; and

WHEREAS, the water rates will be adjusted effective with all bills issued for service that occurs on or after April 1, 2019.

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

SECTION 1: The District Board of Directors finds and determines that the foregoing Recitals are true and correct and incorporates the Recitals herein.

SECTION 2: The District Board of Directors hereby finds that the administration, operation, maintenance, and improvements of the water system, which are to be funded by the water and wastewater service rates set forth herein, are necessary to maintain service within the District's existing service area. The District Board of Directors further finds that such water service rates are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the water system. More specifically, the changes in rates and charges established by this Ordinance are for the purposes of (a) meeting operating expenses, including employee wages and benefits, (b) purchasing and leasing of supplies, equipment and materials, (c) meeting financial reserve needs and requirements as set forth in the District Budget, and (d) passing through wholesale water rates charged by the San Diego County Water Authority and the Metropolitan Water District of Southern California. Based on these findings, the District Board of Directors hereby determines that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA).

SECTION 3: Based on RFC's recommendations and findings, together with all prior public meetings, staff reports, recommendations and presentations, as well as all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases for water services presented to the Board of Directors before the close of the duly noticed Public Hearing, the District Board of Directors hereby finds and determines that the proposed rates for water service comply substantively with Proposition 218 for the following reasons:

- a) The revenues derived from the service rates do not exceed the funds required to provide services;
- b) The revenues derived from the service rates will not be used for any purpose other than that for which the fee is being imposed;

- c) The service rates do not exceed the proportional cost of the services attributable to each parcel upon which they are imposed;
- d) The service rates will not be imposed on a parcel unless the services are actually used by, or immediately available to, the owner of the parcel; and
- e) The service rates will not be imposed for general governmental services, such as police, fire, ambulance, or libraries, where service is available to the public in substantially the same manner as it is to property owners and tenants.

SECTION 4: Effective April 1, 2019, the District Board of Directors hereby adopts and implements the rates for the District's water services as set forth in the "Revised Appendix A" attached hereto as **Exhibit 1**, entitled "Water and Sewer Rates and Charges – Effective April 1, 2019". Exhibit 1 hereby replaces in its entirety former Appendix A to the District Rules and Regulations. The rates and charges set forth in Exhibit 1 shall be applicable to all water use and other charges billed on or after April 1, 2019.

SECTION 5: Through this Ordinance, and as set forth in Exhibit 1, the District's Rules and Regulations are hereby being amended to include the following provisions:

PROSPECTIVE ANNUAL RATE INCREASES VIA PASS THROUGH CHARGES FOR WATER AND WASTEWATER

To avoid operational deficits, depletion of reserves, an inability to address infrastructure and water quality improvements, and to continue to provide a safe, reliable water supply, the District will pass through to its customers: (1) any increases in the rates of the SDCWA Fixed Charges imposed on the District by SDCWA (an "SDCWA Fixed Pass Through"); (2) any future charges and any rate increases to any other existing charges, including imported water charges, that are imposed on the District by SDCWA (a "SDCWA Pass Through"); and The foregoing are collectively referred to in this notice as "Pass Through Increases."

Any SDCWA Fixed Pass Through will only impact the rates of the SDCWA Fixed Charges. The District may annually implement the Pass Through Increases provided, however, that (1) any increase to the rates described above as a result of any SDCWA Pass Through, and (2) in no event shall such rates be increased by more than the cost of providing service.

SECTION 6: The District Board of Directors hereby authorizes and directs the District General Manager to (a) implement and take all actions necessary to effectuate the rates for services as set forth herein and in Exhibit 1; as of April 1, 2019, to include the Pass Through Increases set forth herein and in Exhibit 1; and (c) file a Notice of Exemption with the County Clerk for San Diego County within five (5) working days of the date of the adoption of this Ordinance.

SECTION 7: If any section, subsection, subdivision, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid, ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The District Board of Directors hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

SECTION 8: This Ordinance shall supersede all other previous District Board of Directors resolutions and ordinances that may conflict with, or be contrary to, this Ordinance.

SECTION 9: This Ordinance amends Ordinance 18-04 dated February 27, 2018 as of April 1, 2019; the rates prescribed by Ordinance 18-04 shall remain in effect through March 31, 2019.

PASSED AND ADOPTED at a meeting of the Board of Directors of Rainbow Municipal Water District held on the 26th day of March 2019 by the following roll call vote:

AYES: Directors Brazier, Gasca, Hamilton, Mack, and Rindfleisch
NOES: None
ABSTAIN: None
ABSENT: None



Helene Brazier, President Board of Directors

ATTEST:



Dawn Washburn, Board Secretary

RAINBOW MUNICIPAL WATER DISTRICT

Appendix A

Water and Sewer Rates and Charges

EFFECTIVE April 1, 2019
Adopted by Ordinance No. 19-04

WATER COMMODITY CHARGE

A. BASIC COMMODITY CHARGE

(Basic rate for all water delivered through the water meter)
1 Unit = 748 Gallons = 100 cubic feet (cf)

<u>Service Category</u>	<u>Water Rate</u>
Single Family Residential– first 10 units each month	\$3.73 / 100 cf
Single Family Residential – 11 -26 Units each month.	\$3.99 / 100 cf
Single Family Residential – Over 26 Units each month.	\$4.48 / 100 cf
Multi-Family Residential – all units	\$3.87 / 100 cf
Commercial – all units	\$4.03 / 100 cf
Agricultural w/ Residence– first 10 units each month	\$3.73 / 100 cf
Agricultural w/ Residence – 11 -26 Units each month.	\$3.99 / 100 cf
Agricultural w/ Residence – Over 26 Units each month.	\$3.63 / 100 cf
Agricultural w/o Residence – all units	\$3.63 / 100 cf
Institutional – all units	\$4.14 / 100 cf
Construction – all units	\$5.20 / 100 cf
Transitional Special Agricultural Water Rates (TSAWR)	
TSAWR Domestic - first 10 units each month	\$3.94 / 100 cf
TSAWR Domestic – 11 to 26 units each month	\$4.21 / 100 cf
TSAWR Domestic – Over 26 units each month	\$3.15 / 100 cf
TSAWR Commercial – all units	\$3.15 / 100 cf

B. PUMPING ZONE CHARGES

<u>Service Area</u>	<u>Amount</u>
Monthly fixed charge for all zones	\$9.24 per meter
1 - Rainbow Heights	\$1.03 / 100 cf
2 - Improvement District U-1	\$0.64 / 100 cf
3 - Vallecitos	\$0.36 / 100 cf
4 - Northside	\$0.13 / 100 cf
5 - Morro	\$0.19 / 100 cf
6 - Huntley	\$0.75 / 100 cf
7 - Magee	\$3.37 / 100 cf

C. WATER ALLOCATION PENALTY RATES

The Water Allocation Penalty charges shall apply only to TSAWR customers in the event that the San Diego County Water Authority (SDCWA) establishes mandatory TSAWR allocation cutbacks. During a TSAWR allocation, SDCWA will establish an allocation reduction percentage. Each TSAWR customer will be issued a baseline allocation that is calculated from a base year defined by SDCWA and this allocation will be reduced by the SDCWA defined reduction percentage.

A penalty of \$3.31 per unit will be charged to TSAWR customers who use greater than their reduced allocation but less than their baseline allocation. A penalty of \$6.62 per unit will be charged to TSAWR customers who use more than their baseline allocation.

FIXED ACCOUNT CHARGES

A. METER SERVICES CHARGES

RMWD Monthly Fixed O&M Charges for Single Family Residential, Multi-Family Residential, Commercial, and Institutional

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8 "	\$ 35.14
3/4 "	\$ 35.14
1"	\$ 54.89
1 1/2"	\$ 104.22
2"	\$ 163.43
3"	\$ 350.91
4"	\$ 627.22
6"	\$1,288.35

NOTE: Locked or sealed meters are assessed a charge equal to the above monthly charge for the appropriate sized meter.

RMWD Monthly Fixed O&M Charges for Agricultural w/Residence, Agricultural w/o residence, TSAWR Domestic, and TSAWR Commercial

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8 "	\$ 63.83
3/4 "	\$ 63.83
1"	\$ 102.66
1 1/2"	\$ 199.80
2"	\$ 316.37
3"	\$ 685.47
4"	\$ 1,229.43
6"	\$ 2,530.98

NOTE: Locked or sealed meters are assessed a charge equal to the above monthly charge for the appropriate sized meter.

SDCWA Fixed Pass Through Charges

Charge is assessed by the San Diego County Water Authority and passed through directly by RMWD to all meter customers. These charges are in addition to RMWD Monthly Fixed O&M Charges

Monthly SDCWA Fixed Pass Through Charge for Single Family Residential, Multi-Family Residential, Agricultural w/ residence, Agricultural w/o Residence, Commercial, and Institutional

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8 "	\$ 30.42
3/4 "	\$ 30.42
1"	\$ 50.70
1 1/2"	\$ 101.40
2"	\$ 162.24
3"	\$ 354.90
4"	\$ 638.82
6"	\$ 1,318.20

Monthly SDCWA Fixed Pass Through Charge for TSAWR Domestic, and TSAWR Commercial

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8 "	\$ 13.53
3/4 "	\$ 13.53
1"	\$ 22.55
1 1/2"	\$ 45.09
2"	\$ 72.15
3"	\$ 157.83
4"	\$ 284.10
6"	\$ 586.23

B. OTHER FIXED ACCOUNT CHARGES

(Additional charges added to the basic meter service charge to reflect other special service conditions.)

Backflow device annual inspection fee

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8 "	\$ 4.81
3/4 "	\$ 4.81
1"	\$ 4.81
1 1/2"	\$ 4.81
2"	\$ 4.81
3"	\$ 8.14
4"	\$ 8.14
6"	\$ 8.14

<u>Service Conditions</u>	<u>Monthly Charge</u>
Bypass Meter (for detector check systems) or Fire Service Only Meters	\$10.00
Fire Standby Charge (Vista Valley Area) (Applicable to properties under the jurisdiction of the Vista Fire Department. See Resolution No. 85-24)	\$ 5.00

Fire Standby Charge (All Other Areas) \$ 5.00

MISCELLANEOUS CHARGES

A. CONSTRUCTION METERS

Deposit	\$1,825.00
Installation Fee	\$ 115.00
Relocation Fee	\$ 50.00
Meter Service Fee (3" O & M)	\$ 243.68
Water Commodity Charge	\$5.20/100 cf

B. OTHER CHARGES

Unpaid Bills (delinquency)	5% of unpaid balance-1st mo. 1 1/2% of unpaid balance per month thereafter.
Returned Check Charge	\$30.00
Tax Roll Fee (Accounts collected through SD County Assessor's Office)	\$45.00
48-hour Lock Off Notice	\$40.00
Service Turn-on Fee	\$50.00
After hours Turn-on-Fee	\$75.00
Cut Padlock Fee	\$22.00
Meter Testing Charge	\$ 50.00 (1" or smaller)
(testing for 3" and greater is outsourced)	\$ 71.00 (1 1/2" or 2") \$225.00 (3" or 4") \$225.00 (6")

WATER CAPACITY CHARGES

The SDCWA charge is collected by RMWD forwarded quarterly to the SDCWA.

Capacity fees list are for **residential only**, all other land use types will be calculated case by case based on the number of EDUs (equivalent dwelling unit).

<u>Capacity Class</u>	<u>Reference Meter Size</u>	<u>Water Capacity Charge</u>	<u>SDWCA Fee</u>	<u>SDCWA Treatment Charge</u>
A	5/8"	\$ 6,241	\$ 5,099	\$ 141
B	3/4"	\$ 10,401	\$ 5,099	\$ 141
C	1"	\$ 16,642	\$ 8,158	\$ 226
D	1 1/2"	\$ 27,043	\$ 15,297	\$ 423
E	2"	\$ 62,406	\$ 26,515	\$ 723
F	3"	\$ 124,812	\$ 48,950	\$ 1,354
G	4"	\$ 208,020	\$ 83,624	\$ 2,312

Lot size less than 5,000 sqft (0.11 acre) with de minimis irrigation of less than 1,000 sqft may qualify for a 5/8 inch meter.

Lot size less than 21,7880 sqft (0.5 acres) may qualify for a 3/4 inch meter.

For cases where demand qualifies for a smaller capacity meter, but requires a larger meter to meet fire flow requirements only, a meter one size larger may be installed and a monthly fire standby charge will be assessed. Written confirmation from the fire department is required.

SEWER CHARGES

A.

MONTHLY SERVICE CHARGE PER EQUIVALENT DWELLING UNIT (EDU)

Single Family	\$55.07/monthly
Multi-Family	\$40.51/monthly
Sewer Only	\$54.40/monthly

VARIABLE CHARGE PER HCF OF WATER

Commercial	\$6.67/HCF
Commercial w/Irrigation	\$2.99/HCF

MONTHLY MINIMUM CHARGE

Commercial	\$40.51
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B. EDU description and basis for Sewer Capacity Charges

Single Family Residential, Apartment, Condominium, Duplex or Mobile home, Each Unit

Square Footage

≤1,250	0.8 EDU
1,251 to 2,000	1.0 EDU
2,001 to 3,000	1.2 EDU
3,001 to 4,500	1.5 EDU
4,501 to 6,000	2.0 EDU
>6,000	Case by Case
Motel or Hotel	
Each Living Unit with Kitchen	0.80 EDU
Each Living Unit without Kitchen	0.40 EDU
Commercial Business - Retail shop or Offices Equipped with Restroom, Up to 1,000 sf.	1.20 EDU
Commercial Business – Each additional 1,000 sf. of gross floor space or part thereof.	0.80 EDU
Automobile Service Stations	
A. Providing RV holding tank disposal station	2.00 EDU
B. Four (4) or under Gas Pumps	0.80 EDU
C. Over four (4) Gas Pumps	1.00 EDU
Church, Fraternal Lodge or similar auditorium for each unit of seating capacity for 200 persons.	1.0 EDU
Bakery	1.0 EDU
Theater - 200 seating capacity	1.40 EDU
Hospital - per bed	0.40 EDU
Convalescent Hospital - Boarding Home - per bed	0.40 EDU
Labor Camp, Per Bed	0.10 EDU
Mortuary	1.20 EDU
Car Wash	1.20 EDU
Grocery Store	1.20 EDU
Self Service Laundry - each washing machine	0.40 EDU
Swimming Pool - with restrooms	1.20 EDU
Spas - with restrooms	1.20 EDU

Country Clubs with common restroom facilities		1.20 EDU
Each additional shower unit, wash closet and/or fixture.		
Restaurant – Base (Using non-disposable tableware)		2.70 EDU
Per each seven (7) seats or part thereof		1.20 EDU
Restaurants—Base (Using disposable tableware)		1.20 EDU
Per each twenty-one (21) seats or part thereof		1.20 EDU
Schools (Public or Private)		
Elementary	Per each 60 students	1.20 EDU
Junior High School	Per each 40 students	1.20 EDU
High School	Per each 30 students	1.20 EDU

D. Sewer Capacity Charge \$14,126 per EDU

PROSPECTIVE ANNUAL RATE INCREASES VIA PASS THROUGH CHARGES FOR WATER

To avoid operational deficits, depletion of reserves, an inability to address infrastructure and water quality improvements, and to continue to provide a safe, reliable water supply, the District will pass through to its customers: (1) any increases in the rates of the SDCWA Fixed Charges imposed on the District by SDCWA (an “SDCWA Fixed Pass Through”); (2) any future charges and any rate increases to any other existing charges, including imported water charges, that are imposed on the District by SDCWA (a “SDCWA Pass Through”); The foregoing are collectively referred to in this ordinance as “Pass Through Increases.”

Any SDCWA Fixed Pass Through will only impact the rates of the SDCWA Fixed Charges. The District may annually implement the Pass Through Increases commencing April 1, 2019.

END



ADMINISTRATIVE CODE VARIANCE APPLICATION

PROPERTY OWNER OR PRIMARY ACCOUNT HOLDER INFORMATION	
Owner Name: <u>Anna A Ross</u>	Telephone No.: <u>702-286-6579</u>
Address: <u>2437 Via del Aquacate Fallbrook CA 92028</u>	
Email Address: <u>iloveamour@yahoo.com</u>	Account No.: <u>015829-000</u>

LOCATION OF PROPOSED ADMINISTRATIVE CODE VARIANCE		
Address: <u>2437 Via del Aquacate</u>	APN: <u>10741021-00</u>	Acres: <u>1</u>

SUPPORTING INFORMATION
Specific section(s) of the Admin. Code for which this variance is being requested (attach additional pages if needed):

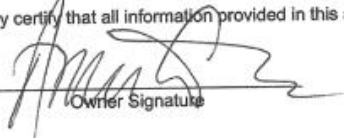
Reason why the variance should be approved including how the intent of the Admin. Code will be met (attach additional pages if necessary):

Respectfully request decrease water meter size from 1 to 3/4. The high expense of the water bill is difficult to maintain with limited income. The landscaping is mostly succulents and mature evergreen which doesn't require much watering and yet our water bill doesn't decrease to less than \$900. Several of our neighbors who has larger lot sizes already requested the downsize

Rainbow Municipal Water District (District) Provisions: from 1 meter size to 3/4 meter size.

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

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


Owner Signature

8/12/2020
Date

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

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BOARD OF DIRECTORS

October 27, 2020

SUBJECT

CONSIDER APPROVAL OF A PROFESSIONAL SERVICE AGREEMENT WITH PALOMAR BACKFLOW FOR THE TESTING OF BACKFLOWS THROUGHOUT THE DISTRICT

BACKGROUND

The California Code of Regulations (CCR), requires public water systems to protect their water supplies from contamination by implementing a cross-connection control program. The scope of a comprehensive cross-connection control program must include provisions for the protection of the drinking water supply through the installation of appropriate backflow prevention assemblies at all water users' connections where a hazard or potential hazard to the water supply is identified by the public water system.

The Water Supplier shall protect the public water supply from contamination by implementation of a cross-connection control Program, the program, or any portion thereof, may be implemented directly by the water supplier or by means of a contract with local health agency, or with another agency approved by the health agency.

- (a) The adoption of operating rules or ordinances to implement the cross-connection program
- (b) The conducting of surveys to identify water user premises where cross-connections are likely to occur
- (c) The provisions of backflow protection by the water user at the user's connection or within the user's premises or both
- (d) The provision of at least one person trained in cross-connection control to carry out the cross-connection program
- (e) The establishment of a procedure or system for testing backflow preventers
- (f) The maintenance of records of locations, tests, and repairs of backflow preventers

(Title 17, Section 7584).

Backflow preventers are required to be tested at least annually

(Title 17, Section 7604)

There are currently five-thousand and six (5006) backflows in our system which require annual testing. Prior to 2018 backflows were tested by backflow testing companies and the program was administered by RMWD water quality technician. The delta between what the District was paying outside testers was more than if we did it in house, therefore, the creation of a full-time employee position was authorized in late 2018 through Board action. The cross-connection control technician position was established to administer the cross-connection control program to include testing of backflows. During the first year of our in-house testing and due to unforeseen incidents, the District was unable to test every backflow in the system. 3,265 backflows were tested last year which fell short of the annual requirement. Since the creation of the cross-control technician position each meter reader has been working on obtaining their backflow tester

certification so that they can assist with testing. We anticipate that they will all have their certifications by the conclusion of the WSUP Program so that in the future we will be able to manage this internally. The concept is to have each meter reader certified to test backflow so that when they arrive on a service call, they will also be able to test the backflow. This has been taking place on a limited basis as not all meter readers are certified.

Currently, the cross-connection technician is also responsible for surveying residences where a backflow preventor is not warranted thus giving the homeowner the option of removing the backflow. The cross-connection technician has been conducting surveys as part of the WASUP Project when buried double check valves are found which has taken time away from testing backflows. To date we have tested 3,350 backflows which leaves 1,650 backflow that still need to be tested by the end of the year. The purpose of having an on-call tester is to fill in on occasion for staff when they cannot meet monthly goals. This PSA is not intended to stop District personnel from testing, but rather augment their capabilities.

DESCRIPTION

An RFP was issued on September 3, 2020 per Rainbow MWD Administrative code for a Professional Service Agreement for backflow testing services. Palomar Backflow is best suited for this task as they have intimate knowledge of RMWD's cross-connection program and they have been testing backflows in the District off and on since 2004 with an intimate knowledge of our sometimes hard to find backflows. There is budget for testing of 1,866 backflows at a rate of \$75.00 per backflow. The on-call tester will also conduct the is following:

- Document test results on District I pad
- Upload test results daily
- Install tested sticker with date
- Report any failed tests
- Report and required repairs

Staff is asking the Board to consider entering a Professional Service Agreement (PSA) with Palomar backflow for their services in regards to testing backflows. A copy of the proposal is attached.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Five: Customer Service

Strategic Focus Area Two: Asset Management

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.

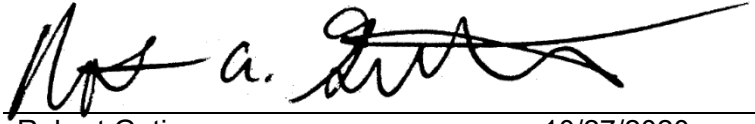
BOARD OPTIONS/FISCAL IMPACTS

This PSA is a not to exceed \$140,000 and will be billed at \$75.00 per backflow. Funds are available in account 01-35-63404. Budget for backflow testing will remain intact as we are charging less internal staff time to testing.

1. Approve the PSA with Palomar Backflow in the amount not to exceed \$140,000 for backflow testing services.
2. Do not approve the PSA with Palomar Backflow and provided staff with direction.

STAFF RECOMMENDATION

Staff recommends Option 1.



Robert Gutierrez
Operations Manager

10/27/2020



RAINBOW MUNICIPAL WATER DISTRICT
3707 HIGHWAY 395
FALLBROOK CA 92028
(760) 728-1178

PROFESSIONAL SERVICES AGREEMENT

PROJECT: DISTRICT WIDE BACKFLOW TESTING
GL No. 01-35-63404, Contract No. 20-28

THIS AGREEMENT ("Agreement") is made and entered into this ___ day of October 2020, by and between the RAINBOW MUNICIPAL WATER DISTRICT, a municipal water district, hereinafter designated as "DISTRICT", and PALOMAR BACFLOW, INC. a California corporation hereinafter designated as "SPECIALIST."

RECITALS

- A. DISTRICT desires to obtain Professional Field Services from an independent contractor for the above-named Project.
B. SPECIALIST has submitted a proposal to provide professional services for the DISTRICT in accordance with the terms set forth in this Agreement.
C. DISTRICT desires to contract with SPECIALIST as an independent contractor and SPECIALIST desires to provide services to DISTRICT as an independent contractor.
D. SPECIALIST has demonstrated its competence and professional qualifications necessary for the satisfactory performance of the services designated herein by virtue of its experience, training, education, and expertise.

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. PROFESSIONAL SERVICES PROVIDED BY SPECIALIST.

The professional services to be performed by SPECIALIST shall consist of the following: Testing of backflows throughout the District, including, document test results on a District I-Pad, Upload test results daily, Install tested sticker with the date, Report any failed tests, Report on all the required repairs. The scope of services is more particularly defined in Exhibit "A", attached and made a part hereof. Any additional services must be agreed to by the parties in writing as set forth in Section 19, as an amendment to this Agreement.

- 1.1 In performing the services set forth in this Agreement including Exhibit "A", SPECIALIST shall work closely with the DISTRICT'S General Manager and staff in performing the services in accordance with this Agreement in order to receive clarification as to the result that the DISTRICT expects to be accomplished by SPECIALIST. The General Manager shall be the DISTRICT'S authorized representative in the interpretation and enforcement of all services performed in connection with this Agreement.
- 1.2 SPECIALIST represents that its employees have the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of the DISTRICT. This means SPECIALIST is able to fulfill the requirements of this Agreement. Failure to perform all services required under this Agreement constitutes a material breach of the Agreement.

2. TERM AND TIMING REQUIREMENTS.

- 2.1 This Agreement will become effective on the date stated above and will continue in effect for **two years**, until the earlier of the completion of services provided for in this Agreement or until terminated as provided under Section 14 of this Agreement.
- 2.2 Performance of work under this Agreement shall be in accordance with the schedule outlined in Exhibit "A" unless otherwise modified in writing as set forth in Section 19. Failure by SPECIALIST to strictly adhere to these timing requirements may result in termination of this Agreement by the DISTRICT.
- 2.3 SPECIALIST shall submit all requests for extensions of time for performance in writing to the General Manager no later than two (2) business days after the commencement of the cause of any unforeseeable delay beyond SPECIALIST'S control and in all cases prior the date on which performance is due if possible. The General Manager shall review all such requests and may grant reasonable time extensions for unforeseeable delays which are beyond SPECIALIST'S control.
- 2.4 For all time periods not specifically set forth herein, SPECIALIST shall respond in the most expedient and appropriate manner under the circumstances, by telephone, fax, hand delivery, e-mail or mail.

3. STUDY CRITERIA AND STANDARDS.

All work shall be performed in accordance with applicable DISTRICT, county, state and federal Codes and criteria. In the performance of its professional services, SPECIALIST shall use the degree of care and skill ordinarily exercised by specialists performing the same or similar work under similar conditions.

4. INDEPENDENT CONTRACTOR.

- 4.1 SPECIALIST'S relationship to the DISTRICT shall be that of an independent contractor in performing all services hereunder. The DISTRICT shall not exercise any control or direction over the methods by which CONTRACTOR shall perform its services and functions. The DISTRICT'S sole interest and responsibility is to ensure that the services covered in this Agreement are performed in a competent, satisfactory and legal manner. The parties agree that no services, act, commission or omission of SPECIALIST or its employee(s) pursuant to this Agreement shall be construed to make SPECIALIST or its employee(s) the agent, employee or servant of the DISTRICT. SPECIALIST and its

employee(s) are not entitled to receive from the DISTRICT vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability benefits, unemployment benefits or any other employee benefit of any kind.

- 4.2 SPECIALIST shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers' compensation insurance and for otherwise complying with all other employment requirements with respect to SPECIALIST or its employee(s). SPECIALIST agrees to indemnify, defend and hold the DISTRICT harmless from any and all liability, damages or losses (including attorneys' fees, costs, penalties and fines) the DISTRICT suffers as a result of SPECIALIST'S failure comply with the foregoing.
- 4.3 SPECIALIST shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement. SPECIALIST shall report to the DISTRICT any and all employees, agents, and subcontractors performing work in connection with this Agreement, and all shall be subject to the approval of the DISTRICT.
- 4.4 SPECIALIST shall have no authority, express or implied, to act on behalf of the DISTRICT as an agent, or to bind the DISTRICT to any obligation whatsoever, unless specifically authorized in writing by the General Manager. If SPECIALIST'S services relate to an existing or future DISTRICT construction contract, SPECIALIST shall not communicate directly with, nor in any way direct the actions of, any bidder for that construction contract without the prior written authorization by the General Manager.

5. WORKERS' COMPENSATION INSURANCE.

By SPECIALIST'S signature hereunder, SPECIALIST certifies that SPECIALIST is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and SPECIALIST will comply with such provisions before commencing the performance of the services pursuant to this Agreement.

6. INDEMNIFICATION, HOLD HARMLESS AND DEFENSE.

- 6.1 To the extent and in any manner permitted by law, SPECIALIST shall defend, indemnify, and hold DISTRICT, its directors, officers, employees, and agents, and each of them free and harmless from any liability from claims, demands, loss, damage, or injury to property or persons, including wrongful death, in any manner arising out of, related to or incident to, in whole or in part, any act or omission of SPECIALIST, including SPECIALIST'S officers, employees and agents, in connection with the services required by this Agreement, including without limitation, the payment of reasonable attorneys' fees and costs. All officers, agents, employees and subcontractors, and their agents, who are employed, contracted or otherwise utilized by SPECIALIST to perform services under this Agreement, shall be deemed officers, agents and employees of SPECIALIST. The foregoing indemnity, hold harmless and defense obligation of SPECIALIST shall apply except to the extent the loss, damage or injury is caused by the sole negligence or willful misconduct of an indemnified party.
- 6.2 To the extent and in any matter permitted by law, SPECIALIST shall defend, indemnify and hold the DISTRICT, its directors, officers, employees, authorized volunteers and

agents, and each of them free and harmless from and against any and all claims, demands, actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, related to or incident to a breach of this Agreement, any assertion that any of the materials, services, hardware or software provided by SPECIALIST to the DISTRICT ("Specialist Products") or the use thereof infringes any patent, copyright or proprietary right of any third party, or the violation of any governmental law or regulations, compliance with which is the responsibility of SPECIALIST.

- 6.3** SPECIALIST shall defend, at SPECIALIST'S own cost, expense and risk, any and all such aforesaid claims, demands, suits, actions or other legal proceedings of every kind that may be brought or instituted against the DISTRICT or the DISTRICT'S directors, officers, employees, and agents, and each of them. The DISTRICT shall be consulted regarding and approve of the selection of defense counsel. Should separate counsel be necessary for the DISTRICT, as determined by the DISTRICT, SPECIALIST shall be responsible to pay for the reasonable attorneys' fees and costs including expert fees, as such fees and costs are incurred, for the DISTRICT'S legal counsel in addition to SPECIALIST'S own legal fees and costs. In all circumstances, DISTRICT retains the right to retain its own attorneys.
- 6.4** SPECIALIST shall pay and satisfy any judgment, award or decree that may be rendered against DISTRICT or its directors, officers, employees, authorized volunteers and agents, and each of them, in any and all such aforesaid claims, demands, suits, action or other legal proceeding. SPECIALIST shall not agree without the DISTRICT'S prior written consent, to any settlement which would require the DISTRICT to pay any money or perform some affirmative act, including in the case of intellectual property infringement any payment of money or performance of some affirmative act to continue using the Specialist Products.
- 6.5** SPECIALIST shall reimburse DISTRICT and its directors, officers, employees, authorized volunteers and agents, and each of them, for any and all legal expenses and costs including attorneys' fees incurred by each of them in connection therewith or in enforcing the indemnity, hold harmless and defense obligation herein provided.
- 6.6** SPECIALIST agrees to carry insurance for this purpose as set forth herein including contract liability. Provision of insurance coverage as required by this Agreement shall not affect SPECIALIST'S indemnification, hold harmless and defense obligations. SPECIALIST'S indemnification, hold harmless and defense obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for SPECIALIST, subcontractor, supplier or other person under workers' compensation acts, disability acts or other employee acts or the insurance required by this Agreement. SPECIALIST'S indemnification, hold harmless and defense obligation shall not be restricted to insurance proceeds, if any received by the DISTRICT or its directors, officers, employees, authorized volunteers or agents.
- 6.7** SPECIALIST'S indemnification, hold harmless and defense obligation shall survive the termination or expiration of this Agreement.

7. LAWS, REGULATIONS AND PERMITS.

- 7.1** SPECIALIST shall give all notices required by law and comply with all laws, ordinances, rules and regulations pertaining to the conduct of the services required by this

Agreement. SPECIALIST shall be liable for and bear all costs resulting from, any violations of the law in connection with services furnished by SPECIALIST.

7.2 SPECIALIST shall comply with all of the following requirements with respect to any services as a Building/Construction Inspector, Field Soils and Material Tester, or Land Surveyor, as those trades are defined by the California Department of Industrial Relations (“DIR”).

- a) SPECIALIST agrees to comply with and require its subcontractors to comply with the requirements of California Labor Code sections 1720 et seq. and 1770 et seq., and California Code of Regulations, title 8, section 16000 et seq. (collectively, “Prevailing Wage Laws”) and any additional applicable California Labor Code provisions related to such services, including without limitation, payroll recordkeeping requirements. SPECIALIST and its subcontractors shall pay not less than the prevailing rate of per diem wages as determined by the Director of the DIR for all services described in this Section 7.2 and as required by law. The general prevailing wage determinations can be found on the DIR website at: <http://www.dir.ca.gov/dslr>. Copies of the prevailing rate of per diem wages may be accessed at DISTRICT’S administrative office, and shall be made available upon request. SPECIALIST shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to perform the services described in this Section 7.2 of the Agreement available to interested parties upon request, and shall post and maintain copies at SPECIALIST’S principal place of business and at all site(s) where services are performed. Penalties for violation of Prevailing Wage Laws may be assessed in accordance with such laws. For example, SPECIALIST shall forfeit, as a penalty to the DISTRICT, Two Hundred Dollars (\$200) for each calendar day, or portion thereof, for each workman paid less than stipulated prevailing rates for services performed under this Agreement by SPECIALIST, or any subcontractor under SPECIALIST, in violation of Prevailing Wage Laws. SPECIALIST shall defend, indemnify and hold the DISTRICT, its directors, officers, directors, employees, agents and authorized volunteers, and each of them, free and harmless from any claims, liabilities, costs, penalties or interest arising out of the failure or alleged failure of SPECIALIST or its subcontractors to comply with Prevailing Wage Laws.
- b) SPECIALIST and each of its subcontractors shall keep accurate payroll records showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by SPECIALIST or subcontractor in connection with the services performed pursuant to this Agreement. Each payroll shall be certified, available for inspection, and copies thereof furnished as prescribed in California Labor Code sections 1771.4(a)(3)(A) and 1776, including any required redactions. SPECIALIST shall keep the DISTRICT informed as to the location of the records and shall be responsible for the compliance with these requirements by all subcontractors. SPECIALIST shall inform the DISTRICT of the location of the payroll records, including the street address, city and county and shall, within five (5) working days, provide a notice of a change of location and address. Penalties for noncompliance include a forfeiture of One Hundred Dollars (\$100) per calendar day, or portion thereof, for each worker until strict compliance is effectuated, which may be deducted from any moneys due SPECIALIST.

- c) Eight (8) hours of work shall constitute a legal day's work. SPECIALIST and any subcontractors shall forfeit, as a penalty to the DISTRICT, Twenty-Five Dollars (\$25) for each worker employed in the execution of services pursuant to this Agreement by SPECIALIST or any subcontractor under him for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any calendar week in violation of the provisions of the California Labor Code, in particular, sections 1810 to 1815, thereof, inclusive, except services performed by employees of SPECIALIST and its subcontractors in excess of eight (8) hours per day at not less than one and one-half (1 ½) times the basic rate of pay, as provided in California Labor Code section 1815.
- d) SPECIALIST'S attention is directed to the provisions of California Labor Code sections 1777.5, 1777.6 and 1777.7 concerning employment of apprentices by SPECIALIST or any of SPECIALIST'S subcontractors. If applicable to the services performed under this Agreement, SPECIALIST shall comply with such apprenticeship requirements and submit apprentice information to the DISTRICT. Information relative to apprenticeship standards, wage schedules and other requirements may be obtained from the DIR or the Division of Apprenticeship Standards. Knowing violations of section 1777.5 will result in forfeiture not to exceed One Hundred Dollars (\$100) or Three Hundred Dollars (\$300), depending on the circumstances, for each calendar day of non-compliance pursuant to section 1777.7.
- e) SPECIALIST must be, and must require all subcontractors performing services described in this Section 7.2 to be, registered with and have paid the annual fee to the DIR prior to the execution of this Agreement pursuant to Labor Code Section 1725.5. No contractor or subcontractor may be listed on a bid proposal for a public works project, be awarded a contract for public work on a public works project, or perform services described in this Section 7.2, unless registered with the DIR pursuant to Labor Code Section 1725.5. The performance of services described in this Section 7.2 is subject to compliance monitoring and enforcement by the DIR.
- f) SPECIALIST shall require any subcontractors performing services described in this Section 7.2 of the Agreement to comply with all of the requirements stated in this this Section 7.2, including the subsections thereunder.

8. SAFETY.

SPECIALIST shall execute and maintain SPECIALIST'S services so as to avoid injury or damage to any person or property. In carrying out SPECIALIST'S services, SPECIALIST shall at all times, exercise all necessary precautions for the safety of employees appropriate to the nature of the services and the conditions under which the services are to be performed, and be in compliance with all federal, state and local statutory and regulatory requirements including State of California, Division of Industrial Safety (Cal/OSHA) regulations, and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act (as applicable). Safety precautions as applicable shall include instructions in accident prevention for all employees such as safe walkways, scaffolds, fall protection, ladders, bridges, gang planks, confined space procedures, trenching & shoring, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries.

9. INSURANCE.

9.1 INSURANCE COVERAGE AND LIMITS.

SPECIALIST shall provide and maintain at all times during the performance of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the services hereunder by SPECIALIST, its agents, representatives, employees or subcontractors. Claims made policies shall not satisfy these insurance requirements unless SPECIALIST notifies DISTRICT and obtains DISTRICT'S prior written consent to the use of such claims made policies.

Coverage – SPECIALIST shall maintain coverage shall be at least as broad as the following:

- a) Coverage for Professional Liability appropriate to SPECIALIST'S profession covering SPECIALIST'S wrongful acts, negligent actions, errors or omissions. The retroactive date (if any) is to be no later than the effective date of this Agreement.
- b) Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001).
- c) Insurance Services Office Automobile Liability Coverage (Form CA 0001), covering Symbol 1 (any auto).
- d) Workers' Compensation insurance as required by the State of California and Employers Liability insurance.

Limits - SPECIALIST shall maintain limits no less than the following:

- a) Professional Liability - One Million Dollars (\$1,000,000) per claim and Two Million Dollars (\$2,000,000) annual aggregate.
- b) General Liability - One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to the DISTRICT) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.
- c) Automobile Liability - One Million Dollars (\$1,000,000) for bodily injury and property damage each accident limit.
- d) Workers' Compensation insurance with statutory limits as required by California law and Employer's Liability insurance with a limit of no less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease.

9.2 REQUIRED INSURANCE PROVISIONS. The insurance policies are to contain, or be endorsed to contain the following provisions:

- a) The DISTRICT, its directors, officers, employees, or authorized volunteers are to be covered as insureds on the CGL and auto policies with respect to liability arising out of automobiles owned, leased, hired, or borrowed by on or behalf of SPECIALIST; and with respect to liability arising out of services or operations performed by or on behalf of SPECIALIST including materials, parts, or equipment furnished in connection with such services or operations. General liability coverage can be provided in the form of an endorsement to SPECIALIST'S insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used). The coverage shall contain no special limitations on the scope of protection afforded to the DISTRICT, its directors, officers, employees, or authorized volunteers. The Project Name shall also be included.
- b) For any claims related to the services provided hereunder, SPECIALIST'S insurance shall be primary insurance as respects the DISTRICT, its directors, officers, employees, and authorized volunteers. Any insurance, self-insurance, or other coverage maintained by the DISTRICT, its directors, officers, employees, or authorized volunteers shall not contribute to it.
- c) Each insurance policy specified above are to state or be endorsed to state that coverage shall not be canceled except after thirty (30) days prior written notice ten (10) days for non-payment of premium) by U.S. mail has been provided to the DISTRICT.
- d) In the event any change is made in the insurance carrier, scope of coverage or retroactive date of professional liability coverage required under this Agreement (if applicable), SPECIALIST shall notify the DISTRICT prior to any changes.
- e) All of the insurance shall be provided on policy forms satisfactory to the DISTRICT. All insurance correspondence, notations, certificates, or other documents from the insurance carrier or agent/broker shall each separately reference this Agreement.

9.3 WAIVER OF SUBROGATION. SPECIALIST hereby agrees to waive rights of subrogation which any insurer of SPECIALIST may acquire from SPECIALIST by virtue of the payment of any loss. SPECIALIST agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of DISTRICT for all services performed by SPECIALIST, its employees, agents and subcontractors.

9.4 DEDUCTIBLES AND SELF-INSURED RETENTIONS. Any deductible or self-insured retention must be declared to and approved by the DISTRICT. At the option of the DISTRICT, the insurer shall either reduce or eliminate such deductibles or self-insured retention.

9.5 ACCEPTABILITY OF INSURERS. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A:VII or equivalent or as otherwise acceptable to the DISTRICT.

9.6 EVIDENCES OF INSURANCE. Prior to execution of this Agreement, SPECIALIST shall furnish the DISTRICT with original certificates and amendatory endorsements, or copies of the applicable insurance language, effecting coverage required by this Agreement. All

certificates and endorsements are to be received and approved by the District before services commence. However, failure to obtain the required documents prior the services beginning shall not waive SPECIALIST'S obligation to provide them.

SPECIALIST shall, upon demand of the DISTRICT at any time, deliver to the DISTRICT complete, certified copies or all required insurance policies, including endorsements, required by this Agreement.

9.7 SUBCONTRACTORS. In the event that SPECIALIST employs subcontractors as part of the services covered by this Agreement, it shall be the SPECIALIST'S responsibility to require and verify that each subcontractor meets the minimum insurance requirements specified in this Agreement.

10. NO CONFLICT OF INTEREST.

If SPECIALIST is providing services related to a DISTRICT project, SPECIALIST shall not be financially interested in any other contract necessary for the undertaking of the project. For the limited purposes of interpreting this section, SPECIALIST shall be deemed a "district officer or employee", and this section shall be interpreted in accordance with California Government Code Section 1090. In the event that SPECIALIST becomes financially interested in any other contract necessary for the undertaking of the project, this Agreement shall be null and void and DISTRICT shall be relieved of any responsibility whatsoever to provide compensation under the terms and conditions of any such contract for those services performed by SPECIALIST.

11. OWNERSHIP OF DOCUMENTS AND MATERIALS.

All documents, diskettes, drawings, reports and specifications, including details, computations, and other documents and materials, prepared or provided by SPECIALIST under this Agreement shall be furnished to and become the property of the DISTRICT. The DISTRICT agrees to hold the SPECIALIST free and harmless from any claim arising from any use, other than the purpose intended, of the documents and materials prepared or provided by SPECIALIST. SPECIALIST may retain a copy of all material produced by SPECIALIST under this Agreement for the purpose of documenting their services.

12. CONFIDENTIAL INFORMATION.

Any written, printed, graphic, or electronically or magnetically recorded information furnished by the DISTRICT for SPECIALIST'S use are the sole property of the DISTRICT. SPECIALIST and its employee(s) shall keep this information in the strictest confidence, and will not disclose it by any means to any person except with the DISTRICT'S prior written approval, and only to the extent necessary to perform the services under this Agreement. This prohibition also applies to SPECIALIST'S employees, agents and subcontractors. On termination or expiration of this Agreement, SPECIALIST shall promptly return any such confidential information in its possession to the DISTRICT.

13. COMPENSATION.

13.1 For services performed by SPECIALIST in accordance with this Agreement, DISTRICT shall pay SPECIALIST on a time and materials basis and in accordance with the

schedule of billing rates set forth in Exhibit "A", attached hereto and incorporated herein by reference. No rate changes shall be made during the term of this Agreement. **SPECIALIST'S compensation for all services performed in accordance with this Agreement shall not exceed the total contract price of \$ 140,000.00.** No services shall be performed by SPECIALIST in excess of the total contract price without prior written approval of the General Manager. SPECIALIST shall obtain approval from the General Manager prior to performing any services that result in incidental expenses to DISTRICT.

13.2 SPECIALIST shall maintain accounting records including the following information:

- a) Names and titles of employees or agents, types of services performed, and times and dates of all services performed in connection with Agreement that is billed on an hourly basis.
- b) All incidental expenses including reproductions, computer printing, postage, mileage - billed at current Internal Revenue Service ("IRS") Rate, and subsistence.

13.3 SPECIALIST'S accounting records shall be made available to the DISTRICT Accounting Manager, for verification of billings, within a reasonable time of the Accounting Manager's request for inspection.

13.4 SPECIALIST shall submit monthly invoices to DISTRICT. DISTRICT shall make partial payments to SPECIALIST not to exceed the total contract price within thirty (30) days of receipt of invoice, subject to the approval of the General Manager. ***Each application for partial payment shall be accompanied with a Progress Report summarizing the status of the services performed.***

13.5 SPECIALIST shall ensure that any report generated under this Agreement shall comply with Government Code Section 7550.

14. TERMINATION OF AGREEMENT.

14.1 If DISTRICT ("demanding party") has a good faith belief that SPECIALIST is not complying with the terms of this Agreement, the DISTRICT shall give written notice of the default (with reasonable specificity) to SPECIALIST and demand the default to be cured within ten (10) calendar days of the notice.

14.2 If SPECIALIST fails to cure the default within ten (10) calendar days of the notice, or if more than ten (10) calendar days are reasonably required to cure the default, and SPECIALIST fails to give adequate assurance and due performance within ten (10) calendar days of the notice, the DISTRICT may immediately terminate this Agreement upon written notice to SPECIALIST.

14.3 In the event of a material breach of any representation or term of this Agreement by SPECIALIST that is not curable or results in a threat to health or safety, the DISTRICT may immediately terminate this Agreement by providing written notice and without a cure period.

14.4 Upon termination, the DISTRICT shall pay SPECIALIST for any services completed up to and including the date of termination of this Agreement, minus any costs reasonably

incurred by the DISTRICT related SPECIALIST'S services under this Agreement, in accordance with Section 13 regarding compensation. The DISTRICT shall be required to compensate SPECIALIST only for services performed in accordance with the Agreement up to and including the date of termination.

15. ASSIGNMENT AND DELEGATION.

15.1 This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of the SPECIALIST'S duties be delegated or subcontracted, without the express prior written consent of the DISTRICT. Any attempt to assign or delegate this Agreement without the express written consent of the DISTRICT shall be void and of no force or effect. Consent by the DISTRICT to one assignment shall not be deemed to be consent to any subsequent assignment.

15.2 This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

16. AUDIT DISCLOSURE.

Pursuant to Government Code section 8546.7, if the Agreement is over Ten Thousand Dollars (\$10,000), it is subject to examination and audit of the State Auditor, at the request of the DISTRICT or as part of any audit of the DISTRICT, for a period of three (3) years after final payment under the Agreement. SPECIALIST shall cooperate with any such examination or audit at no cost to the DISTRICT.

17. ENTIRE AGREEMENT.

This Agreement, and the attached Exhibit "A", comprise the entire integrated understanding between the DISTRICT and SPECIALIST concerning the services to be performed pursuant to this Agreement and supersedes all prior negotiations, representations, or agreements whether express or implied, oral or written. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms herein. In the event of any conflict between the provisions of the Agreement and the Exhibit(s), the terms of the Agreement shall prevail.

18. INTERPRETATION OF THE AGREEMENT.

18.1 The interpretation, validity, and enforcement (including, without limitation, provisions concerning limitations of actions) of the Agreement shall be governed by and construed under the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom or rule requiring construction against the draftsman. The Agreement does not limit any other rights or remedies available to the DISTRICT.

18.2 SPECIALIST shall be responsible for complying with all applicable Local, State, and Federal laws whether or not said laws are expressly stated or referred to herein.

18.3 Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

18.4 Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake of otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either party, the Agreement shall forthwith by physically amended to make such insertion.

19. AGREEMENT MODIFICATION.

This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.

20. DISPUTE RESOLUTION.

Upon the written demand of either party, any dispute, claim or controversy arising out of or relating to this Agreement, or the breach, termination, enforcement, interpretation or validity thereof, shall first be submitted to mediation the cost of which shall be borne equally by the parties, if not resolved pursuant to the Government Claims Act, Government Code Section 900 et seq. if applicable, and prior to the commencement of any legal action or other proceeding. Any mediation shall take place in the State of California, County of San Diego, and shall be concluded within sixty (60) calendar days of the written demand, unless such time is extended by mutual written consent of the parties. Nothing herein waives or excuses compliance with the California Government Claims Act.

In the event that mediation has not been successfully concluded within the time allowed, any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in the State of California, County of San Diego, before one arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures if the amount in controversy is equal to or greater than Two Hundred Fifty Thousand Dollars (\$250,000), or pursuant to its Streamlined Arbitration Rules and Procedures if the amount in controversy is less than Two Hundred Fifty Thousand Dollars (\$250,000). The use of arbitration shall allow full discovery by all parties associated with the dispute or claim. Judgment on the award may be entered in any court having jurisdiction. This clause shall not preclude the parties from seeking provisional remedies in aid of arbitration from a court of competent jurisdiction. The arbitrator may, in the award, allocate all or a part of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party. If either party petitions to confirm, correct or vacate the award as provided by Chapter 4 of Title 9 of the California Code of Civil Procedure (commencing with Section 1285), the prevailing party shall be entitled as part of his or its costs to reasonable attorneys' fees to be fixed by the Court.

21. JURISDICTION, FORUM AND VENUE.

Except as otherwise required by Section 20 of this Agreement concerning dispute resolution, the proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this Agreement shall be in the state and federal courts located in the State of California, County of San Diego. The DISTRICT and SPECIALIST agree not to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. The DISTRICT and SPECIALIST

hereby submit to personal jurisdiction in the State of California for the enforcement of this Agreement and hereby waive any and all personal rights under the law of any state to object to jurisdiction within the State of California for the purposes of any legal action or proceeding to enforce this Agreement whether on grounds of inconvenient forum or otherwise.

22. MAILING ADDRESSES.

Notices given pursuant to this Agreement shall be deemed communicated as of the earlier of the day of receipt or the fifth (5th) calendar day after deposit in the United States mail, postage prepaid, and addressed to the following:

**DISTRICT: Rainbow Municipal Water District
3707 Old Hwy 395
Fallbrook, CA 92028
Phone: (760) 728-1178**

**SPECIALIST: Palomar Backflow, Inc.
1608 Madrone Glen
Escondido, CA 92027
Phone: (760) 803-5080**

Notices delivered personally will be deemed communicated as of actual receipt.

23. SIGNATURES.

Each party represents and warrants that the individual executing this Agreement on its behalf has the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of such party.

24. COUNTERPARTS.

This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed to be a signature to, and may be appended to, any other counterpart.

25. ATTORNEYS' FEES.

In the event of a dispute arising under terms of this Agreement, it is agreed that the prevailing party may be awarded reasonable attorneys' fees and actual costs.

IN WITNESS WHEREOF the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Agreement to be executed.

PALOMAR BACKFLOW, INC.

RAINBOW MUNICIPAL WATER DISTRICT

By JEFFEREY E. FLYNT, PRESIDENT

By TOM KENNEDY, GENERAL MANAGER

Jeffrey E. Flynt
PRINT NAME

Date: _____

Date: _____

Attest: Executive Secretary

Federal Employer ID #

Approved as to Form:
General Counsel

NOTARY ACKNOWLEDGEMENT OF SPECIALIST MUST ACCOMPANY THIS DOCUMENT

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Project Organization and Experience: Page 3**

6. Experience and Past Performance: Page 4

7. Proposed Professional Fee Schedule: Page 5

8. Exceptions to this RFP: Page 2

Palomar Backflow

P.O. Box 2702 • Escondido, CA 92033
(760)746-2501 Phone • (760)747-5070 Fax
License #313086

September 5, 2020

Chris Hoelscher
Rainbow Municipal water District
3707 Old Highway 395
Fallbrook, Ca. 92028

Re: Backflow prevention assembly testing

Dear Chris,

Thank you for your RFP packet. We would be glad to test backflow prevention assemblies for your District. As per your RFP requirements, this RFP shall be incorporated in its entirety as a part of our proposal. Also, the RFP and our proposal will jointly become part of the agreement for Professional Consulting Services for this project when said agreement is fully executed by us and the President of the Board of Directors of the Rainbow Municipal Water District.

Palomar Backflow specializes in providing backflow testing services and can easily test the backflow prevention assemblies in your District. As you know, our company has provided testing services in your District since 2004 and can provide certified backflow prevention assembly testers for this project.

We certify that we take no exceptions to this RFP including, but not limited, to the Professional Services Agreement (Exhibit "A").

Thank you,

Jeff Flynt
Palomar Backflow

Palomar Backflow, Inc.
A California S Corporation
1608 Madrone Glen, Escondido Ca. 92027

Jeffrey E. Flynt is the President and is authorized to represent Palomar Backflow on all matters relating to the RFP. He can be reached at phone number 760-803-5080. His e-mail is Jeff@Palomarbackflow.com.

We are located at 1608 Madrone Glen in Escondido, have been in business since 1972 and have 4 employees at this time.

Jeff Flynt - President, Backflow tester # 5-50 with the American Backflow Prevention Association, and number 5295 with the American Water Works Association along with AWWA Specialist #620. Vice President of the Southern California Chapter ABPA, Certification Officer for the San Diego Cross Connection Advisory Committee. Has been with the company since 1984.

Adan Rivera - Vice President, Backflow tester # 5-1492 with the American Backflow Prevention Association. Has been with the company since 2012.

Art Thompson - Plumber, Backflow tester # 5-2007420 with the American Backflow Prevention Association. Has been a plumbing contractor since 1988.

Ray Bradford - (Retired) Backflow tester # 5-954 (He was the main tester for our Rainbow project from 2009-2016 and is willing to help out if needed.) Has been testing backflow prevention assemblies since 2009.

Robbin Hoeffliger - Office Manager. Has been helping Palomar Backflow off and on since 2000.

Palomar Backflow recognizes that this project is subject to change and can adjust its operations to meet the desires of the District, just like it has over the 16 years we have served the District's customers.

Experience and Past Performance

Worked under a PSA for Rainbow Municipal water District originally contracted in 2004 with renewals and extensions through 2016.

We currently provide backflow testing services for:

City of Poway (LMD)
Marc LeDrew
MLeDrew@poway.org
(858) 668-4708
\$5,000 yearly contract

City of San Marcos
Amanda Haas
AHaas@san-marcos.net
(760) 752-7550 x3319
\$ 30,000 yearly contract

Escondido Union High School District
Patrice Miles
pmiles@euhsd.org
(760) 291-3070
\$15,000 yearly

Escondido Union School District
Brian Morris
bmorris@eusd.org
760-432-2421
\$10,000 yearly contract

Proposed Professional Fee Schedule

1. Perform backflow test
2. Document test results on District iPad
3. Upload test results daily
4. Install tested sticker with date
5. Report any fails test
6. Report any required repairs

The above work will be billed out at \$75 per backflow prevention assembly test at a timeframe to be determined by the District, but in no case less than once a month.

BOARD OF DIRECTORS

October 27, 2020

SUBJECT

CONSIDER APPROVAL OF AN AMEMDMENT TO THE ANNEXATION AGREEMENT WITH PARDEE HOMES AND APPROVAL OF RESOLUTION 20-14 (1) AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (THE "AUTHORITY") TO FORM A COMMUNITY FACILITIES DISTRICT WITHIN THE TERRITORIAL LIMITS OF THE RAINBOW MUNICIPAL WATER DISTRICT TO FINANCE CERTAIN PUBLIC IMPROVEMENTS AND DEVELOPMENT IMPACT FEES; (2) EMBODYING A JOINT COMMUNITY FACILITIES AGREEMENT SETTING FORTH THE TERMS AND CONDITIONS OF THE COMMUNITY FACILITIES DISTRICT FINANCING; (3) APPROVING A FORM OF ACQUISITION AGREEMENT BETWEEN THE AUTHORITY, THE DISTRICT AND THE DEVELOPER; AND (4) AUTHORIZING STAFF TO COOPERATE WITH THE AUTHORITY AND ITS CONSULTANTS IN CONNECTION THEREWITH

BACKGROUND

In April 2020, the Rainbow MWD Board of Directors approved an Annexation Agreement with Pardee Homes related to the Meadowood development. As part of this agreement, Pardee agreed to certain terms related to the project including the payment of wastewater capacity fees. These fees are to be paid for out of the proceeds of bonds sold as part of a Community Facilities District (CFD) that Rainbow MWD agreed to work with Pardee to facilitate the creation of the CFD. This action item is to approve a Resolution and an Acquisition Agreement related to the CFD.

As staff and District counsel were working with Pardee on these documents, Pardee requested that the bond issuance that will fund the payment of wastewater capacity fees be broken into two separate tranches. The rationale expressed by Pardee is related to the requirement that the improvements to the project have at least a 4:1 ratio of the value of the improvements to the bond amount. Pardee could wait to issue a single bond tranche, but that would delay the bond issuance until later in the project. By breaking the bonds into two tranches, both Pardee and the District will receive a portion of the funds sooner than if only one tranche was issued.

In the attached CDD document, Pardee indicates that the District will receive 40% of the first bond issuance or \$5.25 Million – whichever is greater. However, our Annexation Agreement did not contemplate multiple tranches of bonds and thus did not have any controlling language to deal with a situation where a second tranche of bonds was not issued. While neither the District nor Pardee contemplates that the second tranche of bonds will not go forward, District staff and counsel felt that an amendment to the Annexation Agreement would be required to ensure the full payment of capacity fees should that second tranche of bonds not be issued in a timely manner.

DESCRIPTION

There are two documents that will be approved as part of this action item:

Amendment to the Annexation Agreement

This amendment describes the multiple tranche bond issuance process currently proposed by Pardee and requires Pardee to pay the full capacity fee by March 2024 irrespective of whether or not a second tranche of bonds is issued. All parties agree that this is very unlikely but this drop-dead date for final capacity fee payment is designed to protect the District against something unlikely occurring. Both Pardee and District staff estimate that the second tranche of bonds is likely to be issued almost a year before that drop-dead date. The Amendment is attached as Exhibit A.

Resolution Authorizing the Formation of the CFD

This resolution has been reviewed by the District's CFD specialist Barney Allison with Nossaman and is substantially in the form of the template resolution that was included as part of the original Annexation Agreement. This resolution has four main components:

- Authorizes the California Statewide Communities Development Authority to for the CFD
- Establishes the Joint Community Facilities Agreement that sets the terms and conditions for the financing of facilities and capacity fees
- Approves the form of an Acquisition Agreement by which the District agrees that certain facilities constructed with CFD funds will become District owned and operated assets
- Authorizes the General Manager (in consultation with counsel) to complete the remaining necessary steps to fulfill the objectives of the resolution

The Resolution is attached as Exhibit B.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Asset Management – the capacity fee funds from Pardee will be an important source of funding for our various capital improvement programs

Fiscal Responsibility – the addition of nearly 900 new customers and the infusion of capacity fees will improve the District's financial position

ENVIRONMENTAL

The County of San Diego, in its role as lead agency pursuant to CEQA, certified a Final Environmental Impact Report for the Meadowood Project (Project) on January 11, 2012. The FEIR assumed that LAFCO approval would be required to annex the Project to the service area of either RMWD or VCMWD and analyzed the impacts of the infrastructure needed to connect to RMWD's system, with the exception of a new 18" pipeline connecting the Project with RMWD's Rice Canyon Water Tank. An Addendum to the FEIR has been prepared that analyzes the Rice Canyon Water Tank pipeline, dated April 6, 2020 (2020 Addendum). The 2020 Addendum also identifies RMWD as the preferred water and sewer service provided to the Project and was certified by the Rainbow MWD Board of Directors on April 28, 2020. This action to approve the Amendment to the Annexation Agreement and authorize the formation of the CFD implements the Annexation Agreement that was approved by the Rainbow MWD Board of Directors on April 28, 2020, does not involve any conditions described in Public Resources Code section 21166 and CEQA Guidelines section 15162, and is not subject to CEQA.

BOARD OPTIONS/FISCAL IMPACTS


There is no additional direct fiscal impact of this action item as these were outlined when the original Annexation Agreement was approved earlier this year. The total capacity fee payments related to the Annexation Agreement are approximately \$16.5 Million. This modification establishes a mechanism where the District will receive certain funds sooner and creates a drop-dead date when all capacity fee funds must be paid.

The Board has two options

1. Approve the two related documents:
 - a. Amendment to the Annexation Agreement with Pardee Homes establishing the terms for the multiple bond tranche process
 - b. Resolution 20-14 (1) AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (THE "AUTHORITY") TO FORM A COMMUNITY FACILITIES DISTRICT WITHIN THE TERRITORIAL LIMITS OF THE RAINBOW MUNICIPAL WATER DISTRICT TO FINANCE CERTAIN PUBLIC IMPROVEMENTS AND DEVELOPMENT IMPACT FEES; (2) EMBODYING A JOINT COMMUNITY FACILITIES AGREEMENT SETTING FORTH THE TERMS AND CONDITIONS OF THE COMMUNITY FACILITIES DISTRICT FINANCING; (3) APPROVING A FORM OF ACQUISITION AGREEMENT BETWEEN THE AUTHORITY, THE DISTRICT AND THE DEVELOPER; AND (4) AUTHORIZING STAFF TO COOPERATE WITH THE AUTHORITY AND ITS CONSULTANTS IN CONNECTION THEREWITH.
2. Provide Staff with other direction

STAFF RECOMMENDATION

Staff recommends approval of Option 1.



Tom Kennedy, General Manager October 27, 2020

EXHIBIT A

AMENDMENT to ANNEXATION AGREEMENT

This amendment to the Annexation Agreement among RAINBOW MUNICIPAL WATER DISTRICT, a California municipal water district (“RMWD”), and PARDEE HOMES, a California corporation (“Pardee”), dated as of April 30, 2020, is hereby amended as follows:

WHEREAS, since the execution of the Annexation Agreement, various changes in circumstances have occurred; and

WHEREAS, the Annexation Agreement provides that Pardee would pay sewer capacity fees described as the “Sewer Fee Obligation” from the proceeds of a bond issuance following the formation of a Community Facilities District (“CFD”) by the California Statewide Communities Development Authority (“CSCDA”); and

WHEREAS, while not specified in the Annexation Agreement, it was RMWD’s understanding that there would be a single bond issuance and subsequent payment of the Sewer Fee Obligation in full once the CFD was formed; and

WHEREAS, bonds may not be issued until the construction progress of the Project creates a value-to-lien ratio sufficient to meet bond issuance requirements of CSCDA and the Project status otherwise meets the criteria of the bond underwriter and bond investors; and

WHEREAS, separating the CFD bond issuance into multiple series of bonds will allow the first series of bonds to be issued at an earlier date than if all bonds are issued at one time; and

WHEREAS, both Parties will benefit from some portion of the bond proceeds being realized sooner than delaying until a single bond issuance can be accomplished; and

WHEREAS, Pardee proposes to issue a first series of bonds that will provide for less than the full amount of the Sewer Fee Obligation to be paid to RMWD as agreed upon in the Annexation Agreement and in such event one or more future series of bonds will be required to satisfy the Sewer Fee Obligation requirements in the Annexation Agreement but those bonds are not scheduled at this time; and

WHEREAS, it is still the firm commitment of Pardee to pay RMWD for the full amount of the Sewer Fee Obligation;

NOW, THEREFORE, the Parties agree to amend the Annexation Agreement among RMWD and Pardee, dated as of April 30, 2020 as follows:

1. Section 5.2.2.6 is added to the Annexation Agreement to read as follows:

5.2.2.6 Pardee may, in its sole discretion, request that CSCDA issue a single bond or a series of bonds in order to satisfy the requirements identified in this Agreement.

2. Section 5.2.2.7 is added to the Annexation Agreement to read as follows:

5.2.2.7 Notwithstanding any other provision of this Agreement, including, but not limited to, section 5.3.2, in the event that CFD bond(s) proceeds are not sufficient to pay RMWD the Sewer Fee Obligation in full by 90 days following the time the 633rd building permit for a residential unit within the Project has been issued, but no later than March 1, 2024 (“Outside Funding Date”), then, in such event, Pardee will supplement the bond(s) proceeds in the amount necessary to pay and deposit with RMWD the full amount remaining for the Sewer Fee Obligation within 30 days of the Outside Funding Date. In the event Pardee makes a payment to RMWD pursuant to this Section 5.2.2.7, such amount shall be reimbursable to Pardee from the next available CFD bond proceeds.

2. Except as modified by Section 5.2.2.6 and Section 5.2.2.7, all other terms and conditions of the referenced Annexation Agreement shall remain in full force and effect.

RAINBOW MUNICIPAL WATER DISTRICT,
a California municipal water district

By: _____
Tom Kennedy
General Manager

Attest:

By: _____
Dawn Washburn
Board Secretary of Rainbow Municipal
Water District

APPROVED AS TO LEGAL FORM:

Alfred Smith

RMWD General Counsel

PARDEE HOMES, a California corporation

By:

Jimmy Ayala
Division President

APPROVED AS TO LEGAL FORM:

Attorney for PARDEE HOMES

RESOLUTION NO. 20-14

A RESOLUTION OF THE RAINBOW MUNICIPAL WATER DISTRICT

(1) AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (THE “AUTHORITY”) TO FORM A COMMUNITY FACILITIES DISTRICT WITHIN THE TERRITORIAL LIMITS OF THE RAINBOW MUNICIPAL WATER DISTRICT TO FINANCE CERTAIN PUBLIC IMPROVEMENTS AND DEVELOPMENT IMPACT FEES; (2) EMBODYING A JOINT COMMUNITY FACILITIES AGREEMENT SETTING FORTH THE TERMS AND CONDITIONS OF THE COMMUNITY FACILITIES DISTRICT FINANCING; (3) APPROVING A FORM OF ACQUISITION AGREEMENT BETWEEN THE AUTHORITY, THE DISTRICT AND THE DEVELOPER; AND (4) AUTHORIZING STAFF TO COOPERATE WITH THE AUTHORITY AND ITS CONSULTANTS IN CONNECTION THEREWITH.

WHEREAS, the Rainbow Municipal Water District (the “District”) is a municipal water district duly organized and existing under California Water Code Section 71000 et seq.;

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is a California joint-exercise of powers authority lawfully formed and operating within the State pursuant to an agreement (the “Joint Powers Agreement”) entered into as of June 1, 1988 under the authority of Title 1, Division 7, Chapter 5 (commencing with Section 6500) of the California Government Code;

WHEREAS, the District is a party to the Joint Powers Agreement and, by virtue thereof, a member (a “Program Participant”) of the Authority;

WHEREAS, the Joint Powers Agreement was entered into to establish the Authority as an agency authorized to issue bonds to finance projects within the territorial limits of its Program Participants;

WHEREAS, the Joint Powers Agreement authorizes the Authority to undertake financing programs under any applicable provisions of State law to promote economic development, the stimulation of economic activity, and the increase of the tax base within the jurisdictional boundaries of its Program Participants;

WHEREAS, the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State (the “Act”) is an applicable provision of State law available to, among other things, finance public improvements necessary to meet increased demands placed upon local agencies as a result of development;

WHEREAS, there is a development project commonly known as “Meadowood” that is owned by Pardee Homes, a California corporation (respectively, the “Development Project” and the “Developer”); and anticipated to be annexed into the jurisdictional boundaries of the District and the Developer has requested the District to consider formation of a community

facilities district for the Development Project under the Act upon completion of the annexation of the Development Project into the jurisdictional boundaries of the District;

WHEREAS, the District does not desire to allocate District resources and District staff time to the formation and administration of a community facilities district and to the issuance of bonds;

WHEREAS, the Development Project will promote economic development and the stimulation of economic activity within the jurisdictional boundaries of the District;

WHEREAS, both the Authority and the District are “local agencies” under the Act;

WHEREAS, the Act permits two or more local agencies to enter into a joint community facilities agreement to exercise any power authorized by the Act;

WHEREAS, the District desires to enter into such an agreement with the Authority to authorize the Authority to form a community facilities district within the territorial limits of the District to finance certain public improvements and fees required of the Development Project;

WHEREAS, a form of Acquisition Agreement (the “Acquisition Agreement”) between the Authority, the District and the Developer has been presented to the District’s Board of Directors (the “Board”) and is on file with the District Clerk;

WHEREAS, nothing herein constitutes the District’s approval of any applications, Development Project entitlements and/or permits, and such, to the extent required in the future, are subject to and contingent upon the District’s approval following, to the extent applicable, environmental review in compliance with the California Environmental Quality Act (“CEQA”);

WHEREAS, nothing herein affects, without limitation, requirements for and/or compliance with any and all applicable and/or necessary improvement standards, land use requirements or subdivision requirements relating to the Development Project or any portion thereof, which obligations are and shall remain independent and subsisting; and

WHEREAS, the Board of the District is fully advised in this matter.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Rainbow Municipal Water District that it does hereby find, determine, declare and resolve as follows:

Section 1. The District hereby specifically finds and declares that the actions authorized hereby constitute, and with respect to municipal affairs of the District and the statements, findings and determinations of the District set forth in the recitals above and in the preambles of the documents approved herein, are true and correct.

Section 2. This resolution shall constitute full “local approval,” under Section 9 of the Joint Powers Agreement, and under the Authority’s Local Goals and Policies (see below), for the Authority to undertake and conduct proceedings in accordance herewith and under the Act to form a community facilities district (the “Community Facilities District”) with

boundaries substantially as shown on Exhibit A, attached hereto, to authorize a special tax within the Community Facilities District, and to issue bonds for the Community Facilities District, all subject to completion of annexation proceedings to annex the Development Project into the jurisdictional boundaries of the District Area.

Section 3. The Joint Powers Agreement, together with the terms and provisions of this resolution, shall together constitute a joint community facilities agreement between the District and the Authority under the Act. As, without this resolution, the Authority has no power to conduct proceedings under the Act to form the Community Facilities District, adoption by the Commission of the Authority of the Resolution of Intention to form the Community Facilities District under the Act shall constitute acceptance of the terms hereof by the Authority.

Section 4. This resolution and the agreement it embodies are determined to be beneficial to the residents/customers of the District and are in the best interests of the residents of the District, and of the future residents of the area within the Community Facilities District.

Section 5. The Authority has adopted Local Goals and Policies as required by Section 53312.7 of the Act. The District approves the use of those Local Goals and Policies in connection with the Community Facilities District. The District hereby agrees that the Authority may act in lieu of the District under those Local Goals and Policies in forming and administering the Community Facilities District.

Section 6. Pursuant to the Act and this resolution, the Authority may conduct proceedings under the Act to form the Community Facilities District and to have it authorize the financing of the facilities and fees of the District set forth on Exhibit B, attached hereto. All of the facilities, whether to be financed directly or through fees, are facilities that have an expected useful life of five years or longer and are facilities that the District or other local public agencies, as the case may be, are authorized by law to construct, own or operate, or to which they may contribute revenue. The facilities are referred to herein as the “Improvements,” and the Improvements to be owned by the District are referred to as the “the District Improvements.” The fees are referred to as the “Fees,” and the Fees paid or to be paid to the District are referred to as the “the District Fees.”

Section 7. For Fees paid or to be paid to another local agency (any such local agency referred to herein as an “Other Local Agency”), the Authority will obtain the written consent of that Other Local Agency before issuing bonds to fund such Fees, as required by the Act. For the Improvements to be owned by an Other Local Agency, the Authority will separately identify each in its proceedings, and will enter into joint community facilities agreements with each Other Local Agency prior to issuing bonds to finance Improvements, as required by the Act. Each joint community facilities agreement with an Other Local Agency will contain a provision that the Other Local Agency will provide indemnification to the District to the same extent that the District provides indemnification to the Other Local Agency under the terms of this resolution.

Section 8. The Board of the District certifies to the Commission of the Authority that all of the District Improvements, including the improvements to be constructed or acquired with the proceeds of the District Fees, are necessary to meet increased demands placed upon the Rainbow Municipal Water District as a result of development occurring or expected to

occur within the Community Facilities District. Joint community facilities agreements with each Other Local Agency shall each contain a certification with respect to the Improvements to be owned by, and Fees paid or to be paid to, the Other Local Agency equivalent to that made by the District in this paragraph.

Section 9. The Authority will apply the special tax collections initially as required by the Acquisition Agreement and the documents under which any bonds are issued; and thereafter, to the extent not provided in the bond documents, may pay its own reasonable administrative costs incurred in the administration of the Community Facilities District. The Authority will remit any special tax revenues remaining after the final retirement of all bonds to the District and to each Other Local Agency in the proportions specified in the Authority's proceedings. The District will apply any such special tax revenues it receives for authorized District Improvements or the District Fees and its own administrative costs only as permitted by the Act. The joint community facilities agreements with each Other Local Agency must require the other local agencies to apply the special tax revenues they receive for their authorized Improvements and Fees under the Community Facilities District and for their own related administrative costs only as permitted by the Act.

Section 10. The Authority will administer the Community Facilities District, including employing and paying all consultants, annually levying the special tax and all aspects of paying and administering the bonds, and complying with all State and Federal requirements appertaining to the proceedings, including the requirements of the United States Internal Revenue Code. The District will cooperate fully with the Authority in respect of the requirements of the Internal Revenue Code and to the extent information is required of the District to enable the Authority to perform its disclosure and continuing disclosure obligations with respect to the bonds, although the District will not participate in nor be considered to be a participant in the proceedings respecting the Community Facilities District (other than as a party to the agreement embodied by this resolution) nor will the District be or be considered to be an issuer of the bonds. The Authority shall obtain a provision equivalent to this paragraph in each joint community facilities agreement with each Other Local Agency.

Section 11. In the event the Authority completes issuance and sale of bonds and bond proceeds become available to finance the District Improvements and District Fees, the Authority shall establish and maintain one or more special funds to be known as the "Meadowood Community Facilities District Acquisition and Construction Fund" (the "Acquisition and Construction Fund"). The portion of bond proceeds which is intended to be utilized to finance the District Improvements and District Fees shall be deposited in the Acquisition and Construction Fund. The Acquisition and Construction Fund will be available to fund the District Improvements and District Fees and separate accounts shall be created therein for Improvements and Fees pertaining to each Other Local Agency.

Section 12. As respects the Authority and the other local agencies, the District agrees to fully administer, and to take full governmental responsibility for, the construction or acquisition of the District Improvements and for the administration and expenditure of the District Fees including but not limited to environmental review, approval of plans and specifications, bid requirements, performance and payment bond requirements, insurance requirements, contract and construction administration, staking, inspection, acquisition of necessary property interests in real

or personal property, the holding back and administration of retention payments, punch list administration, and the Authority and the other local agencies shall have no responsibility in that regard. The District reserves the right, as respects the Developer, to require the Developer to contract with the District to assume any portion or all of this responsibility. The Authority shall obtain a provision equivalent to this paragraph in each joint community facilities agreement with each Other Local Agency.

Section 13. The District agrees to indemnify and to hold the Authority, its other members, and its other members' officers, agents and employees, and each Other Local Agency and their officers, agents and employees (collectively, the "Indemnified Parties") harmless from any and all claims, suits and damages (including costs and reasonable attorneys' fees) arising out of the design, engineering, construction and installation of the District Improvements and the improvements to be financed or acquired with the District Fees. The District reserves the right, as respects the Developer, to require the Developer to assume by contract with the District any portion or all of this responsibility. The Authority shall obtain a provision equivalent to this paragraph in each joint community facilities agreement with each Other Local Agency naming the District and its officers, agents and employees as Indemnified Parties with respect to such Other Local Agency's Improvements and the improvements to be constructed or acquired with such Other Local Agency's Fees.

Section 14. As respects the Authority and each Other Local Agency, the District agrees once the District Improvements are constructed according to the approved plans and specifications, to accept ownership of the District Improvements, to take maintenance responsibility for the District Improvements, and to defend and indemnify and hold harmless the Indemnified Parties to the extent provided in the preceding paragraph from any and all claims, etc., arising out of the use and maintenance of the District Improvements. The District reserves the right, as respects the Developer, to require the Developer by contract with the District to assume any portion or all of this responsibility. The Authority shall obtain a provision equivalent to this paragraph in each joint community facilities agreement with each Other Local Agency identifying the District and its officers, agents and employees as Indemnified Parties.

Section 15. The District acknowledges the requirement of the Act that if the District Improvements are not completed prior to the adoption, by the Commission of the Authority, of the Resolution of Formation of the Community Facilities District, the District Improvements must be constructed as if they had been constructed under the direction and supervision, or under the authority of, the District. The District acknowledges that this means all District Improvements must be constructed under contracts that require the payment of prevailing wages as required by Section 1720 and following of the Labor Code of the State of California. The Authority makes no representation that this requirement is the only applicable legal requirement in this regard. The District reserves the right, as respects the Developer, to assign appropriate responsibility for compliance with this paragraph to the Developer.

Section 16. The form of the Acquisition Agreement attached hereto as Exhibit C is hereby approved, and the General Manager or such officer's designee (the "Authorized Officer") is authorized to execute, and deliver to the Developer, the Acquisition Agreement on behalf of the District in substantially that form, with such changes as shall be approved by the Authorized

Officer and Developer after consultation with the District Attorney and the Authority's bond counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 17. After completion of the District Improvements, or any discrete portion thereof as provided in Section 53313.51 of the Act and in the Acquisition Agreement, to the satisfaction of the District, and in conjunction with the District's acceptance thereof, acquisition of the District Improvements shall be undertaken as provided in the Acquisition Agreement.

Section 18. The District hereby consents to the formation of the Community Facilities District in accordance with this resolution and consents to the assumption of jurisdiction by the Authority for the proceedings respecting the Community Facilities District with the understanding that the Authority will hereafter take each and every step required for or suitable for consummation of the proceedings, the levy, collection and enforcement of the special tax, and the issuance, sale, delivery and administration of the bonds, all at no cost to the District and without binding or obligating the District's general fund or taxing authority.

Section 19. The terms of the Agreement embodied by this resolution may be amended by a writing duly authorized, executed and delivered by the District and the Authority, except that no amendment may be made after the issuance of the bonds by the Authority that would be detrimental to the interests of the bondholders without complying with all of the bondholder consent provisions for the amendment of the bond resolutions, bond indentures or like instruments governing the issuance, delivery and administration of all outstanding bonds.

Section 20. Except to the extent of the indemnifications extended to the other local agencies in the Agreement embodied by this resolution, and the District's agreement to take responsibility for and ownership of the District Improvements, no person or entity, including the Developer, shall be deemed to be a third party beneficiary of this resolution, and nothing in this resolution (either express or implied) is intended to confer upon any person or entity other than the Authority and the District (and their respective successors and assigns) any rights, remedies, obligations or liabilities under or by reason of this resolution.

Section 21. The District shall be identified as a third-party beneficiary of all joint community facilities agreements between the Authority and each Other Local Agency to the extent of the indemnification provisions and the provisions whereby each Other Local Agency agrees to take responsibility for and ownership of their Improvements.

Section 22. This resolution shall remain in force until all bonds have been retired and the authority to levy the special tax conferred by the Community Facilities District proceedings has ended or is otherwise terminated.

Section 23. The District Board hereby authorizes and directs the General Manager and other appropriate District staff to cooperate with the Authority and its consultants and to do all things necessary and appropriate to carry out the intent of this resolution and the Community Facilities District financing, and to execute any and all certificates and documents in connection with the bond issuance as shall be approved by the General Manager after consultation with the District Attorney and the Authority's bond counsel.

Section 24. The Board hereby approves delivery of a certified copy of this resolution to the Authority's Bond Counsel, Orrick, Herrington & Sutcliffe LLP.

Section 25. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED this ____ day of _____, 20__ by the following vote,
to wit:

AYES: Board Members _____

NOES: Board Members _____

ABSENT: Board Members _____

ABSTAIN: Board Members _____

EXHIBIT A

COMMUNITY FACILITIES DISTRICT BOUNDARIES

[ATTACHED]

EXHIBIT B

AUTHORIZED IMPROVEMENTS AND FEES

- Sewer connection and capacity fees.
- Water connection and capacity fees, including but not limited to meter material fees and excluding fee components payable to the San Diego County Water Authority.
- Sewer facilities, including but not limited to gravity sewer pipelines, force mains, lift stations, manholes, and associated work necessary for their installation and completion such as, but not limited to, grading, excavating, foundations, traffic control, removal and replacement of pavement, environmental mitigation, etcetera.
- Water facilities, including but not limited to water pipelines, pressure reducing stations, backflow preventors, fire hydrants and associated work necessary for their installation and completion such as, but not limited to, grading, excavation, line drilling, traffic control, removal and replacement of pavement, environmental mitigation, etcetera.
- Private dry utility facilities, however, a limit of five percent (5%) of the Community Facilities District net bond proceeds, pursuant to federal law, shall apply to the extent funded with tax-exempt bond proceeds. No limit shall apply to the extent private dry utility costs are funded with Community Facilities District special tax funds or proceeds of taxable bond.

Note: The cost of Improvements shall include applicable soft costs, including but not limited to design, engineering, plan check, inspection, soils and materials testing, construction staking, performance/payment/maintenance bonds, insurance, environmental review/mitigation, fees for permits or licenses, professional services (legal, accounting, financial, architectural, appraisal, etc.), and construction management and supervision.

EXHIBIT C
FORM OF ACQUISITION AGREEMENT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM

ACQUISITION AGREEMENT

BY AND AMONG
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY,
RAINBOW MUNICIPAL WATER DISTRICT
AND
PARDEE HOMES

Dated as of _____, 20__

ACQUISITION AGREEMENT

RECITALS

A. The parties to this Acquisition Agreement (the “Agreement”) are the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (the “Authority”), RAINBOW MUNICIPAL WATER DISTRICT, (“the District”), and PARDEE HOMES, a California corporation (the “Developer”).

B. The effective date of this Agreement is _____, 20__.

C. T The Developer has applied for the financing of certain public capital improvements, and certain governmentally imposed development fees (collectively, the “Acquisition Improvements”) through the Authority its Statewide Community Infrastructure Program (“SCIP”). The fees will themselves finance public capital improvements. The public capital improvements are to be owned and operated by the District, and the financing is to be accomplished through a Community Facilities District which will be established and administered by the Authority under and pursuant to the Mello-Roos Community Facilities Act of 1982 – California Government Code Sections 53311 and following (the “Act”). On [____], 20__, the District adopted Resolution No. [____] authorizing the Authority to form a community facilities district (the “Community Facilities District”) within the territorial limits of the District to finance the Acquisition Improvements. On [____], 20__, the Authority formed the Community Facilities District, authorized the levy of special taxes within the Community Facilities District (the “Special Taxes”), and authorized the issuance of bonds in one or more series by the Community Facilities District (the “Bonds”), pursuant to the Act and, on the same date, a landowner election was conducted in which all of the votes were cast unanimously in favor of conferring the Community Facilities District authority on the Authority Commission.

D. Under SCIP, the Authority intends to levy the Special Taxes and issue Bonds to fund, among other things, all or a portion of the costs of the Acquisition Improvements. The portion of the proceeds of the Special Taxes and Bonds allocable to the cost of the Acquisition Improvements, together with interest earned thereon, is referred to herein as the “Available Amount”.

E. The Authority will provide financing for the acquisition by the District of the Acquisition Improvements and the payment of the Acquisition Price (as defined herein) of the Acquisition Improvements from the Available Amount. Attached hereto as Exhibit A is a description of the Acquisition Improvements, which includes authorized discrete and usable portions, if any, of the public capital improvements, pursuant to Section 53313.51 of the Act, to be acquired from the Developer, and the specified development fees.

F. The parties anticipate that, upon completion of the Acquisition Improvements and subject to the terms and conditions of this Agreement, the District will acquire the completed Acquisition Improvements. An itemized development fee shall be considered complete when it is paid by the Developer, or when it is payable directly from bond or special tax proceeds.

G. Any and all monetary obligations of the District arising out of this Agreement are the special and limited obligations of the District payable only from the Available Amount, and no

other funds whatsoever of the District shall be obligated therefor under any circumstances.

H. Attached to this Agreement are Exhibit A (Description of Acquisition Improvements and Budgeted Amounts), Exhibit B-1, B-2, & B-3 (Disbursement Request Forms), and Exhibit C (Bidding, Contracting and Construction Requirements for Acquisition Improvements), all of which are incorporated into this Agreement for all purposes.

AGREEMENT

ARTICLE I

DEFINITIONS; COMMUNITY FACILITIES DISTRICT FORMATION AND FINANCING PLAN

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

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

“Acquisition and Construction Fund” means the “Meadowood Community Facilities District Acquisition and Construction Fund” established by the Authority pursuant to the Resolution and Section 1.03 hereof for the purpose of paying the Acquisition Price of the Acquisition Improvements.

“Acquisition Improvement” means a public capital improvement or a development fee described in Exhibit A hereto.

“Acquisition Price” means the total amount eligible to be paid to the Developer upon acquisition of an Acquisition Improvement and/or any Eligible Portion as provided in Section 2.03, or in the case of a development fee, the actual amount paid by the Developer, or the amount of a development fee to be paid on behalf of the Developer from bond or special tax proceeds, in every case not to exceed the Actual Cost of the Acquisition Improvement.

“Actual Cost” means the total cost of an Acquisition Improvement and/or Eligible Portion, as documented by the Developer to the satisfaction of the District and as certified by the District Engineer in an Actual Cost Certificate including, without limitation, (a) the Developer’s cost of constructing such Acquisition Improvement including grading, erosion control, landscaping, labor, associated demolition, material and equipment costs, (b) the Developer’s cost of designing and engineering the Acquisition Improvement, preparing the plans and specifications and bid documents for such Acquisition Improvement, and the costs of inspection, materials testing and construction staking for such Acquisition Improvement, (c) the Developer’s cost of any performance, payment and maintenance bonds and insurance, including title insurance, required hereby for such Acquisition Improvement, (d) the Developer’s cost of any real property or interest

therein that is either necessary for the construction of such Acquisition Improvement (e.g., temporary construction easements, haul roads, etc.), or is required to be conveyed with such Acquisition Improvement in order to convey Acceptable Title thereto to the District or its designee, (e) the Developer's cost of environmental evaluation or mitigation required for such Acquisition Improvement, (f) the amount of any fees actually paid by the Developer to governmental agencies in order to obtain permits, licenses or other necessary governmental approvals and reviews for such Acquisition Improvement, (g) the Developer's cost for construction and project management, administration and supervision services for such Acquisition Improvement to be calculated at five percent (5%) of the applicable Hard Construction Costs, (h) the Developer's cost for professional services related to such Acquisition Improvement, including engineering, accounting, legal, financial, appraisal, architectural consulting, preparation and processing of CFD reimbursement packages, bond exoneration consultant, and similar professional services, and (i) the costs of construction financing incurred by the Developer with respect to such Acquisition Improvement.

“Actual Cost Certificate” means a certificate prepared by the Developer detailing the Actual Cost of an Acquisition Improvement, or an Eligible Portion thereof, to be acquired hereunder, as may be revised by the District Engineer pursuant to Section 2.03.

“Agreement” means this Acquisition Agreement, dated as of [_____], 20__.

“Annexation Agreement” means that certain agreement entered into between District and Developer dated April 30, 2020, as it may be amended.

“Authority” means the California Statewide Communities Development Authority.

“Authority Trust Agreement” means a Trust Agreement entered into by the Authority and an Authority Trustee in connection with the issuance of the applicable Bonds.

“Authority Trustee” means the financial institution identified as trustee in an Authority Trust Agreement.

“Available Amount” shall have the meaning assigned to the term in Recital D.

“Bonds” means bonds or other indebtedness issued by the Authority that is to be repaid with Special Taxes.

“Code” means the Government Code of the State of California.

“Community Facilities District” shall have the meaning assigned to the term in Recital C.

“District” means the Rainbow Municipal Water District.

“District Engineer” means the Engineering Manager of the District or his/her designee who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

“Developer” means Pardee Homes, a California corporation, its successors and assigns.

“Disbursement Request Form” means a requisition for payment of funds from the

Acquisition and Construction Fund for an Acquisition Improvement, or an Eligible Portion thereof in substantially the form contained in Exhibit B-1, B-2, or B-3 hereto.

“Eligible Portion” shall have the meaning ascribed to it in Section 2.03 below.

“Hard Construction Costs” shall mean Actual Costs excluding item “(g)” of the definition of Actual Costs (i.e., excluding Developers cost for construction project management, administration and supervision services for Acquisition Improvements).

“Installment Payment” means an amount equal to ninety percent (90%) of the Actual Cost of an Eligible Portion.

“Project” means the Developer’s development of the property in the Community Facilities District, including the design and construction of the Acquisition Improvements and the other public and private improvements to be constructed by the Developer to serve property within the Community Facilities District.

“Rate and Method” means the rate and method of apportionment of special taxes approved for the Community Facilities District in accordance with the Act.

“Resolution” means Rainbow Municipal Water District Resolution No. [____], adopted [____], 20__ titled “A Resolution of the District (1) Authorizing The California Statewide Communities Development Authority (The “Authority”) To Form A Community Facilities District Within The Territorial Limits Of the District To Finance Certain Public Improvements And Development Impact Fees; (2) Embodying A Joint Community Facilities Agreement Setting Forth The Terms And Conditions Of The Community Facilities District Financing; (3) Approving The Form Of An Acquisition Agreement Between the Authority, the District And The Developer; and (4) Authorizing Staff To Cooperate With The Authority And Its Consultants In Connection Therewith.”

“Special Taxes” means annual special taxes, and prepayments thereof, authorized by the Community Facilities District to be levied by the Commission of the Authority on the taxable parcels within the Community Facilities District pursuant to the Rate and Method.

“Title Documents” means, for each Acquisition Improvement acquired hereunder, a grant deed or similar instrument necessary to transfer title to any real property or interests therein (including easements), or an irrevocable offer of dedication of such real property with interests therein necessary to the operation, maintenance, rehabilitation and improvement by the District of the Acquisition Improvement (including, if necessary, easements for ingress and egress) and a bill of sale or similar instrument evidencing transfer of title to the Acquisition Improvement (other than said real property interests) to the District, where applicable.

Section 1.02. Establishment of Community Facilities District. Developer has requested the District to permit the Authority to provide for financing of the Acquisition Improvements through the establishment and authorization of the Community Facilities District and the District agreed by its adoption of the Resolution. The Community Facilities District was established by the Authority on [____], 20__, and through the successful landowner election held that same day, the Commission of the Authority is authorized to levy the Special

Taxes pursuant to the Rate and Method and to issue the Bonds to finance the Acquisition Improvements. Developer and the District agree to reasonably cooperate with one another and with the Authority in the completion of the financing through the issuance of the Bonds in one or more series. All deposits made by the Developer with the Authority and District for the Authority's and District's costs related to the formation of the Community Facilities District and issuance of Bonds and all legal, financial consultant and engineering costs incurred by the Developer related to the formation of the District and issuance of the Bonds shall be reimbursed from the proceeds of the Bonds.

Section 1.03. Deposit and Use of Available Amount .

(a) Prior to the issuance of Bonds, Special Taxes collected by the Authority that are not required to fund administrative expenses of the Community Facilities District shall be deposited in the Acquisition and Construction Fund established by the Resolution and may be disbursed first, to pay the District's costs of the "Phase 1 Sewer Improvements" (as defined in and in accordance with the Annexation Agreement) and second, following the District's funding in full of the Phase 1 Sewer Improvements to pay the Acquisition Price of Acquisition Improvements in accordance with Article II of this Agreement. All funds in the Acquisition and Construction Fund shall be considered a portion of the Available Amount, and upon the issuance of the Bonds the Acquisition and Construction Fund shall be transferred to the Authority Trustee to be held in accordance with the Authority Trust Agreement.

(b) Upon the issuance of the Bonds, the Authority will cause the Authority Trustee to establish and maintain the Acquisition and Construction Fund for the purpose of holding all funds for the Acquisition Improvements. All earnings on amounts in the Acquisition and Construction Fund shall remain in the Acquisition and Construction Fund for use as provided herein and pursuant to the Authority Trust Agreement. Money in the Acquisition and Construction Fund shall be available to respond to delivery of a Disbursement Request Form and to be paid to the Developer or its designee, or to the District or its designee to pay the Acquisition Price of the Acquisition Improvements, as specified in Article II hereof in accordance with the following priority:

(1) First, out of the first series of Bonds, the greater of (x) \$5.25 million or (y) 40% of the amount deposited in the Acquisition and Construction Fund or such lesser amount as needed to satisfy the "Sewer Fee Obligation" (as defined in and determined in accordance with the Annexation Agreement), shall be set aside in a separate subaccount of the Acquisition and Construction Fund towards payment of the Sewer Fee Obligation. The first priority for the second series of Bonds shall be the remaining balance of the Sewer Fee Obligation;

(2) Second, to reimburse the Developer for any "Sewer Advance" made by Developer (as defined in and in accordance with the Annexation Agreement), and

(3) Third, to pay the Acquisition Price of any or all other Acquisition Improvements.

Upon completion of all of the Acquisition Improvements and the payment of all costs thereof, any remaining funds in the Acquisition and Construction Fund (less any amount determined by the

District as necessary to reserve for claims against the account) (i) shall be applied to pay the costs of any additional Acquisition Improvements eligible for acquisition with respect to the Project as approved by the Authority and, to the extent not so used, (ii) shall be applied by the Authority to call Bonds or to reduce Special Taxes as the Authority shall determine.

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

ARTICLE II

DESIGN, CONSTRUCTION AND ACQUISITION OF ACQUISITION IMPROVEMENTS

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

Section 2.02. Letting and Administration of Construction Contracts; Indemnification.

(a) This agreement is for the acquisition by the District of the Acquisition Improvements and payment for Eligible Portions thereof from time to time, from the Acquisition and Construction Fund and is not intended to be a public works contract. The District and the Developer acknowledge and agree that the Acquisition Improvements are of local, and not state-wide concern, and that the provisions of the California Public Contract Code shall not apply to the construction of the Acquisition Improvements. The District and the Developer further acknowledge and agree that District public works contracting requirements are not applicable to the construction and acquisition of the Acquisition Improvements. The District and the Developer agree that the Developer shall award all contracts for the construction of the Acquisition Improvements and the Eligible Portions thereof, and that this Agreement is necessary to assure the timely and satisfactory completion of the Acquisition Improvements and that compliance with the Public Contract Code and such District requirements with respect to the Acquisition Improvements would work an incongruity and would not produce an advantage to the District or the Community Facilities District.

(b) State law requires that all Acquisition Improvements not completed prior to the formation of the Community Facilities District shall be constructed as if they were constructed under the direction and supervision, or under the authority, of the District. In order to assure compliance with those provisions, except for any contracts entered into prior to the effective date of this Agreement, Developer agrees to comply with the requirements set forth in Exhibit C hereto with respect to the bidding and contracting for the construction of the Acquisition Improvements. The Developer agrees that all the contracts for which they submit a Disbursement Request shall call for payment of prevailing wages as required by the Labor Code of the State of California. The Developer's indemnification obligation set forth in Section 3.01 of this Agreement shall also apply to any alleged failure to comply with the requirements of this Section, and/or applicable State laws regarding public contracting as they relate to paying prevailing wages.

(c) In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the Authority, the District or the Community Facilities District. Except as otherwise provided in this Agreement, none of the Authority, the District or the Community Facilities District shall be responsible for making any payments to any contractor, subcontractor, agent, consultant, employee or supplier of the Developer.

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

Certain Actual Costs for the Acquisition Improvements, such as civil engineering, may have been incurred pursuant to single contracts that include work relating also to the private portions of the Project. In those instances, the total costs under such contracts will be allocated to each Acquisition Improvement as reasonably approved by the District Engineer. The costs of certain environmental mitigation required to mitigate impacts of the public and private portions of the Project will be allocated to each Acquisition Improvement as reasonably approved by the District Engineer.

District shall have no right, unless consented to by Developer, to open the Acquisition Improvements for use by the public until they have been accepted and all costs of acquisition (except for estimated costs to cover final corrections and/or adjustments in the work) have been paid Developer. Notwithstanding anything herein to the contrary, District reserves the right to take over and open all or any portion of an Acquisition Improvement or any Eligible Portion thereof for use by the public in accordance with Section 6-10 of the Standard Specifications for Public Works Construction, 1988 Edition. In the event the District exercises this right, the District shall, prior to actually taking over or opening all or part of any Acquisition Improvement or Eligible Portion thereof for use by the public, make a mutually acceptable payment to the Developer to be applied towards the acquisition cost of the Acquisition Improvement or Eligible Portion. Such installment payment shall include the Acquisition Price incurred to date for each Acquisition Improvement or Eligible Portion being taken over or utilized. Developer, in its sole discretion, may specifically and expressly waive in writing, all or a portion of this section.

Section 2.03.1. Reimbursements. The District acknowledges that, in addition to its acquisition of Acquisition Improvements and payment of Eligible Portions thereof hereunder, it will use a portion of the proceeds of the Acquisition and Construction Fund to reimburse the Developer, to the extent permitted under the Act, for any “Sewer Advance” paid by the Developer pursuant to Section 5.3.4 of the Annexation Agreement.

Section 2.03.2. District Fees. If District Fees are paid to District directly by the Developer, such amounts shall be reimbursable to Developer from the Available Amount following District’s receipt of a written request from Developer and upon either (i) the District transferring such amounts to the Authority Trustee for deposit in the Acquisition and Construction Fund for arbitrage and rebate tracking purposes or (ii) the District certifies to the Authority Trustee that such amounts received from the Developer have been spent and the District delivers a certificate in substantially the form attached hereto as Exhibit B-2. If District is unable to take the actions specified in numeral “ii” of the preceding sentence within 30 days of Developer’s written request, District shall within 10 days thereafter proceed with transferring funds pursuant to numeral “i” of the preceding sentence to allow Developer to receive its requested reimbursement without undue delay. Alternatively, the Developer may elect to fund all or a portion of District Fees (i.e., water and sewer connection/capacity fees) in Exhibit A directly from the Available Amount to the extent of funds available. In such case, Developer shall submit a written request to District specifying (i) the description of the fee and amount requested to be funded and (ii) the lot numbers (or other applicable description) for which the fee payable, and upon receipt of such a request the District Engineer shall cause a Disbursement Request Form substantially in the form attached hereto as Exhibit B-3 to be submitted to the Authority Trustee, and the Authority Trustee shall make payment directly to the District pursuant to the Authority Trust Agreement. Upon allocation to the District pursuant to the Authority Trust Agreement, the specified development fee or capital contribution obligation shall be deemed satisfied. If Developer receives a credit against a District Fee as the result of Developer’s construction of any public water or sewer improvements of the District, including any Acquisition Improvement for which the Acquisition Price has been paid, Developer shall only be entitled to fund pursuant to the terms of this Agreement Developer’s remaining obligation for such District Fee, net of such credit amount.

Section 2.04. Conditions Precedent to Payment of Acquisition Price. Payment to the Developer or its designee of the Acquisition Price for an Acquisition Improvement from the Acquisition and Construction Fund shall in every case be conditioned first upon the determination of the District Engineer, pursuant to Section 2.03, that the Acquisition Improvement satisfies all District regulations and ordinances and is otherwise complete and ready for acceptance by the District, and shall be further conditioned upon satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the District with lien releases or other similar documentation satisfactory to the District Engineer as evidence that the property (including any rights-of-way or other easements necessary for the operation and maintenance of the Acquisition Improvement, to the extent not already publicly owned) comprising the Acquisition Improvement, and the property which is subject to the special taxes of the Community Facilities District, is not subject to any prospective mechanics lien claim respecting the Acquisition Improvement. This section does not apply to prospective mechanics liens respecting other public or private improvements such as production homes, to be constructed by Developer within the Community Facilities District that do not constitute Acquisition Improvements.

(b) The Developer shall be current in the payment of all due and payable general property taxes, and all special taxes of the Community Facilities District, on property owned by the Developer or under option to the Developer within the Community Facilities District.

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

(d) The Developer shall have provided the District with Title Documents needed to provide the District with title to the site, right-of-way, or easement upon which the subject Acquisition Improvement is situated. All such Title Documents shall be in a form acceptable to the District and shall convey Acceptable Title. The Developer shall provide a policy of title insurance as of the date of transfer in a form acceptable to the District Engineer and the District Attorney insuring the District as to the interests acquired in connection with the acquisition of any interest for which such a policy of title insurance is not required by another agreement between the District and the Developer. Each title insurance policy required hereunder shall be in the amount equal to the Acquisition Price. The amount paid to the Developer or its designee upon satisfaction of the foregoing conditions precedent shall be the Acquisition Price less all Installment Payments paid previously with respect to the Acquisition Improvement.

Section 2.04.1 Acquisition Improvements Constructed on Private Lands. If any Acquisition Improvements to be acquired are located on privately owned land, the Developer may elect to retain title to the land and the completed Acquisition Improvements until acquisition of the Acquisition Improvements under Section 2.04 hereof. Pending the completion of such transfer and where the Developer has received any payment of any such Acquisition Improvement or Eligible Portion thereof, the Developer shall be responsible for maintaining the land and any Acquisition Improvement or Eligible Portion in good and safe condition.

Section 2.04.2 Public Facilities Constructed on District Land. If the Acquisition Improvements to be acquired are on land owned by the District or on land upon which the District has a non-possessory right to use, the District hereby grants to the Developer a license to enter upon such land for purposes related to the construction (and maintenance pending acquisition) of the Acquisition Improvement.

Section 2.05. Payment for Eligible Portions. The Developer may submit an Actual Cost Certificate to the District Engineer with respect to any Eligible Portion. Payment to the Developer or its designee from the Acquisition and Construction Fund of an Installment Payment with respect to such Eligible Portion shall in every case be conditioned first upon the determination of the District Engineer, pursuant to Section 2.03, that the Eligible Portion has been completed in accordance with the applicable plans and specifications and that the Eligible Portion satisfies all District regulations and ordinances and is otherwise complete and, where appropriate, is ready for acceptance by the District, and shall be further conditioned upon satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the District with lien releases or other similar documentation satisfactory to the District Engineer as evidence that the property (including any rights-of-way or other easements necessary for the operation and maintenance of the Eligible Portion, to the extent not already owned by the District) comprising the Eligible Portion is not subject to any prospective mechanics lien claim respecting the Eligible Portion.

(b) The Developer shall be current in the payment of all due and payable general property taxes, and all special taxes of the Community Facilities District, on property owned by the Developer or under option to the Developer within the Community Facilities District.

(c) The Developer shall have provided the District with Title Documents needed to provide the District with title to the site, right-of-way, or easement upon which the subject Eligible Portion is situated. All such Title Documents shall be in a form acceptable to the District Engineer and shall be sufficient, upon completion of the Acquisition Improvement of which the Eligible Portion is a part, to convey Acceptable Title.

(d) Payment and performance bonds, from a bonding company with an A.M. Best rating of at least "A-" or its equivalent, applying to plans and specifications for the Acquisition Improvement approved by the District, shall be in place to secure completion of the Acquisition Improvement of which the Eligible Portion is a part.

Section 2.06. Disbursement Request Form. Upon a determination by the District Engineer to pay the Acquisition Price of an Acquisition Improvement pursuant to Section 2.04 or to pay an Installment Payment for an Eligible Portion pursuant to Section 2.05, the District Engineer shall cause a Disbursement Request Form substantially in the form attached hereto as Exhibit B-1 to be submitted to the Authority Trustee, and the Authority Trustee shall make payment directly to the Developer or its designee of the amount pursuant to the Authority Trust Agreement. The District and the Developer acknowledge and agree that the Authority Trustee shall make payment strictly in accordance with the Disbursement Request Form and shall not be required to determine whether or not the Acquisition Improvement or Eligible Portion has been

completed or what the Actual Costs may be with respect to the Acquisition Improvement or Eligible Portion. The Authority Trustee shall be entitled to rely on the executed Disbursement Request Form on its face without any further duty of investigation.

In the event that the Actual Cost of an Acquisition Improvement or the Installment Payment for an Eligible Portion is in excess of the Available Amount, the Authority Trustee shall withdraw all funds remaining in the Acquisition and Construction Fund and shall transfer those amounts to the Developer or its designee. The unpaid portion of the Actual Cost shall be paid from funds that may subsequently be deposited in the Acquisition and Construction Fund from a subsequent issuance of Bonds or from Special Tax revenues, if either of those occurs.

Section 2.07. Limitation on Obligations. In no event shall the District be required to pay the Developer or its designee more than the amounts held in the Acquisition and Construction Fund. District acknowledges that the funding of Acquisition Improvements or Eligible Portions thereof with funds from the Acquisition and Construction Fund will not compromise or otherwise impact Developer's right to receive fee credits for constructing the Acquisition Improvements as may be permitted under other agreements between the Developer and District.

ARTICLE III

MISCELLANEOUS

Section 3.01. Indemnification and Hold Harmless. The Developer hereby assumes the defense of, and indemnifies and saves harmless the District, the Authority and their respective officers, directors, employees and agents, including the Authority Trustee ("Indemnified Parties"), from and against all actions, proceedings, damages, claims, liabilities, losses, fees, costs or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from the acts or omissions of the Developer or its agents and employees arising out of any contract for the design, engineering and construction of the Acquisition Improvements conducted by the Developer, its agents, and employees or arising out of any contract for the design, engineering and construction of the Acquisition Improvements entered into by Developer, or arising out of any alleged misstatements of a material fact or alleged omission of a material fact made by the Developer, its officers, directors, employees or agents to the Authority's underwriter, financial advisor, appraiser, district engineer or bond counsel or regarding the Developer, its proposed developments, its property ownership and its contractual arrangements, and contained in the final official statement relating to the Bonds (provided that the Developer shall have been furnished a copy of the official statement, shall have been provided reasonable time to review and comment thereon, and shall not have objected thereto); and provided, further, that nothing in this Section 3.01 shall limit in any manner the District's rights against any of the Developer's architects, landscape architects, engineers, land surveyors, contractors, subcontractors or other consultants. Except as set forth in this Section 3.01, no provision of this Agreement shall in any way limit the extent of the responsibility of the Developer for payment of damages resulting from the actions or operations of the Developer, its agents and employees. Nothing in this Section 3.01 shall be understood or construed to mean that the Developer agrees to indemnify an

Indemnified Party, for any wrongful acts willful misconduct, negligence or omissions to act of an Indemnified Party.

In any action or proceeding in which the Developer is required to defend the Indemnified Parties, Developer shall have the right to select legal counsel to represent the Indemnified Parties subject to approval by the District, which approval shall not be unreasonably withheld

Section 3.02. Audit. The District shall have the right, but not the responsibility or obligation, during normal business hours and upon the giving of ten days' written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer (for which the Developer seeks reimbursement pursuant to this Agreement) in constructing the Acquisition Improvements.

Section 3.03. Cooperation. The District and the Developer agree to cooperate with respect to the completion of the financing of the Acquisition Improvements by the Authority through the levy of the Special Taxes and issuance of Bonds. The District and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by this Agreement.

Section 3.04. Termination and Dissolution. Prior to the issuance of any Bonds, Developer may elect to terminate this Agreement and request that the Special Taxes be cancelled by providing written notice to the District. Within thirty (30) days of such written notice, the District shall request the Authority to record a notice of cancellation of the Special Taxes with respect to each parcel. Developer shall be responsible for reasonable District and Authority costs incurred relating to the cancellation of the Special Taxes and recordation of such notice; provided, however, that the Authority shall not terminate the Special Taxes for any lot for which a building permit has been issued, unless Developer pays all District fees or posts separate security therefore. Such termination of this Agreement and cancellation of Special Taxes shall have no effect on Developer's obligations to pay District fees when due or construct Acquisition Improvements.

Section 3.05. General Standard of Reasonableness. Any provision of this Agreement which requires the consent, approval or acceptance of either party hereto or any of their respective employees, officers or agents shall be deemed to require that the consent, approval or acceptance not be unreasonably withheld or delayed, unless the provision expressly incorporates a different standard. The foregoing provision shall not apply to provisions in the Agreement which provide for decisions to be in the sole discretion of the party making the decision.

Section 3.06. Third Party Beneficiaries. It is expressly agreed that there are no third party beneficiaries of this Agreement, including without limitation any owners of bonds, any of the District's or the Developer's contractors for the Acquisition Improvements and any of the District's, the Authority's or the Developer's agents and employees

Nothing in this Agreement, except as otherwise expressly provided for, is intended to or shall be construed to confer upon or to give to any person or entity other than the Authority, the District and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises, and agreements in this Agreement contained by or on behalf of the Authority, the District, or the

Developer shall be for the sole and exclusive benefit of the Authority, the District and the Developer.

Section 3.07. Conflict with Other Agreements. Nothing contained herein shall be construed affecting or intending to affect, impairing the rights and obligations or as releasing the Developer or the District from any condition of development or requirement imposed by any other agreement between the District and the Developer, and, in the event of a conflicting provision, the other agreement shall prevail unless the conflicting provision is specifically waived or modified in writing by the District and the Developer.

Section 3.08. Notices. All invoices for payment, reports, other communication and notices relating to this Agreement shall be mailed to:

If to the Authority:

California Statewide Communities Development Authority
1100 K Street, 1st Floor
Sacramento, CA 95814
Attn: Kevin O'Rourke, Chair

If to the District:

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

If to the Developer:

Pardee Homes
13400 Sabre Springs Parkway, Suite 200
San Diego, CA 92128
Attn: Jimmy Ayala, Division President

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

Section 3.09. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 3.10. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

Section 3.11. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement.

Section 3.12. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

Section 3.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 3.14. Successors and Assigns. This Acquisition Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Developer may assign its rights pursuant to this Agreement to a purchaser (an "Assignee") of a portion or portions of the Property which is/are located within the Community Facilities District. Developer may assign to the Assignee the responsibility for the construction of all or a portion of the Acquisition Improvements which remain to be constructed for which Bonds are to be issued and the right to receive payment of the Acquisition Price for Acquisition Improvements and Eligible Portions thereof previously completed by Developer. Developer and Assignee shall provide to District such reasonable proof as it may require that such Assignee is the purchaser of such portion(s) of the Property. Such Assignee shall, as a condition to receiving payment of an Acquisition Price, enter into an assignment and assumption agreement with the Authority, District and Developer, whereby such Assignee agrees, except as may be otherwise specifically provided therein, to assume the obligations of Developer pursuant to this Agreement with respect to such Acquisition Improvements and to be bound thereby. Upon execution of an assignment and assumption agreement, Developer shall be released from its obligations hereunder.

Section 3.15. Remedies in General. It is acknowledged by the parties that the District would not have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement or the application thereof, other than for the payment to the Developer of any (i) moneys owing to the Developer hereunder, or (ii) moneys paid by the Developer pursuant to the provisions hereof which are misappropriated or improperly obtained, withheld or applied by the District.

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

Section 3.16. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all parties to this Acquisition Agreement shall be binding.

Section 3.17. Attorneys' Fees. In the event that any action or suit is instituted by any party against the other(s) arising out of this Acquisition Agreement, the parties in whose favor final judgment shall be entered shall be entitled to recover from the other parties all costs and expenses of suit, including reasonable attorneys' fees.

Section 3.18. Amendment. This Agreement may be amended, from time to time, by written Supplement hereto and executed by the Authority, District and the Developer. Such

Supplement may provide for, among other things, the acquisition of additional Acquisition Improvements (including Eligible Portions thereof).

Section 3.19. Approvals. All approvals and consents of parties requested or required pursuant to this Agreement shall not be unreasonably withheld. If a party requested to approve or consent (the "Approving Party") does not deliver its written approval or disapproval to the party requesting the same (the "Requesting Party") within the time period specified for giving such approval, or, if no specific time deadline is specified, within ten (10) days after receipt of a written request for approval/consent from the Requesting Party, then the Requesting Party may send a second written notice to the Approving Party requesting its approval/consent within thirty (30) days after the Approving Party's receipt of the second notice. Within such thirty (30) day period after receipt of the second notice, the Approving Party shall respond in writing to the Requesting Party either approving or disapproving the request or requesting additional time to make such a determination. If the Approving Party does not respond to the second notice within the thirty (30) day period the Requesting Party may notify the Approving Party under Section 3.20. Any notice of disapproval shall indicate the grounds thereafter in reasonable detail.

Section 3.20. Appearance to Request. The Requesting Party may appear at the place of business of the Approving Party to request approval/consent after following the notice provisions in Section 3.20. Such approval/disapproval shall be provided within 30 days of the appearance to request. If the request is not approved/disapproved within 30 days of the appearance to request such approval shall be deemed granted. If the Requesting Party is Developer, Requesting Party shall appear to request at a regularly scheduled District Board hearing.

[THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

RAINBOW MUNICIPAL WATER DISTRICT

ATTEST: _____
By _____
General Manager

By _____
District Clerk

PARDEE HOMES,
a California Corporation

By _____
(Signature)

(Print Name)

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By _____

EXHIBIT TO THE ACQUISITION AGREEMENT
DESCRIPTION OF ACQUISITION IMPROVEMENTS

[SEE ATTACHED]

EXHIBIT A TO THE ACQUISITION AGREEMENT
DESCRIPTION OF ACQUISITION IMPROVEMENTS

[see attached]

				Estimated Cost	
A. RMWD CAPACITY/ CONNECTION FEES:					
Sewer Capacity Fees				\$ 10,500,000	(a)
Water Capacity and Meter Fees	<u>Qty.</u>	<u>Unit</u>	<u>Unit Cost</u>		
4" MF Master Meter Capacity Fee (PA1-4)	2	EA	\$ 208,020	\$ 416,040	
3" MF Master Meter Capacity Fee (PA1-4)	2	EA	\$ 124,812	\$ 249,624	
5/8" MF Meter Capacity Fee	0	EA	\$ 6,241	\$ -	
3/4" SF Meter Capacity Fee	373	EA	\$ 10,401	\$ 3,879,573	
1" Irrigation Meter Fees	8	EA	\$ 16,642	\$ 133,136	
1.5" Irrigation Meter Fees (incl 2 for park site)	9	EA	\$ 27,043	\$ 243,387	
2" Irrigation Meter Fee	2	EA	\$ 62,406	\$ 124,812	
3" Irrigation Meter Fee	1	EA	\$ 124,812	\$ 124,812	
PA 2 Domestic and Irrigation Meter Capacity Fees				TBD	(b)
Subtotal Water Capacity and Meter Fees				\$ 5,171,384	
Less: Estimated Water Fee Credit for Facility #1 below				(\$ 2,653,450)	(c)
Subtotal Water Capacity and Meter Fees (net of credits)				\$2,517,934	
Total Water and Sewer Fees Cost				\$13,017,934	
B. RMWD FACILITIES:					
<u>Facility No.</u>					
#1 Offsite water improvements consisting of the installation of an eighteen inch (18") waterline from the Project Site's northerly cul-de-sac to Horse Ranch Creek Road at Andalusian Way and a twelve-inch (12") waterline in Horse Ranch Creek Road to Pankey Place.				\$ 2,437,348	
#2 Onsite Water Distribution Facilities , including 12" and 8" PVC Mains, Pressure Reducing Stations on Streets A & B, and appurtenant facilities.				\$ 3,135,968	
#3 Onsite Sewer Facilities - PA 5A				\$ 603,776	
#4 Onsite Sewer Facilities - PA 5B				\$ 444,472	
#5 Onsite Sewer Facilities - Major Streets (HRCR, Shire, Pankey Pl., St. A, St. B)				\$ 642,747	
#6 Onsite Sewer and Water Facilities - PA 2				TBD	(d)
#7 Phase 1 Sewer Improvements (per Annexation Agreement)				TBD	(e)
Subtotal Facilities Hard Costs				\$ 7,264,310	
Soft Costs (estimate)				\$ 1,401,867	
Construction Mgmt. @ 5% of Hard Costs				\$ 363,216	
Contingency @ 15% of Hard Costs				\$ 1,089,647	
Total Water and Sewer Facilities Cost				\$ 10,119,039	
C. SDG&E FACILITIES:					
<u>Facility No.</u>					
#8 SDGE 69kv Power Line - Overhead to Underground Relocation				\$ 4,700,000	
#9 SDGE 12kv Facilities - OH to Underground Reloc and New Facilities				\$ 1,645,000	
Total SDG&E Facilities Cost				\$ 6,345,000	(f)
GRAND TOTAL				\$ 29,481,973	

Footnotes:

- (a) Pursuant to the Section 5.2.2.1 of the Annexation Agreement between Rainbow Municipal Water District and Pardee Homes, dated April 30, 2020.
- (b) Applicable water capacity fees associated with Planning Area 2 reserved as a school site shall be eligible if the site is not acquired by the school district and if such site is ultimately developed with residential units. The estimated cost is currently unknown and will be determined at a later point in time.
- (c) Pursuant to the Section 5.4.1 of the Annexation Agreement between Rainbow Municipal Water District and Pardee Homes, dated April 30, 2020. Amount shown is a preliminary estimate using estimated hard costs plus 15% in soft costs, however, the actual credit will be based on actual costs incurred including applicable soft costs.
- (d) Applicable public water and sewer facilities associated with Planning Area 2 reserved as a school site shall be eligible if the site is not acquired by the school district and if such site is ultimately developed with residential units. The estimated cost is currently unknown and will be determined at a later point in time.
- (e) The Phase 1 Sewer Improvements are described in the Annexation Agreement and may be financed with (i) surplus special taxes (described as "pay-go" funds in the Annexation Agreement), (ii) in part through a "Sewer Advance" by Pardee in accordance with the Annexation Agreement, which shall be reimbursable to Pardee from the Acquisition and Construction Fund, or (iii) as an Acquisition Improvement constructed by Pardee pursuant to the self-help provisions of the Annexation Agreement.
- (f) A limit of five percent (5%) of the CFD net bond proceeds, pursuant to federal law, shall apply to private dry utility costs to the extent funded with proceeds of tax-exempt bonds. No limit shall apply to the extent private dry utility costs are funded with CFD special tax funds and/or proceeds of taxable bonds.

Note: Eligible Portions will be determined and identified at the time Developer submits a written request for payment of an Installment Payment for such Eligible Portion.

EXHIBIT B-1 TO THE ACQUISITION AGREEMENT

**DISBURSEMENT REQUEST FORM
(Acquisition Improvement or Eligible Portion)**

To: [Authority Trustee]

Attention: _____

Fax: _____

Phone: _____

Re: CSCDA Community Facilities District No. []

The undersigned, a duly authorized officer of the Rainbow Municipal Water District hereby requests a withdrawal from the Meadowood Community Facilities District Acquisition and Construction Fund, as follows:

Request Date: [Insert Date of Request]

Name of Developer: _____

Withdrawal Amount: [Insert Acquisition Price/Installment Payment]

Acquisition Improvements: [Insert Description of Acquisition Improvement(s)/Eligible Portion(s) from Exhibit A]

Payment Instructions: [Insert Wire Instructions or Payment Address for Developer or Developer's designee as provided by the Developer]

The undersigned hereby certifies as follows:

The Withdrawal is being made in accordance with a permitted use of the monies pursuant to the Acquisition Agreement and the Withdrawal is not being made for the purpose of reinvestment.

None of the items for which payment is requested have been reimbursed previously from the Acquisition and Construction Fund.

If the Withdrawal Amount is greater than the funds held in the Acquisition and Construction Fund, the Authority Trustee is authorized to pay the amount of such funds and to pay remaining amount(s) as funds are subsequently deposited in the Acquisition and Construction Fund, should that occur.

RAINBOW MUNICIPAL WATER DISTRICT

By: _____

Title: _____

EXHIBIT B-2 TO THE ACQUISITION AGREEMENT

**DISBURSEMENT REQUEST FORM
(For fees prepaid by Developer and spent by District)**

To: [Authority Trustee]

Attention: _____

Fax: _____

Phone: _____

Re: CSCDA Community Facilities District No. [____]

The undersigned, a duly authorized officer of the Rainbow Municipal Water District hereby certifies that the amounts received from [*insert developer name*] for the development impact fee financed through the above referenced community facilities district and listed below has been spent by the Rainbow Municipal Water District for a permitted use of such fee for public capital improvements as of the date indicated below:

District Fees	Pre-Paid Amount	Amount Spent	Difference
	\$	\$	\$
Total	\$	\$	\$

Accordingly, the undersigned, a duly authorized officer of the Rainbow Municipal Water District hereby requests a withdrawal from the Meadowood Community Facilities District Acquisition and Construction Fund, as follows:

Request Date: [Insert Date of Request]

Name of Developer: _____

Withdrawal Amount: \$ _____

Payment Instructions: [Insert Wire Instructions or Payment Address for Developer or Developer's designee as provided by the Developer]

The undersigned hereby certifies as follows:

The Withdrawal is being made in accordance with a permitted use of the monies pursuant to the Acquisition Agreement and the Withdrawal is not being made for the purpose of reinvestment.

None of the items for which payment is requested have been reimbursed previously from the Acquisition and Construction Fund.

If the Withdrawal Amount is greater than the funds held in the Acquisition and Construction Fund, the Authority Trustee is authorized to pay the amount of such funds and to pay remaining amount(s) as funds are subsequently deposited in the Acquisition and Construction Fund, should that occur.

RAINBOW MUNICIPAL WATER DISTRICT

By: _____

Title: _____

EXHIBIT B-3 TO THE ACQUISITION AGREEMENT

**DISBURSEMENT REQUEST FORM
(For fees to be spent on projects by the District)**

To: [Authority Trustee]

Attention: _____

Fax: _____

Phone: _____

Re: CSCDA Community Facilities District No. [____]

The undersigned, a duly authorized officer of the Rainbow Municipal Water District hereby requests a withdrawal from the Meadowood Community Facilities District Acquisition and Construction Fund, as follows:

Request Date: [Insert Date of Request]

Withdrawal Amount: [Insert Fee Amount]

Fee Description: [Water Fees/Sewer Fees]

Payment Instructions: [Insert Wire Instructions or Payment Address for Water District or Water District's vendor]

The undersigned hereby certifies as follows:

The withdrawal is being made in accordance with a permitted use of the monies pursuant to the Indenture and the withdrawal is not being made for the purpose of reinvestment.

None of the items for which payment is requested have been reimbursed previously from the Acquisition and Construction Fund.

The amounts to be disbursed hereunder have been or will be spent by the Rainbow Municipal Water District for public capital improvements as of the date hereof or within 5 days hereafter.

If the Withdrawal Amount is greater than the funds held in the Acquisition and Construction Fund, the Authority Trustee is authorized to pay the amount of such funds and to pay remaining amount(s) as funds are subsequently deposited in the Acquisition and Construction Fund, should that occur.

RAINBOW MUNICIPAL WATER DISTRICT

By: _____

Title: _____

EXHIBIT C TO THE ACQUISITION AGREEMENT

BIDDING, CONTRACTING AND CONSTRUCTION REQUIREMENTS FOR ACQUISITION IMPROVEMENTS

With respect to construction contracts for Acquisition Improvements awarded after the effective date of the Agreement, bids for construction shall be solicited from at least three (3) qualified contractors, provided at least three (3) qualified contractors are reasonably available. The Developer may also directly solicit bids. The bid package may consist of preliminary plans and specifications.

The bidding response time shall be not less than ten (10) working days.

An authorized representative of the District shall be provided a copy of the tabulation of bid results upon request.

Contract(s) for the construction of the public Acquisition Improvements shall be awarded to the qualified contractor(s) submitting the lowest responsible bid(s), as determined by the Developer.

The contractor to whom a contract is awarded shall be required to pay not less than the prevailing rates of wages pursuant to Labor Code Sections 1770, 1773 and 1773.1 for the contracted work. A current copy of applicable wage rates shall be on file in the Office of the District Clerk, as required by Labor Code Section 1773.2.

The Developer shall provide the District with certified payrolls.

BOARD OF DIRECTORS

October 27, 2020

SUBJECT

CONSIDER AND APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH SANEXEN FOR A CURED IN PLACE PIPE PILOT PROJECT

BACKGROUND

The analysis performed as part of our Condition Assessment Program indicated that corrosion and pipeline pressure were significant contributors to pipeline failures. The District is addressing external pipeline corrosion with our Cathodic Protection Program and has been installing numerous pressure regulating stations to address system pressures. However, neither of these methods address corrosion that occurs on the inside of the pipelines, mainly at uncoated joints.

Over the last few years, District Staff has been coordinating with Sanexen Water Inc. (Sanexen) regarding a pilot project to validate Sanexen's Aqua Pipe drinking water lining technology and associated tapping procedures on Concrete Mortar Lined and Coated (CMLC) steel pipe. This system installs a new liner inside the pipeline to eliminate the issue of internal corrosion without needing to tear up streets to replace pipelines. The goal is to find a lower cost and less disruptive method for pipeline rehabilitation, especially in busy streets or environmentally sensitive areas.

Staff has identified an existing 6-inch diameter CMLC pipe located on the District's property in the lower dirt yard as an excellent candidate to test this new pipeline rehabilitation process. If approved, this project would line approximately 300-linear feet of existing (buried) 6-inch diameter CMLC using Sanexen's Aqua-Pipe liner, a fully structural AWWA Class IV cured-in-place pipe (CIPP) designed specifically for deteriorated pressurized pipe conditions. There will be three (two 1-inch and one 2-inch services) existing service connections on this section of 300-linear foot pipeline that once lined with Aqua-Pipe liner, Sanexen will re-establish the service connections using robotic tools inside the pipeline.

In addition, Sanexen will line an additional 40-linear foot sample section of pipe above ground of the same diameter for observation and testing. District personnel and Sanexen will hot tap the lined, above ground 40-linear foot water main at three (two 1-inch and one 2-inch services) locations along the pipe, and create a water tight connection between the Aqua Pipe liner and each service connection. In addition to the three hot taps, there will be three existing service connections (two 1-inch and one 2-inch services) that Sanexen will line through with Aqua-Pipe liner and re-establish the service connections.

DESCRIPTION

The pilot project includes the lining of two sections of CMLC water pipelines with an Aqua-Pipe liner and further evaluation by Staff of the technology's suitability for implementation District-wide. Staff believes that should this technology perform in the manner in which Sanexen claims it will, future pipeline replacement where this technology can be implemented will be less intrusive to District customers. Moreover, it will be more cost effective for the District than the conventional construction methods of removal and replacement of pipelines. The current pipeline replacement method consists of excavating the entire alignment,

installation of the new pipeline and backfilling the entire excavated area. Whereas CIPP projects generally consist of minimal excavations, typically one at each end of the pipeline being replaced. The Professional Services Agreement (PSA) Exhibit "A" outlines the agreed upon scope of work and responsibilities of each party.

Staff is requesting the Board of Directors consider and approve a professional services agreement with Sanexen in the amount of \$74,800.00 to implement a pilot pipeline lining project and authorize the General Manager to sign on behalf of the District.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. Technology may be applied to help address and manage aging infrastructure in a cost effective and innovative manner. Strategic Focus Area Four: Fiscal Responsibility. Technology may be more cost effective than conventional remove and replace of pipeline projects. Strategic Focus Area Five: Customer Service Application of the technology will be less intrusive than conventional technology and less disruptive to our customers. Technology may also be more cost effective.

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 PSA is a Lump Sum amount of \$74,800.00. Funds for this project will need to be appropriated from the Water Capital Fund. The project number is 600055 - Pipe Lining.

Option 1:

- Approve the Professional Services Agreement with Sanexen for a lump sum amount of \$74,800.00.
- Appropriate \$74,800.00 from the Water Capital Fund for this project's budget.
- Authorize the General Manager to execute the agreement.

Option 2:

- Approve the Professional Services Agreement with Sanexen with revisions.

Option 3:

- Do not approve the Professional Services Agreement with Sanexen and provide staff with direction.

STAFF RECOMMENDATION

Staff recommends Option 1.



Chad Williams
Acting District Engineer

10/27/2020



RAINBOW MUNICIPAL WATER DISTRICT
3707 HIGHWAY 395
FALLBROOK CA 92028
(760) 728-1178

PROFESSIONAL SERVICES AGREEMENT

PROJECT: _____ ("the "Project")
Project No. _____, Contract No. _____

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2020, by and between the RAINBOW MUNICIPAL WATER DISTRICT, a municipal water district, hereinafter designated as "DISTRICT", and Sanexen Water Inc. a Delaware corporation hereinafter designated as "SPECIALIST."

RECITALS

- A. DISTRICT desires to obtain Professional Field Services from an independent contractor for the above-named Project.
B. SPECIALIST has submitted a proposal to provide professional services for the DISTRICT in accordance with the terms set forth in this Agreement.
C. DISTRICT desires to contract with SPECIALIST as an independent contractor and SPECIALIST desires to provide services to DISTRICT as an independent contractor.
D. SPECIALIST has demonstrated its competence and professional qualifications necessary for the satisfactory performance of the services designated herein by virtue of its experience, training, education, and expertise.

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. PROFESSIONAL SERVICES PROVIDED BY SPECIALIST.

1.1 The professional services to be performed by SPECIALIST shall consist of the following services described in the SPECIALIST's proposal dated October 13 2020 and attached hereto in Exhibit "A" . The scope of services is more particularly defined in Exhibit "A", attached and made a part hereof. Any additional services must be agreed to by the parties in writing as set forth in Section 19, as an amendment to this Agreement.

- 1.2 In performing the services set forth in this Agreement including Exhibit "A", SPECIALIST shall work closely with the DISTRICT'S General Manager and staff in performing the services in accordance with this Agreement in order to receive clarification as to the result that the DISTRICT expects to be accomplished by SPECIALIST. The General Manager shall be the DISTRICT'S authorized representative in the interpretation and enforcement of all services performed in connection with this Agreement.
- 1.3 SPECIALIST represents that its employees have the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of the DISTRICT. This means SPECIALIST is able to fulfill the requirements of this Agreement. Failure to perform all services required under this Agreement constitutes a material breach of the Agreement.

2. TERM AND TIMING REQUIREMENTS.

- 2.1 This Agreement will become effective on the date stated above and will continue in effect until the earlier of the completion of services provided for in this Agreement or until terminated as provided under Section 14 of this Agreement.
- 2.2 Performance of work under this Agreement shall be in accordance with the schedule outlined in Exhibit "A" unless otherwise modified in writing as set forth in Section 19. Failure by SPECIALIST to strictly adhere to these timing requirements may result in termination of this Agreement by the DISTRICT.
- 2.3 SPECIALIST shall submit all requests for extensions of time for performance in writing to the General Manager no later than two (2) business days after the commencement of the cause of any unforeseeable delay beyond SPECIALIST'S control and in all cases prior the date on which performance is due if possible. The General Manager shall review all such requests and may grant reasonable time extensions for unforeseeable delays which are beyond SPECIALIST'S control.
- 2.4 For all time periods not specifically set forth herein, SPECIALIST shall respond in the most expedient and appropriate manner under the circumstances, by telephone, fax, hand delivery, e-mail or mail.

3. STUDY CRITERIA AND STANDARDS.

All work shall be performed in accordance with applicable DISTRICT, county, state and federal Codes and criteria. In the performance of its professional services, SPECIALIST shall use the degree of care and skill ordinarily exercised by specialists performing the same or similar work under similar conditions.

4. INDEPENDENT CONTRACTOR.

- 4.1 SPECIALIST'S relationship to the DISTRICT shall be that of an independent contractor in performing all services hereunder. The DISTRICT shall not exercise any control or direction over the methods by which CONTRACTOR shall perform its services and functions. The DISTRICT'S sole interest and responsibility is to ensure that the services covered in this Agreement are performed in a competent, satisfactory and legal manner. The parties agree that no services, act, commission or omission of SPECIALIST or its employee(s) pursuant to this Agreement shall be construed to make SPECIALIST or its employee(s) the agent, employee or servant of the DISTRICT. SPECIALIST and its employee(s) are not entitled to receive from the DISTRICT vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability benefits, unemployment benefits or any other employee benefit of any kind.
- 4.2 SPECIALIST shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers' compensation insurance and for otherwise complying with all other employment requirements with respect to SPECIALIST or its employee(s). SPECIALIST agrees to indemnify, defend and hold the DISTRICT harmless from any and all liability, damages or losses (including attorneys' fees, costs, penalties and fines) the DISTRICT suffers as a result of SPECIALIST'S failure comply with the foregoing.
- 4.3 SPECIALIST shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement. SPECIALIST shall report to the DISTRICT any and all employees, agents, and subcontractors performing work in connection with this Agreement, and all shall be subject to the approval of the DISTRICT.
- 4.4 SPECIALIST shall have no authority, express or implied, to act on behalf of the DISTRICT as an agent, or to bind the DISTRICT to any obligation whatsoever, unless specifically authorized in writing by the General Manager. If SPECIALIST'S services relate to an existing or future DISTRICT construction contract, SPECIALIST shall not communicate directly with, nor in any way direct the actions of, any bidder for that construction contract without the prior written authorization by the General Manager.

5. **WORKERS' COMPENSATION INSURANCE.**

By SPECIALIST'S signature hereunder, SPECIALIST certifies that SPECIALIST is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and SPECIALIST will comply with such provisions before commencing the performance of the services pursuant to this Agreement.

6. **INDEMNIFICATION, HOLD HARMLESS AND DEFENSE.**

- 6.1 To the extent and in any manner permitted by law, SPECIALIST shall defend, indemnify, and hold DISTRICT, its directors, officers,

employees, and agents, and each of them free and harmless from any liability from claims, demands, loss, damage, or injury to property or persons, including wrongful death, in any manner arising out of, related to or incident to, in whole or in part, any act or omission of SPECIALIST, including SPECIALIST'S officers, employees and agents, in connection with the services required by this Agreement, including without limitation, the payment of reasonable attorneys' fees and costs. All officers, agents, employees and subcontractors, and their agents, who are employed, contracted or otherwise utilized by SPECIALIST to perform services under this Agreement, shall be deemed officers, agents and employees of SPECIALIST. The foregoing indemnity, hold harmless and defense obligation of SPECIALIST shall apply except to the extent the loss, damage or injury is caused by the sole negligence or willful misconduct of an indemnified party.

- 6.2** To the extent and in any matter permitted by law, SPECIALIST shall defend, indemnify and hold the DISTRICT, its directors, officers, employees, authorized volunteers and agents, and each of them free and harmless from and against any and all claims, demands, actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, related to or incident to a breach of this Agreement, any assertion that any of the materials, services, hardware or software provided by SPECIALIST to the DISTRICT ("Specialist Products") or the use thereof infringes any patent, copyright or proprietary right of any third party, or the violation of any governmental law or regulations, compliance with which is the responsibility of SPECIALIST.
- 6.3** SPECIALIST shall defend, at SPECIALIST'S own cost, expense and risk, any and all such aforesaid claims, demands, suits, actions or other legal proceedings of every kind that may be brought or instituted against the DISTRICT or the DISTRICT'S directors, officers, employees, and agents, and each of them. The DISTRICT shall be consulted regarding and approve of the selection of defense counsel, provided however that DISTRICT may not unreasonably withhold such approval. Should separate counsel be necessary for the DISTRICT, as determined by the DISTRICT acting reasonably, SPECIALIST shall be responsible to pay for the reasonable attorneys' fees and costs including expert fees, as such fees and costs are incurred, for the DISTRICT'S legal counsel in addition to SPECIALIST'S own legal fees and costs. In all circumstances, DISTRICT retains the right to retain its own attorneys but subject to SPECIALIST's approval.
- 6.4** SPECIALIST shall pay and satisfy any judgment, award or decree that may be rendered against DISTRICT or its directors, officers, employees, authorized volunteers and agents, and each of them, in any and all such aforesaid claims, demands, suits, action or other legal proceeding. SPECIALIST shall not agree without the DISTRICT'S prior written consent, (which consent may not be withheld unreasonably) to any settlement which would require the DISTRICT to pay any money or perform some affirmative act, including in the case of intellectual

property infringement any payment of money or performance of some affirmative act to continue using the Specialist Products.

6.5 SPECIALIST shall reimburse DISTRICT and its directors, officers, employees, authorized volunteers and agents, and each of them, for any and all reasonable legal expenses and costs including attorneys' fees incurred by each of them in connection therewith or in enforcing the indemnity, hold harmless and defense obligation herein provided.

6.6 SPECIALIST agrees to carry insurance for this purpose as set forth herein including contract liability. Provision of insurance coverage as required by this Agreement shall not affect SPECIALIST'S indemnification, hold harmless and defense obligations. SPECIALIST'S indemnification, hold harmless and defense obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for SPECIALIST, subcontractor, supplier or other person under workers' compensation acts, disability acts or other employee acts or the insurance required by this Agreement. SPECIALIST'S indemnification, hold harmless and defense obligation shall not be restricted to insurance proceeds, if any received by the DISTRICT or its directors, officers, employees, authorized volunteers or agents.

6.7 SPECIALIST'S indemnification, hold harmless and defense obligation shall survive the termination or expiration of this Agreement.

6.8 Neither party to this Agreement shall be liable for any consequential, indirect, special or incidental damages under any provision of this Agreement or for any consequential, indirect, penal, special or incidental damages arising out of any act or failure to act hereunder even if that party has been advised of or has foreseen the possibility of such damages.

7. LAWS, REGULATIONS AND PERMITS.

7.1 SPECIALIST shall give all notices required by law and comply with all laws, ordinances, rules and regulations pertaining to the conduct of the services required by this Agreement. SPECIALIST shall be liable for and bear all costs resulting from, any violations of the law in connection with services furnished by SPECIALIST.

7.2 SPECIALIST shall comply with all of the following requirements with respect to any services as a Building/Construction Inspector, Field Soils and Material Tester, or Land Surveyor, as those trades are defined by the California Department of Industrial Relations ("DIR").

a) SPECIALIST agrees to comply with and require its subcontractors to comply with the requirements of California Labor Code sections 1720 et seq. and 1770 et seq., and California Code of Regulations, title 8, section 16000 et seq. (collectively, "Prevailing Wage Laws") and any additional applicable California Labor Code provisions related to such services, including without limitation, payroll recordkeeping requirements. SPECIALIST and its subcontractors shall pay not

less than the prevailing rate of per diem wages as determined by the Director of the DIR for all services described in this Section 7.2 and as required by law. The general prevailing wage determinations can be found on the DIR website at: <http://www.dir.ca.gov/dslr>. Copies of the prevailing rate of per diem wages may be accessed at DISTRICT'S administrative office, and shall be made available upon request. SPECIALIST shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to perform the services described in this Section 7.2 of the Agreement available to interested parties upon request, and shall post and maintain copies at SPECIALIST'S principal place of business and at all site(s) where services are performed. Penalties for violation of Prevailing Wage Laws may be assessed in accordance with such laws. For example, SPECIALIST shall forfeit, as a penalty to the DISTRICT, Two Hundred Dollars (\$200) for each calendar day, or portion thereof, for each workman paid less than stipulated prevailing rates for services performed under this Agreement by SPECIALIST, or any subcontractor under SPECIALIST, in violation of Prevailing Wage Laws. SPECIALIST shall defend, indemnify and hold the DISTRICT, its directors, officers, directors, employees, agents and authorized volunteers, and each of them, free and harmless from any claims, liabilities, costs, penalties or interest arising out of the failure or alleged failure of SPECIALIST or its subcontractors to comply with Prevailing Wage Laws.

- b) SPECIALIST and each of its subcontractors shall keep accurate payroll records showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by SPECIALIST or subcontractor in connection with the services performed pursuant to this Agreement. Each payroll shall be certified, available for inspection, and copies thereof furnished as prescribed in California Labor Code sections 1771.4(a)(3)(A) and 1776, including any required redactions. SPECIALIST shall keep the DISTRICT informed as to the location of the records and shall be responsible for the compliance with these requirements by all subcontractors. SPECIALIST shall inform the DISTRICT of the location of the payroll records, including the street address, city and county and shall, within five (5) working days, provide a notice of a change of location and address. Penalties for noncompliance include a forfeiture of One Hundred Dollars (\$100) per calendar day, or portion thereof, for each worker until strict compliance is effectuated, which may be deducted from any moneys due SPECIALIST.
- c) Eight (8) hours of work shall constitute a legal day's work. SPECIALIST and any subcontractors shall forfeit, as a penalty to the DISTRICT, Twenty-Five Dollars (\$25) for each worker employed in the execution of services pursuant to this Agreement by SPECIALIST or any subcontractor under him for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any calendar week in violation of the provisions of the California Labor Code, in particular, sections 1810 to 1815, thereof, inclusive, except services performed by employees of SPECIALIST and its subcontractors in excess of eight (8) hours per day at not less than one and one-half (1 ½) times the basic rate of pay, as provided in California Labor Code section 1815.
- d) SPECIALIST'S attention is directed to the provisions of California Labor Code sections 1777.5, 1777.6 and 1777.7 concerning employment of apprentices by

SPECIALIST or any of SPECIALIST'S subcontractors. If applicable to the services performed under this Agreement, SPECIALIST shall comply with such apprenticeship requirements and submit apprentice information to the DISTRICT. Information relative to apprenticeship standards, wage schedules and other requirements may be obtained from the DIR or the Division of Apprenticeship Standards. Knowing violations of section 1777.5 will result in forfeiture not to exceed One Hundred Dollars (\$100) or Three Hundred Dollars (\$300), depending on the circumstances, for each calendar day of non-compliance pursuant to section 1777.7.

- e) SPECIALIST must be, and must require all subcontractors performing services described in this Section 7.2 to be, registered with and have paid the annual fee to the DIR prior to the execution of this Agreement pursuant to Labor Code Section 1725.5. No contractor or subcontractor may be listed on a bid proposal for a public works project, be awarded a contract for public work on a public works project, or perform services described in this Section 7.2, unless registered with the DIR pursuant to Labor Code Section 1725.5. The performance of services described in this Section 7.2 is subject to compliance monitoring and enforcement by the DIR.
- f) SPECIALIST shall require any subcontractors performing services described in this Section 7.2 of the Agreement to comply with all of the requirements stated in this this Section 7.2, including the subsections thereunder.

8. SAFETY.

SPECIALIST shall execute and maintain SPECIALIST'S services so as to avoid injury or damage to any person or property. In carrying out SPECIALIST'S services, SPECIALIST shall at all times, exercise all necessary precautions for the safety of employees appropriate to the nature of the services and the conditions under which the services are to be performed, and be in compliance with all federal, state and local statutory and regulatory requirements including State of California, Division of Industrial Safety (Cal/OSHA) regulations, and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act (as applicable). Safety precautions as applicable shall include instructions in accident prevention for all employees such as safe walkways, scaffolds, fall protection, ladders, bridges, gang planks, confined space procedures, trenching & shoring, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries.

9. INSURANCE.

9.1 INSURANCE COVERAGE AND LIMITS.

SPECIALIST shall provide and maintain at all times during the performance of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the services hereunder by SPECIALIST, its agents, representatives, employees or subcontractors. Claims made policies shall not satisfy these insurance requirements unless SPECIALIST notifies DISTRICT and obtains DISTRICT'S prior written consent to the use of such claims made policies.

Coverage – SPECIALIST shall maintain coverage shall be at least as broad as the following:

- a) Coverage for Professional Liability appropriate to SPECIALIST'S profession covering SPECIALIST'S wrongful acts, negligent actions, errors or omissions. The retroactive date (if any) is to be no later than the effective date of this Agreement.
- b) Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001).
- c) Insurance Services Office Automobile Liability Coverage (Form CA 0001), covering Symbol 1 (any auto).
- d) Workers' Compensation insurance as required by the State of California and Employers Liability insurance.

Limits - SPECIALIST shall maintain limits no less than the following:

- a) Professional Liability - One Million Dollars (\$1,000,000) per claim and Two Million Dollars (\$2,000,000) annual aggregate.
- b) General Liability - One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to the DISTRICT) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.
- c) Automobile Liability - One Million Dollars (\$1,000,000) for bodily injury and property damage each accident limit.
- d) Workers' Compensation insurance with statutory limits as required by California law and Employer's Liability insurance with a limit of no less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease.

9.2 REQUIRED INSURANCE PROVISIONS. The insurance policies are to contain, or be endorsed to contain the following provisions:

- a) The DISTRICT, its directors, officers, employees, or authorized volunteers are to be covered as insureds on the CGL and auto policies with respect to liability arising out of automobiles owned, leased, hired, or borrowed by on or behalf of SPECIALIST; and with respect to liability arising out of services or operations performed by or on behalf of SPECIALIST including materials, parts, or equipment furnished in connection with such services or operations. General liability coverage can be provided in the form of an endorsement to SPECIALIST'S insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used). The coverage shall contain no special limitations on the scope of protection afforded to the DISTRICT, its directors, officers, employees, or authorized volunteers. The Project Name shall also be included.
- b) For any claims related to the services provided hereunder, SPECIALIST'S insurance shall be primary insurance as respects the DISTRICT, its directors,

officers, employees, and authorized volunteers. Any insurance, self-insurance, or other coverage maintained by the DISTRICT, its directors, officers, employees, or authorized volunteers shall not contribute to it.

- c) Each insurance policy specified above are to state or be endorsed to state that coverage shall not be canceled except after thirty (30) days prior written notice ten (10) days for non-payment of premium) by U.S. mail has been provided to the DISTRICT.
- d) In the event any change is made in the insurance carrier, scope of coverage or retroactive date of professional liability coverage required under this Agreement (if applicable), SPECIALIST shall notify the DISTRICT prior to any changes.
- e) All of the insurance shall be provided on policy forms satisfactory to the DISTRICT. All insurance correspondence, notations, certificates, or other documents from the insurance carrier or agent/broker shall each separately reference this Agreement.

9.3 WAIVER OF SUBROGATION. SPECIALIST hereby agrees to waive rights of subrogation which any insurer of SPECIALIST may acquire from SPECIALIST by virtue of the payment of any loss. SPECIALIST agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of DISTRICT for all services performed by SPECIALIST, its employees, agents and subcontractors.

9.4 DEDUCTIBLES AND SELF-INSURED RETENTIONS. Any deductible or self-insured retention must be declared to and approved by the DISTRICT. At the option of the DISTRICT, the insurer shall either reduce or eliminate such deductibles or self-insured retention.

9.5 ACCEPTABILITY OF INSURERS. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A:VII or equivalent or as otherwise acceptable to the DISTRICT.

9.6 EVIDENCES OF INSURANCE. Prior to execution of this Agreement, SPECIALIST shall furnish the DISTRICT with original certificates and amendatory endorsements, or copies of the applicable insurance language, effecting coverage required by this Agreement. All certificates and endorsements are to be received and approved by the District before services commence. However, failure to obtain the required documents prior the services beginning shall not waive SPECIALIST'S obligation to provide them.

SPECIALIST shall, upon demand of the DISTRICT at any time, deliver to the DISTRICT complete, certified copies or all required insurance policies, including endorsements, required by this Agreement.

9.7 SUBCONTRACTORS. In the event that SPECIALIST employs subcontractors as part of the services covered by this Agreement, it shall be the SPECIALIST'S responsibility to require and verify that each

subcontractor meets the minimum insurance requirements specified in this Agreement.

10. NO CONFLICT OF INTEREST.

If SPECIALIST is providing services related to a DISTRICT project, SPECIALIST shall not be financially interested in any other contract necessary for the undertaking of the project. For the limited purposes of interpreting this section, SPECIALIST shall be deemed a "district officer or employee", and this section shall be interpreted in accordance with California Government Code Section 1090. In the event that SPECIALIST becomes financially interested in any other contract necessary for the undertaking of the project, this Agreement shall be null and void and DISTRICT shall be relieved of any responsibility whatsoever to provide compensation under the terms and conditions of any such contract for those services performed by SPECIALIST.

11. OWNERSHIP OF DOCUMENTS AND MATERIALS.

All documents, diskettes, drawings, reports and specifications, including details, computations, and other documents and materials, prepared or provided by SPECIALIST under this Agreement shall be furnished to and become the property of the DISTRICT. The DISTRICT agrees to hold the SPECIALIST free and harmless from any claim arising from any use, other than the purpose intended, of the documents and materials prepared or provided by SPECIALIST. SPECIALIST may retain a copy of all material produced by SPECIALIST under this Agreement for the purpose of documenting their services.

12. CONFIDENTIAL INFORMATION.

Any written, printed, graphic, or electronically or magnetically recorded information furnished by the DISTRICT for SPECIALIST'S use are the sole property of the DISTRICT. SPECIALIST and its employee(s) shall keep this information in the strictest confidence, and will not disclose it by any means to any person except with the DISTRICT'S prior written approval, and only to the extent necessary to perform the services under this Agreement. This prohibition also applies to SPECIALIST'S employees, agents and subcontractors. On termination or expiration of this Agreement, SPECIALIST shall promptly return any such confidential information in its possession to the DISTRICT.

13. COMPENSATION.

13.1 For services performed by SPECIALIST in accordance with this Agreement, DISTRICT shall pay SPECIALIST on a time and materials basis and in accordance with the schedule of billing rates set forth in Exhibit "A", attached hereto and incorporated herein by reference. No rate changes shall be made during the term of this Agreement. **SPECIALIST'S compensation for all services performed in accordance with this Agreement shall not exceed the total contract price of \$.** No services shall be performed by SPECIALIST in excess of the total contract price without prior written approval of the General Manager. SPECIALIST shall obtain approval from the General Manager prior to performing any services that result in incidental expenses to DISTRICT.

13.2 SPECIALIST shall maintain accounting records including the following information:

- a) Names and titles of employees or agents, types of services performed, and times and dates of all services performed in connection with Agreement that is billed on an hourly basis.
- b) All incidental expenses including reproductions, computer printing, postage, mileage - billed at current Internal Revenue Service ("IRS") Rate, and subsistence.

13.3 SPECIALIST'S accounting records shall be made available to the DISTRICT Accounting Manager, for verification of billings, within a reasonable time of the Accounting Manager's request for inspection.

13.4 SPECIALIST shall submit monthly invoices to DISTRICT. DISTRICT shall make partial payments to SPECIALIST not to exceed the total contract price within thirty (30) days of receipt of invoice, subject to the approval of the General Manager. ***Each application for partial payment shall be accompanied with a Progress Report summarizing the status of the services performed.***

13.5 SPECIALIST shall ensure that any report generated under this Agreement shall comply with Government Code Section 7550.

14. TERMINATION OF AGREEMENT.

14.1 If DISTRICT ("demanding party") has a good faith belief that SPECIALIST is not complying with the terms of this Agreement, the DISTRICT shall give written notice of the default (with reasonable specificity) to SPECIALIST and demand the default to be cured within ten (10) calendar days of the notice.

14.2 If SPECIALIST fails to cure the default within ten (10) calendar days of the notice, or if more than ten (10) calendar days are reasonably required to cure the default, and SPECIALIST fails to give adequate assurance and due performance within ten (10) calendar days of the notice, the DISTRICT may immediately terminate this Agreement upon written notice to SPECIALIST.

14.3 In the event of a material breach of any representation or term of this Agreement by SPECIALIST that is not curable or results in a threat to health or safety, the DISTRICT may immediately terminate this Agreement by providing written notice and without a cure period.

14.4 Upon termination, the DISTRICT shall pay SPECIALIST for any services completed up to and including the date of termination of this Agreement,

15. ASSIGNMENT AND DELEGATION.

15.1 This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of the SPECIALIST'S duties be delegated or

subcontracted, without the express prior written consent of the DISTRICT. Any attempt to assign or delegate this Agreement without the express written consent of the DISTRICT shall be void and of no force or effect. Consent by the DISTRICT to one assignment shall not be deemed to be consent to any subsequent assignment.

15.2 This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

16. AUDIT DISCLOSURE.

Pursuant to Government Code section 8546.7, if the Agreement is over Ten Thousand Dollars (\$10,000), it is subject to examination and audit of the State Auditor, at the request of the DISTRICT or as part of any audit of the DISTRICT, for a period of three (3) years after final payment under the Agreement. SPECIALIST shall cooperate with any such examination or audit at no cost to the DISTRICT.

17. ENTIRE AGREEMENT.

This Agreement, and the attached Exhibit "A", comprise the entire integrated understanding between the DISTRICT and SPECIALIST concerning the services to be performed pursuant to this Agreement and supersedes all prior negotiations, representations, or agreements whether express or implied, oral or written. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms herein. In the event of any conflict between the provisions of the Agreement and the Exhibit(s), the terms of the Agreement shall prevail.

18. INTERPRETATION OF THE AGREEMENT.

18.1 The interpretation, validity, and enforcement (including, without limitation, provisions concerning limitations of actions) of the Agreement shall be governed by and construed under the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom or rule requiring construction against the draftsman. The Agreement does not limit any other rights or remedies available to the DISTRICT.

18.2 SPECIALIST shall be responsible for complying with all applicable Local, State, and Federal laws whether or not said laws are expressly stated or referred to herein.

18.3 Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

18.4 Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake of otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either

party, the Agreement shall forthwith be physically amended to make such insertion.

19. AGREEMENT MODIFICATION.

This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.

20. DISPUTE RESOLUTION.

Upon the written demand of either party, any dispute, claim or controversy arising out of or relating to this Agreement, or the breach, termination, enforcement, interpretation or validity thereof, shall first be submitted to mediation the cost of which shall be borne equally by the parties, if not resolved pursuant to the Government Claims Act, Government Code Section 900 et seq. if applicable, and prior to the commencement of any legal action or other proceeding. Any mediation shall take place in the State of California, County of San Diego, and shall be concluded within sixty (60) calendar days of the written demand, unless such time is extended by mutual written consent of the parties. Nothing herein waives or excuses compliance with the California Government Claims Act.

In the event that mediation has not been successfully concluded within the time allowed, any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in the State of California, County of San Diego, before one arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures if the amount in controversy is equal to or greater than Two Hundred Fifty Thousand Dollars (\$250,000), or pursuant to its Streamlined Arbitration Rules and Procedures if the amount in controversy is less than Two Hundred Fifty Thousand Dollars (\$250,000). The use of arbitration shall allow full discovery by all parties associated with the dispute or claim. Judgment on the award may be entered in any court having jurisdiction. This clause shall not preclude the parties from seeking provisional remedies in aid of arbitration from a court of competent jurisdiction. The arbitrator may, in the award, allocate all or a part of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party. If either party petitions to confirm, correct or vacate the award as provided by Chapter 4 of Title 9 of the California Code of Civil Procedure (commencing with Section 1285), the prevailing party shall be entitled as part of his or its costs to reasonable attorneys' fees to be fixed by the Court.

21. JURISDICTION, FORUM AND VENUE.

Except as otherwise required by Section 20 of this Agreement concerning dispute resolution, the proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this Agreement shall be in the state and federal courts located in the State of California, County of San Diego. The DISTRICT and SPECIALIST agree not to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. The DISTRICT and SPECIALIST hereby submit to personal jurisdiction in the State of California for the enforcement of this Agreement and hereby waive any and all personal rights under the law of any state to object to jurisdiction within the State of California for the purposes of any legal action or proceeding to enforce this Agreement whether on grounds of inconvenient forum or otherwise.

22. MAILING ADDRESSES.

Notices given pursuant to this Agreement shall be deemed communicated as of the earlier of the day of receipt or the fifth (5th) calendar day after deposit in the United States mail, postage prepaid, and addressed to the following:

DISTRICT: **Rainbow Municipal Water District**
3707 Old Hwy 395
Fallbrook, CA 92028
Phone: (760) 728-1178

SPECIALIST: **SANEXEN WATER INC.**

Phone: _____

Notices delivered personally will be deemed communicated as of actual receipt.

23. SIGNATURES.

Each party represents and warrants that the individual executing this Agreement on its behalf has the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of such party.

24. COUNTERPARTS.

This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed to be a signature to, and may be appended to, any other counterpart.

25. ATTORNEYS' FEES.

In the event of a dispute arising under terms of this Agreement, it is agreed that the prevailing party may be awarded reasonable attorneys' fees and actual costs.

IN WITNESS WHEREOF the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Agreement to be executed.

SANEXEN WATER INC. _____

RAINBOW MUNICIPAL WATER DISTRICT

By _____
SPECIALIST

By _____
TOM KENNEDY, GENERAL MANAGER

Date: _____

PRINT NAME

Date: _____

Attest: Executive Secretary

Federal Employer ID #

Approved as to Form:
General Counsel

NOTARY ACKNOWLEDGEMENT OF SPECIALIST MUST ACCOMPANY THIS DOCUMENT

EXHIBIT A

October 13, 2020

Mr. Tom Kennedy
General Manager
Rainbow Municipal Water District
3707 Old Highway 395, Fallbrook, CA 92028

Subject: Aqua-Pipe® Pilot – Cement Mortar Lined and Coated Steel Pipe

Dear Mr. Kennedy,

We are pleased to submit this proposal for the pilot project we have been discussing to validate Sanexen's Aqua Pipe drinking water lining technology and associated tapping procedures.

We anticipate lining 300-linear feet of existing (buried) 6" Cement Mortar Lined and Coated Steel Pipe (CMLC) on property owned by Rainbow Municipal Water District (RMWD) using Sanexen's Aqua-Pipe® liner, a fully structural AWWA Class IV cured-in-place pipe (CIPP) designed specifically for deteriorated pressurized pipe conditions. There will be three (two 1-inch and one 2-inch services) existing service connections on this section of 300-linear foot pipeline that once lined with Aqua-Pipe liner, Sanexen will re-establish the service connections. In addition, we will line an additional 40-linear feet sample section of pipe above ground of the same diameter for observation. Our liner will be manufactured based on the inside diameter of the pipes.

Further, we will hot tap the lined above ground 40-linear feet water main at three (two 1-inch and one 2-inch services) locations along the pipe, and create a water tight connection between the Aqua Pipe liner and service connection. In addition there will be three existing service connections (two 1-inch and one 2-inch services) that Sanexen will line through with Aqua-Pipe liner and re-establish the service connection.

This proposal includes all necessary labor and equipment for up to 5 days of effort onsite at RMWD's Fallbrook location to complete the Statement of Work described below.

Statement of Work

During our time onsite, we will perform the following tasks in coordination with RMWD personnel:

- A. Main Line (in service) Pipelining and Reassembly
 - a. Materials, equipment and personnel to install up to **300 LF** of Aqua Pipe into the 6" CMLC water main located south of the District's office. The location of the pipe is shown on Exhibit 1 attached hereto;
 - b. Cleaning of the water main prior to lining;
 - c. CCTV pre-lining inspection of the water main;
 - d. CCTV post-lining inspection of the liner;
 - e. Pressure test liner for two-hours at a pressure of 200 psi. Observe liner and water system for any loss of pressure or leakage. It is assumed the host pipe can accommodate the test pressure without damage to the pipe. RMWD will provide all pipe caps and restraining systems to safely perform the pressure test.

- f. RMWD will supply all materials, equipment and personnel to reconnect the unlined host pipe back to the Aqua Pipe lined section of pipe. A diagram of the MJ fitting and configuration is attached as Exhibit 2. Sanexen will assist and advise RMWD operations personnel on the procedures necessary to reassemble and reconnect the unlined host pipe back to the Aqua Pipe lined section of pipe;
- g. Mobilization/demobilization

B. Above Ground Pipelining Test

- a. Materials, equipment and personnel to install up to **40 LF** of Aqua Pipe into a 6" CMLC water main stationed and secured above ground in the District's yard;
- b. Supply of the sample pipe, tie down equipment and materials necessary to restrain the above ground pipe during lining is the responsibility of RMWD;
- c. Reestablish three service connections that will be installed by RMWD on the sample pipe using Sanexen's neoprene patch system

C. Tapping Procedures

- a. This proposal includes the installation of up to **3 water tight service connections** onto the Aqua Pipe lined steel pipe(s), including the validation of water tightness via field procedures, measurement an observation (e.g. cutting the window, epoxy installation, drilling);
- b. RMWD personnel will supply materials, equipment and personnel to perform the welding of the steel taps onto the CMLC lined pipe. Sanexen onsite personnel will assist and advise RMWD operations staff where necessary to ensure the welding of steel taps onto the steel hoop of the CMLC pipe is done in a manner that does not damage the integrity of the Aqua Pipe liner;
- c. The location of these taps will be at Spring-line of the test pipe.

D. Welding of Service Coupling (by RMWD)

- a. Fill pipe with water at system pressure
- b. Weld coupling on steel pipe (SMAW: Stick - Shielded Metal Arc)
- c. Install corporation stop

E. Tap under pressure using Aquatap

- a. On both sides of service saddle, produce groove using grinding wheel through steel down to cement layer without affecting the liner-cement layer interface
- b. Mount service to saddle
- c. Perform pressure tap (1 in.) using Aqua-Pipe SOP
- d. Close service coupling valve
- e. Observe both saddle base and grooves to detect any signs of leakage
- f. Monitor pressure

Requirements of Rainbow Municipal Water District

- A. Locating the water main and adjacent utilities;
- B. All signage and other devices necessary for worker/public safety and traffic control;
- C. Excavation and stabilization as necessary of CALOSHA compliant access pits for lining the Main Line pipe; and at locations where service connections will be made. Please see Exhibit 3, which is a diagram of the typical minimal pit dimensions required for lining purposes;
- D. Mainline temporary by-pass/shut-down (if required);
- E. Cutting of the Main Line pipe and its dewatering. All dewatering of the watermain and/or any ongoing dewatering activity required to maintain the water table level below the water main. Any discharge permits are the requirement of RMWD;
- F. Any soil, pipe, or material disposal, backfilling and restoration;
- G. Water to be supplied to the access pits for pipe cleaning, lining operations, and pressure testing;
- H. Disinfection / BT testing of Main Line pipe once placed back in service;
- I. Piecing-up (supply/installation of mechanical fittings) and reconnecting lined water main to the distribution system;
- J. All surface preparation (access road) and/or repair/restoration (concrete/asphalt/grass) work, as required;
- K. Site-specific safety equipment in addition to regular PPE to be provided by each party (RMWD and Sanexen) for their personnel;

Price for the Statement of Work described above is as follows:

Lump Sum Price - \$74,800

This price remains valid for a period of 6 months.

Bonding is not included in the price but may be provided upon request.

Miscellaneous Provisions

- A. Sanexen Water will provide a warranty on the installed liner for a period of 1 year following completion of the work;
- B. All prices exclude any applicable taxes;
- C. Payment is requested in full, within 30 days of receipt of our invoice.

We thank you for your interest in Sanexen Water's Aqua-Pipe® technology. We are very excited to work with the RMWD team in validating the performance of our Aqua Pipe lining system. We look forward to being onsite with you and your staff to perform the work this Fall.

Should you have any questions or concerns about this proposal, please do not hesitate to contact me.

Best Regards,

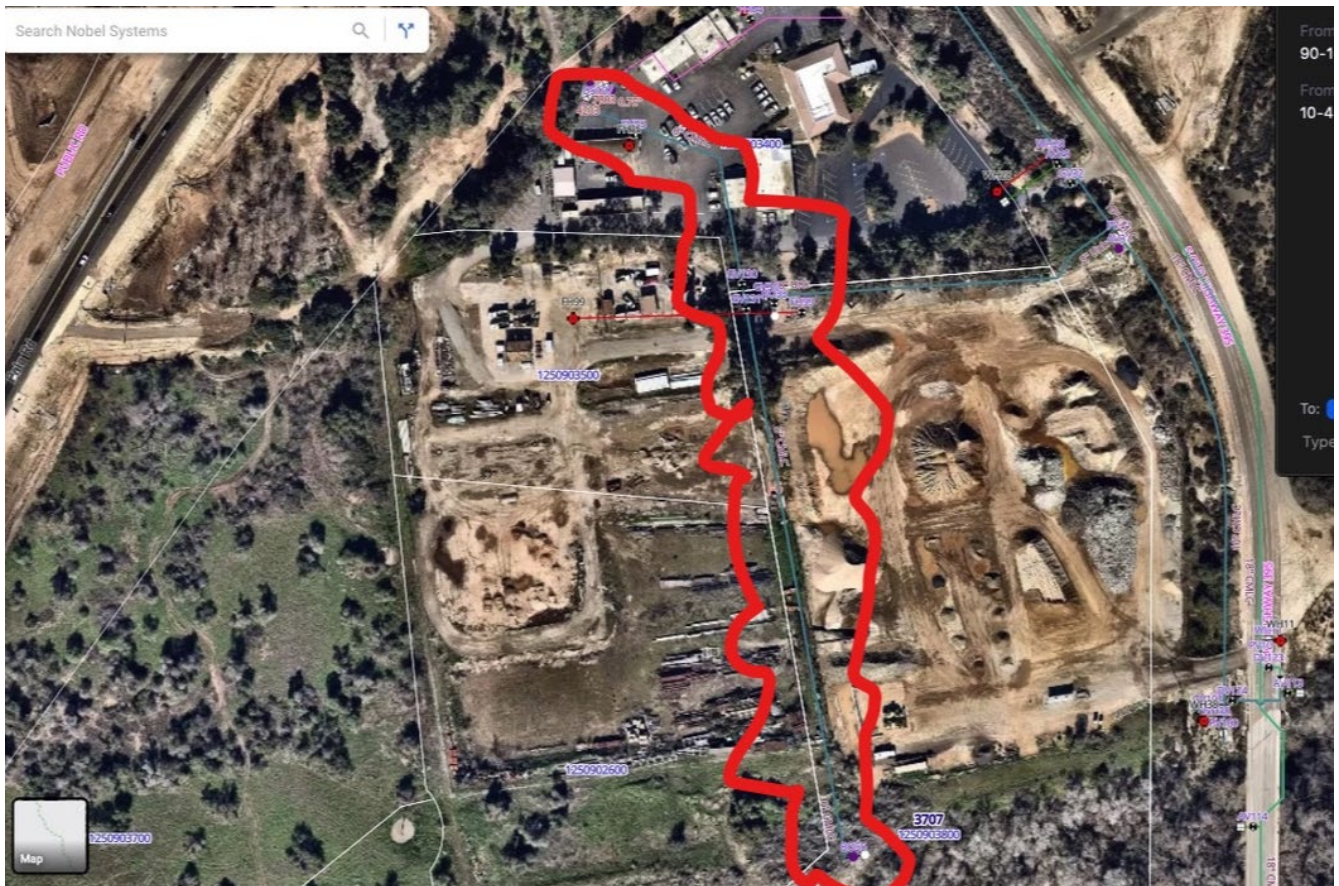


Paul Meschino
Director of Business Development

CLIENT SECTION

***Rainbow Municipal Water District
Aqua Pipe Pilot – Cement Mortar Lined and Coated Steel Pipe
Proposal dated October 13, 2020***

EXHIBIT 1 – RAINBOW 6" CMLC WATER MAIN



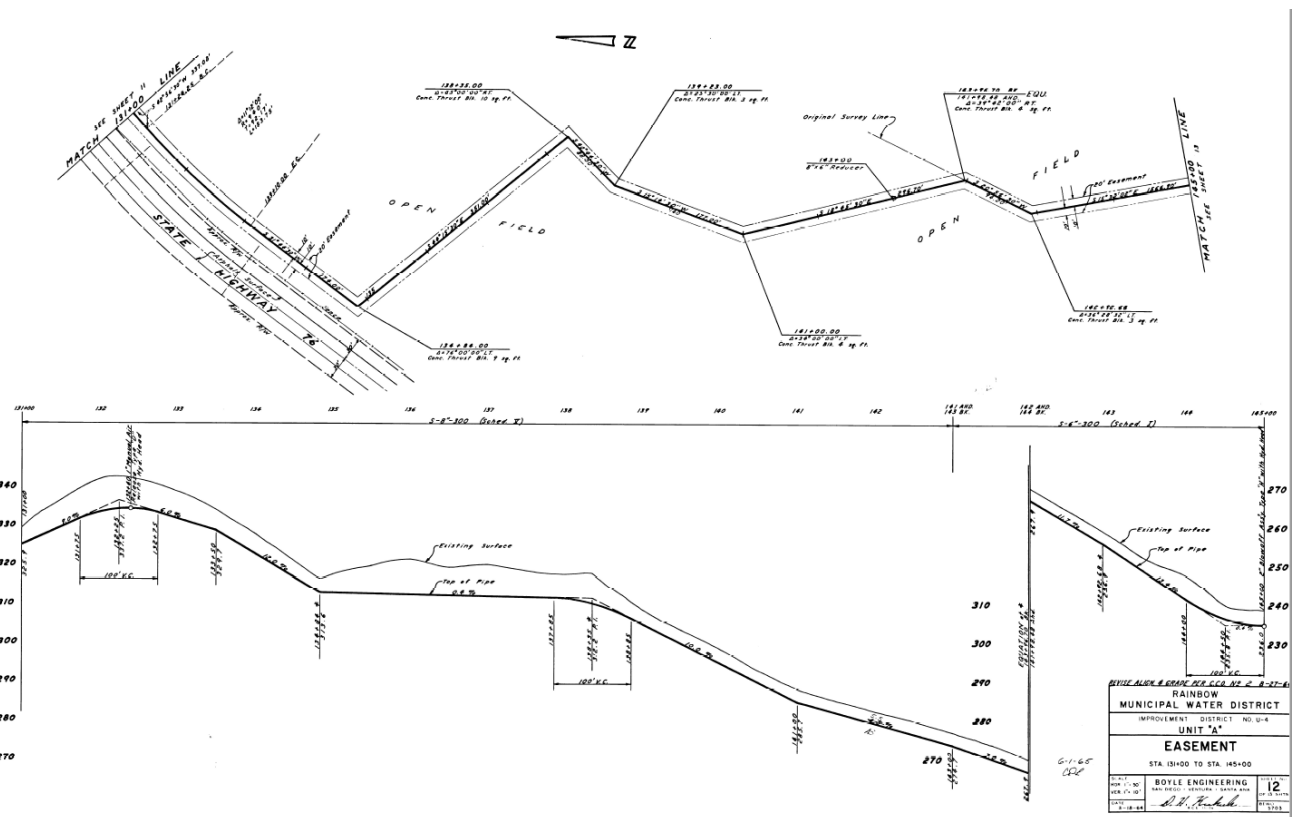
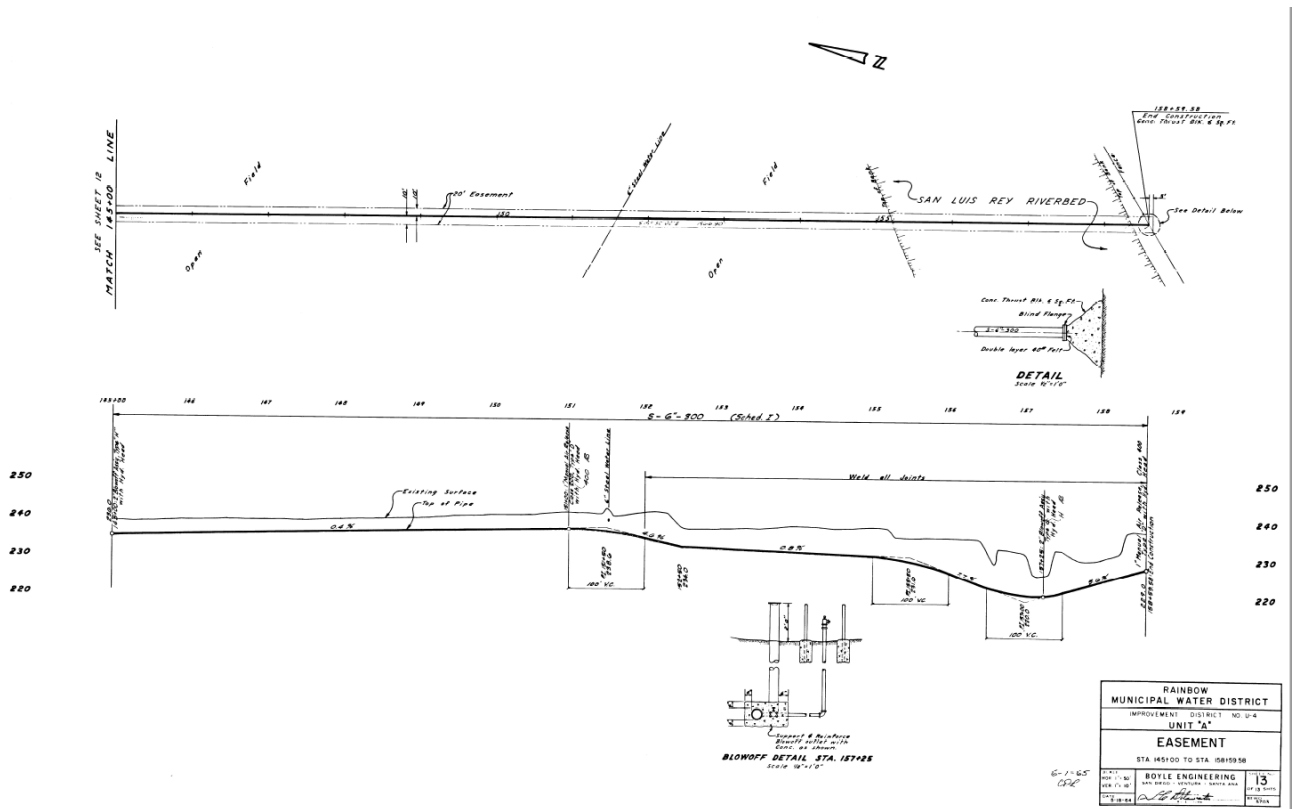
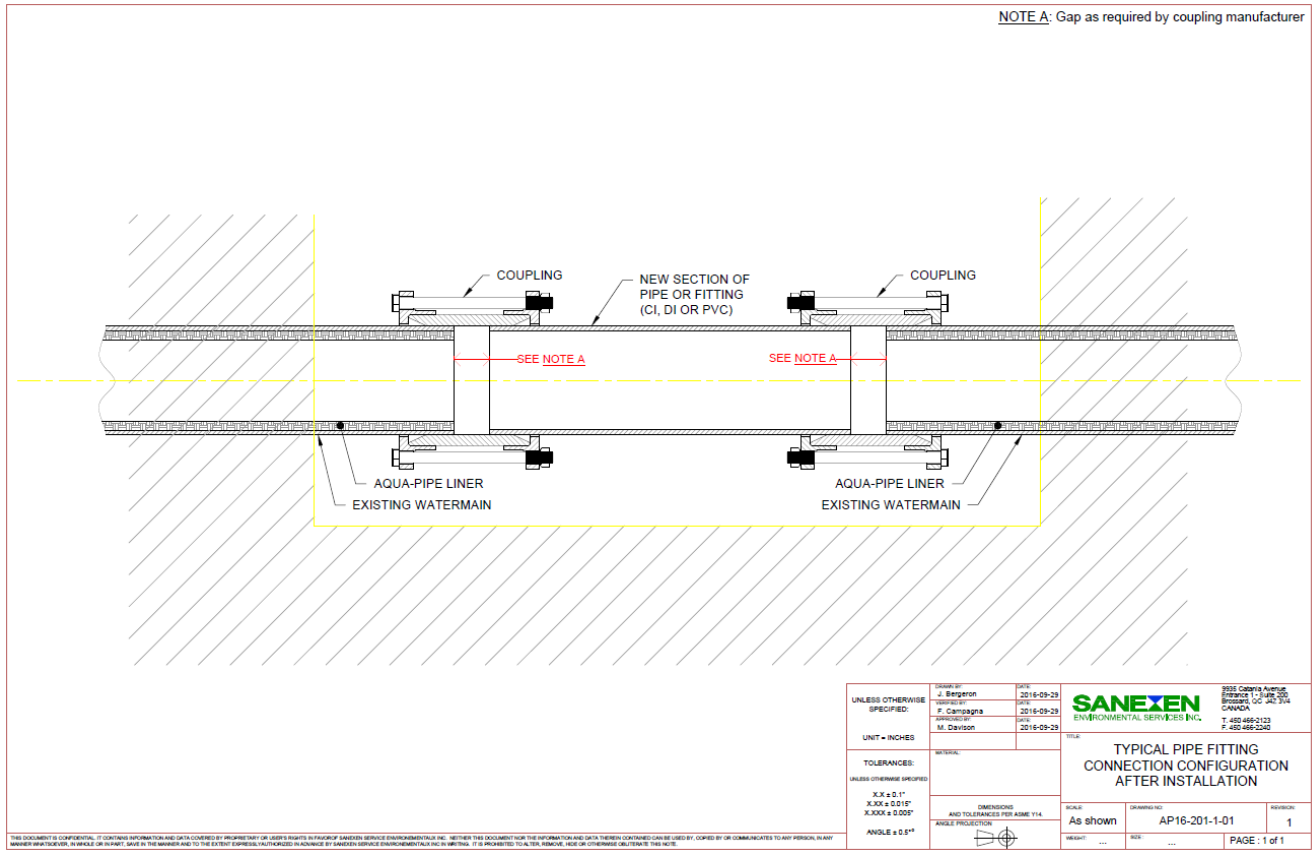


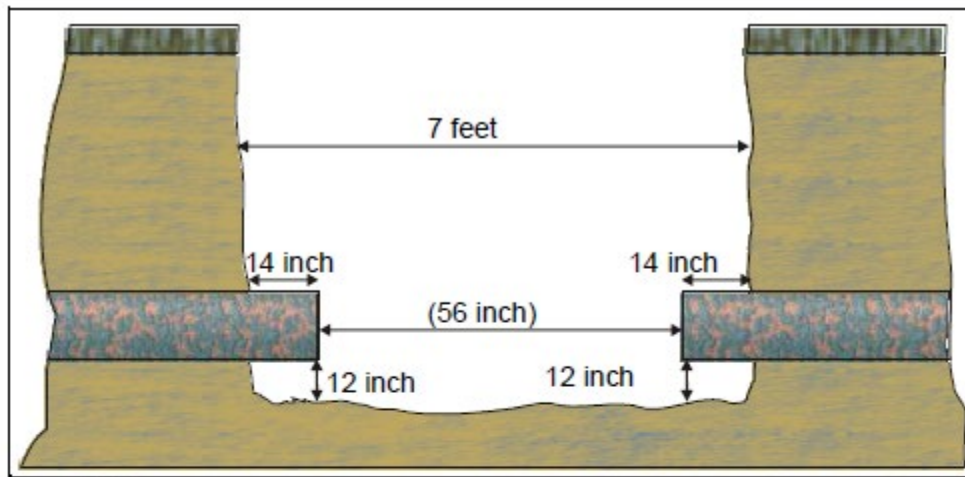
EXHIBIT 2 – TYPICAL REASSEMBLY CONNECTION DETAIL



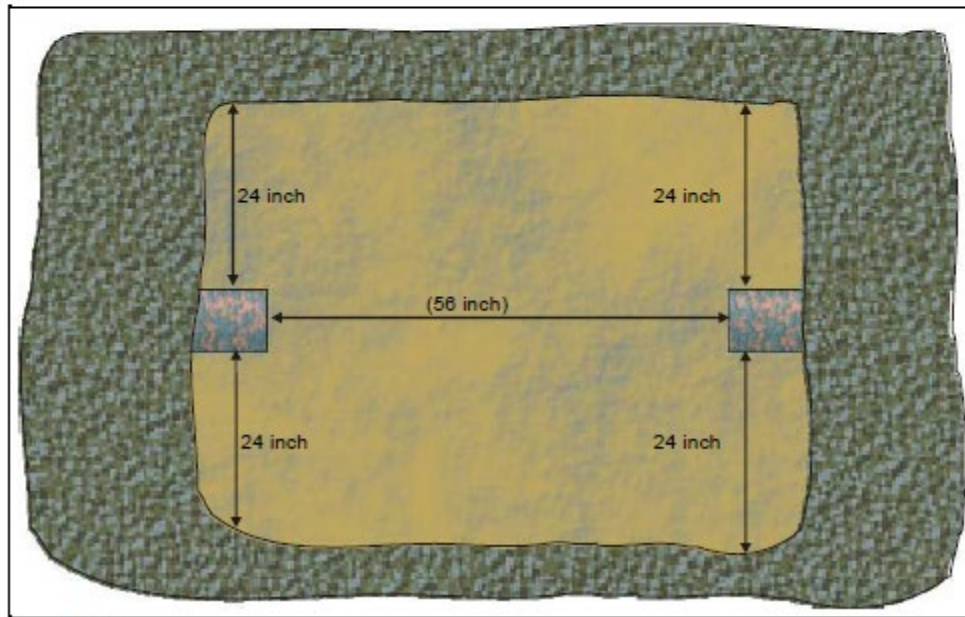
UNLESS OTHERWISE SPECIFIED:	DESIGNED BY	J. Bergeron	DATE	2016-09-29		8935 Cabana Avenue, Brampton, ON L6Y 3Y4 CANADA T: 416-456-2123 F: 416-456-2240	
	DRAWN BY	A. Campagna	DATE	2016-09-29			
UNIT = INCHES	CHECKED BY	M. Davison	DATE	2016-09-29	TITLE: TYPICAL PIPE FITTING CONNECTION CONFIGURATION AFTER INSTALLATION		
TOLERANCES:	UNLESS OTHERWISE SPECIFIED: XX ± 0.1" X.XXX ± 0.01" X.XXX ± 0.005" ANGLE ± 0.51°				DIMENSIONS AND TOLERANCES PER ASME Y14.5 ANGLE PRECEDENCE	AS SHOWN AP16-201-1-01	SHEET NO. 1 PAGE: 1 of 1

THIS DOCUMENT IS CONFIDENTIAL. IT CONTAINS INFORMATION AND DATA COVERED BY PROPRIETARY OR PATENT RIGHTS IN FAVOR OF SANEXEN ENVIRONMENTAL SERVICES INC. NEITHER THIS DOCUMENT NOR THE INFORMATION AND DATA HEREIN CONTAINED CAN BE USED BY, COPIED BY, OR COMMUNICATED TO ANY PERSON IN ANY MANNER WHATSOEVER, IN WHOLE OR IN PART, SAVE IN THE MANNER AND TO THE EXTENT EXPRESSLY AUTHORIZED IN WRITING BY SANEXEN ENVIRONMENTAL SERVICES INC. IT IS PROHIBITED TO ALTER, REPRODUCE, HIDE OR OTHERWISE OBTUSCATE THIS NOTE.

EXHIBIT 3 – ACCESS PIT MINIMUM DIMENSIONS



Side view



Top view

BOARD OF DIRECTORS

October 27, 2020

SUBJECT

CONSIDER AND APPROVE A CONSTRUCTION AGREEMENT BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND D.R. HORTON FOR THE FAIRVIEW DEVELOPMENT (LILAC DEL CIELO, TM 5427)

BACKGROUND

The Fairview development which is located west of the I-15 on West Lilac Road is installing improvements in conjunction with the County of San Diego and the District. The development consists of a total of 73 detached condominiums within private streets. The District has been working with the developer, D.R. Horton through plan checking and coordination of the necessary facility improvements for the development. The Construction Agreement is required by the District and binds D.R. Horton to complete necessary improvements for the District as specified on the approved plans. Facilities included in the agreement for the District are water pipelines, sewer pipelines and two pressure reducing stations.

DESCRIPTION

The plans and specifications have been prepared by Hunsaker and Associates, which the District reviewed and approved. The Developer shall construct the facilities pursuant to the Approved Plans that shall comply with the District's standard specifications. The Developer is fully responsible for directing and supervising design and construction of the facilities described in this Agreement. The District's role is limited to review, inspection and approval of said design and construction. The District's role does not include providing direction or supervision of the work.

The Developer will retain a contractor currently licensed by the State of California with a General Engineering Contractor, "A" license, and shall be experienced in the construction of domestic water supply systems and sewer systems. The entire cost of the construction of such facilities shall be paid by the Developer. Such construction shall be inspected by District personnel for conformance with the approved plans and specifications.

Staff is requesting that the Board authorize the General Manager to execute the Construction Agreement with D.R. Horton. This Agreement has been reviewed by Counsel.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. District supports development projects which addresses future water and sewer demands. Strategic Focus Area Five: Customer Service. District to operate and maintain future water pipelines, sewer pipelines, and pressure reducing stations as part of the Development in a cost-effective manner.

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. The project itself has been through a full CEQA process conducted by the County of San Diego.

BOARD OPTIONS/FISCAL IMPACTS

Option 1:

- Approve the Construction Agreement by and between Rainbow Municipal Water District and D.R. Horton.
- Authorize the General Manager to execute the agreement.

Option 2:

- Provide input to staff on alterations to the project and/or agreement and direct staff to bring the agreement back at a future Board meeting for consideration.

Option 3:

- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.



Chad Williams
Acting District Engineer

10/27/2020



AGREEMENT FOR CONSTRUCTION OF FACILITIES TO BE DEDICATED TO THE RAINBOW MUNICIPAL WATER DISTRICT

PROJECT NAME: Fairview (Lilac Del Cielo)

PROJECT NOs.: 700034-Admin, 200034-WW, 100034-W **CONTRACT NO.:** 20-

THIS AGREEMENT ("Agreement") is made on this ___ day of _____ 2020, by and between **RAINBOW MUNICIPAL WATER DISTRICT**, a municipal water district established pursuant to California Water Code sections 71000 *et seq.*, with its headquarters at Fallbrook, California ("District") and _____, [specify if a California Corporation, LLC, partnership or other form of legal entity] referred to hereinafter as ("Developer").

WHEREAS, Developer is planning a development of ___ lot(s) located within the boundaries of the District, and is commonly described as: Fairview (Lilac Del Cielo) ("Project")

Parcel Map/TPM/TM No.: TM 5427

Assessor's Parcel No(s): _____

WHEREAS, the Project will require a water and/or sewer system to provide service to the lands referenced above; and

WHEREAS, Developer is desirous of having the District provide water and/or sewer service to the Project and is willing to develop and convey/dedicate to the District the water and/or sewer systems ("Facilities") after the construction thereof; and contingent upon the District's acceptance of such conveyance and to provide water and/or sewer service to said lands on the terms and conditions set forth herein,

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Developer will comply with the District's rules, regulations and Administrative Code, as amended from time to time. The provisions of said regulations are incorporated herein by reference.
2. Promptly following execution of this Agreement, Developer shall deposit with the District an amount sufficient to cover the District's estimated costs for the District's engineering review, permits, and inspection with respect to the Facilities. If at any time District notifies Developer that additional amounts are required to cover such estimated costs, Developer shall promptly deposit additional funds upon receipt of an invoice and documentation supporting the request for additional deposit amounts. Upon acceptance of the improvements by District, District shall refund any remaining amounts to Developer.
3. Developer shall contract for the design to be prepared by a licensed engineer in the State of California experienced in the design of similar systems.
4. The plans and specifications have been prepared by Hunsaker and Associates San Diego and

Dexter Wilson Engineering and are identified as _____ which the District reviewed and approved on _____ (the "Approved Plans"). Developer shall construct the Facilities pursuant to the Approved Plans that shall comply with the District's standard. The Approved Plans and any subsequent District approved amendments or revisions are incorporated herein in their entirety. The cover pages of the Approved Plans are attached as **Exhibit "A"**.

5. Developer acknowledges that California law includes certain requirements applicable to public works contracts, including requirements to pay prevailing wages.
 - A. The definition of "public work" includes work performed under the direction and supervision of the District. The parties acknowledge and agree that Developer is fully responsible for directing and supervising design and construction of the system described in this Agreement, and that the District's role is limited to review, inspection and approval of said design and construction, and does not constitute direction or supervision of the work.
 - B. The definition of "public work" also includes work that is paid for in whole or in part out of public funds. If any portion of the Project is paid for in whole or in part out of public funds, Developer agrees to comply with, and require its contractors and subcontractors to comply with, the requirements set forth in Appendix 1 to this Agreement. To the maximum extent permitted by law, Developer shall defend, indemnify, and hold the District and each of its officials, officers, directors, employees, and agents, free and harmless from any claims, liabilities, costs, penalties or interest arising out of the failure or alleged failure of Developer, its contractors or subcontractors to comply with said requirements.
6. Developer shall contract with a contractor currently licensed by the State of California with a General Engineering Contractor, "A" license, and shall be experienced in the construction of domestic water supply systems and sewer systems. Developer shall notify District regarding the selected contractor.
7. The entire cost of the construction of the Facilities shall be paid by Developer. Such construction shall be inspected by District personnel for conformance with the Approved Plans and specifications, including the District's standard specifications, and any subsequent District approved amendments. District, without liability to District, its directors, officers, employees, and agents, may require changes, alterations, or additions to the Approved Plans which shall not exceed ten percent (10%) of the original estimated cost of the work as may be determined necessary or desirable by District in its sole discretion, including those necessary due to errors or omissions in the Approved Plans. Changes, alterations, or additions without said 10% limitation may be made for unforeseen conditions such as rock excavation, unstable soil conditions, or high-water tables requiring dewatering. No changes, alterations or additions shall relieve any of Developer's security obligations given for the faithful performance of this Agreement.

Construction shall not begin until evidence of insurance and bonds are provided in accordance with Paragraphs 11 and 12 and Developer, or other authorized party, completes a "Certification of Streets to Final Grade" for the streets in which water and/or sewer pipelines are to be constructed. District inspection is for the purpose of conformance of construction with District requirements, and not for compliance by the contractor with safety requirements. Developer shall coordinate with District in setting the schedule for construction and establishing hold points for inspection by District. Inspection or final acceptance shall not constitute a waiver by the District of any claims against Developer and/or contractor for any defects in the work performed hereunder.

The parties agree that no services, act, commission or omission of Developer or its employees, agents or subcontractors pursuant to this Agreement shall be construed to make Developer or its employees, agents or subcontractors the agent, employee or servant of the District. Developer shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement.

8. To the maximum extent permitted by law, Developer shall defend, indemnify and hold the District, its agents, directors, officers, and employees and each of them free and harmless from any liability from claims, demands, suits, loss, damage, costs and expenses including reasonable attorneys' fees and costs, and injury to persons or property including wrongful death, in any manner arising out of, related to or incident to, in whole or in part, any action or omission of Developer or its contractors or subcontractors, including any officers, employees or agents of the Developer or its contractors or subcontractors, in connection with the performance of this Agreement, or the construction of the Facilities contemplated by this Agreement. For the purposes of this indemnity provision, all officers, agents, employees and subcontractors, and their agents, who are employed, contracted or otherwise utilized by Developer or its contractors or subcontractors to perform construction of the Facilities described herein shall be deemed officers, agents and employees of Developer or its contractors or subcontractors. The foregoing indemnity hold harmless and defense obligation shall apply except to the extent the loss, damage or injury is caused by the sole negligence or willful misconduct of an indemnified party. This indemnification hold harmless and defense obligation of Developer shall survive the termination or expiration of this Agreement.
9. Developer shall complete construction of the Facilities on or before _____ 2020, provided that the time for completing construction shall be extended for a period of time equal to the period of any Force Majeure Event ("Expiration Date"). A "Force Majeure Event" means a delay beyond the reasonable control of the Party obligated to perform that renders performance impossible as defined in *California Civil Code sections 3526 and 1511(2)*. In the event the Facilities are not completed by the Expiration Date, this Agreement shall expire unless Developer requests an extension in writing from the District prior to the Expiration Date and the District elects to grant such extension.
10. Developer agrees to pay all costs incurred by the District as may be necessary to complete construction of the Facilities, including administrative costs, as well as costs of any insurance purchased by the District if Developer's contractor fails to comply with the requirements of Paragraph 11.
11. Developer shall require its construction contractor(s) to procure and maintain, for the duration of the construction period and at least one year from the date of the filing of the "Notice of Completion," insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the contractor, his agents, representatives, employees or subcontractors.
 - A. Intentionally Deleted.
 - B. Limits of Insurance shall be:
 - (i) General Liability: One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
 - (ii) Automobile Liability: One Million Dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.
 - (iii) Worker's Compensation and Employers Liability: Worker's compensation limits as required by the Labor Code of the State of California and Employers Liability limits of One Million Dollars (\$1,000,000) per accident.
 - (iv) Contractor's Pollution Legal Liability with limits no less than One Million Dollars (\$1,000,000) per occurrence or claim, and Two Million Dollars (\$2,000,000) policy aggregate.
 - C. Intentionally Deleted.

- D. The contractor's insurance policies shall contain or be endorsed to comply with the following provisions:
- (i) General Liability, Automobile Liability Coverages and Pollution Legal Liability:
 - (1) The District, its officers, officials, and employees are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the contractor, products and completed operations of the contractor, premises owned, occupied or used by the contractor, or automobiles owned, leased, hired or borrowed by the contractor. The coverage shall contain no special limitations on the scope of protection afforded to the District, its officers, officials, or employees.
 - (2) The contractor's insurance coverage shall be primary insurance as respects the District, its officers, officials, and employees. Any insurance or self-insurance maintained by the District, its officers, officials, or employees shall be excess of the contractor's insurance and shall not contribute with it.
 - (3) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the District, its officers, officials, or employees.
 - (4) The contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - (ii) Workers' Compensation and Employers Liability Coverage:
 - (1) The insurer shall agree to waive all rights of subrogation against the District, its officers, officials, and employees for losses arising from work performed by the contractor.
 - (iii) All Coverages:
 - (1) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the District.
- E. Developer shall require the contractor to furnish the District with certificates of insurance and with original endorsements affecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms provided by the District. Whereby statute, the District's workers' compensation-related forms cannot be used, equivalent forms approved by the Insurance Commissioner are to be substituted. All certificates and endorsements are to be received and approved by the District before work commences. The District reserves the right to require complete, certified copies of all required insurance policies, at any time.
- F. The contractor's insurance shall include all subcontractors as insureds under its policies or it shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.
12. Developer shall provide the District with bonds in form acceptable to District, as follows:
- A. A performance bond with corporate surety or sureties satisfactory to the District's said performance bond being for not less than one hundred percent (100%) of the total price under the construction contract referenced in Paragraph 13D.
 - B. A labor and materials payment bond being for not less than one hundred percent (100%) of the total contract price as referenced in Paragraph 13D. Said bond shall conform to requirements applicable to private works projects.

- C. A bond in a form satisfactory to District to guarantee the performance of the installed Facilities against failures of any type for one (1) year from the date of the filing of the "Notice of Completion."
13. The District's Inspector shall complete a "Notice of Final Inspection" when all work has been completed in accordance with District requirements and prior to the acceptance of the system by the District. As a condition to such acceptance, Developer shall furnish to the District any and all requested documents including but not limited to, the following:
- A. Easement Deed or Grant Deed to any rights-of-way or other real property interests necessary for roads, ingress and egress, and for maintenance and operation of the Facilities;
 - B. An unconditional waiver and release on final payment under Civil Code section 8138 from the Developer's contractor(s) and each subcontractor that provided labor, service, equipment or material for the Facilities that are the subject of this Agreement.;
 - C. A Notice of Completion under Civil Code sections 8180 et seq., covering the system, executed by the Developer, in form suitable for recordation by the District within 15 days after the District's acceptance of the Facilities;
 - D. The Developer shall provide detailed information of the actual cost of the Facilities as installed using the format provided by the District.
14. The District will not commence water and/or sewer service until the Facilities pass final inspection by the District, and Developer has fully complied with its obligations under this Agreement required to be performed prior to acceptance, including delivery of documents required by Paragraph 13. Depending on the need for services of occupied properties before acceptance of Facilities by the District, the District, at its sole discretion, may allow occupied properties to receive water or wastewater service prior to the acceptance of the Facilities. In this situation, Developer assumes all risks and liability for claims related to this provision of service. Upon completion of the Facilities required by this Agreement to the satisfaction of the District, the Facilities which have been constructed shall be presented to the Board of Directors of the District for dedication and the filing of a Notice of Completion. The District shall accept the Facilities and file a Notice of Completion if the design and construction of the Facilities substantially conforms with the Approved Plans, as determined by the District in its sole and reasonable discretion. Upon recordation of a Notice of Completion, all right, title, ownership and interest in the Facilities shall be deemed to have been transferred to the District.
15. Following fulfillment of the terms and conditions herein and acceptance by the District of said system, the District will provide service to said lands in accordance with the District's Rules and Regulations governing the provisions of such service.
16. Subject to that certain fully executed Sewer Service Agreement by and between Rainbow Municipal Water District and Bonsall Group, LLC dated December 31st, 2019, (the "Sewer Service Agreement") the cover page of which is attached as **Exhibit "B"**, this Agreement comprises the entire integrated understanding between the parties concerning the matters addressed herein and supersedes all prior negotiations, representations, or agreements whether express or implied, oral or written.
17. The interpretation, validity and enforcement (including, without limitation, provisions concerning limitation of actions) of this Agreement shall be governed by and construed under the laws of the State of California, notwithstanding any conflict-of-laws doctrines or rule requiring construction against the draftsman. This Agreement does not limit any other rights or remedies available to the District. Should any provision herein be found or deemed invalid, the Agreement shall be construed as not containing such provision and all other provisions which are otherwise lawful shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

18. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.
19. The proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this Agreement shall be in the state and federal courts located in the State of California, northern district of the County of San Diego. The District and Developer agree not to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. The District and Developer hereby submit to personal jurisdiction in the State of California for the enforcement of this Agreement and hereby waive any and all personal rights under the law of any state to object to jurisdiction within the State of California for purposes of any legal action or proceeding to enforce this Agreement whether on grounds of inconvenient forum or otherwise. Developer agrees to include this provision, modified as appropriate, in its contracts for performance of the work described in this Agreement.
20. Notices shall be in writing and (a) delivered personally, (b) sent by certified mail, return receipt requested, (c) sent by a recognized overnight mail or courier service, with delivery receipt requested, or (d) sent by email followed by a hard copy, to the addresses specified below (or to such other address as may from time to time be specified in writing by such Person):

To District:

**Rainbow Municipal Water District
Tom Kennedy, General Manager
3707 Old Highway 395
Fallbrook, CA 92028**

With a Copy to:

**Nossaman, LLP
Alfred E. Smith II, General Counsel
777 South Figueroa Street, 34th Floor
Los Angeles, CA 90017**

To Developer:

Company Name: _____

**Representative
Name:** _____

Address: _____

Notices shall be deemed received when actually received in the office of the addressee (or by the addressee if personally delivered) or when delivery is refused, as shown on the receipt of the U.S. Postal Service, private carrier or other delivery service. Notwithstanding the foregoing, notices received after 5:00 p.m. shall be deemed received on the first business day following delivery. Each party may update its address for receipt of notices under this Agreement by providing a written change of address notification to the other parties.

21. Each party represents that the individual executing this Agreement on its behalf has the right, power, legal capacity and authority to enter into and execute this Agreement on behalf of such party.
22. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same Agreement, and the signature or any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart. A signature on a copy of this Agreement received by either party by facsimile transmission or

electronic signature is binding upon the other party as an original.

23. In the event of a dispute arising under the terms of this Agreement, it is agreed that the prevailing party may be awarded reasonable attorneys' fees and actual costs. Before any party to this Agreement may bring suit in any court concerning an issue relating to this Agreement, such party must first seek in good faith to resolve the issue through mediation or other form of non-binding alternative dispute resolution mutually acceptable to the parties. Either party may initiate informal dispute resolution by written demand on the other. No lawsuit or other remedy may be pursued until at least one informal meeting session has occurred or until the passage of thirty (30) calendar days from the date of mailing of the demand for dispute resolution, whichever occurs first.
24. This Agreement is binding on the assigns of the District and on the assigns, successors and representatives of Developer.

RAINBOW MUNICIPAL WATER DISTRICT:

By _____

Name: Tom Kennedy

Title: General Manager

DEVELOPER:

By _____

Name: _____

Title: _____

APPROVED AS TO FORM

By: _____

Name: Alfred E. Smith, II

Title: District's General Counsel

APPENDIX 1

LABOR CODE REQUIREMENTS

The following provisions are incorporated into this Agreement to the extent required by applicable law.

A. Worker's Compensation

Developer shall comply with the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code.

B. Prevailing Wages

Pursuant to the provisions of Section 1773 of the State Labor Code, the District has obtained the general prevailing rate of wages (which rate includes employer payments for health and welfare, pension, vacation, travel time and subsistence pay as provided for in Section 1773.1 of said Code, apprenticeship or other training programs authorized by Section 3093 of said Code, worker protection and assistance programs or committees established under the Federal Labor Management Cooperation Act of 1978, industry advancement and collective bargaining agreements administrative fees, provided that these payments are required under a collective bargaining agreement pertaining to the particular craft, classification, or type of work within the locality or the nearest labor market area at issue and other similar purposes applicable to the Work to be done, for straight time, overtime, Saturday, Sunday, and holiday work. The holiday wage rate listed shall be applicable to all holidays recognized in the collective bargaining agreement of the particular craft, classification or type of worker concerned; provided that if the prevailing wage rate is not based on a collectively bargained rate, the holidays upon which the prevailing rate shall be paid shall be as provided in Section 6700 of the California Government Code. Copies of the prevailing rates of wages are on file at the District's offices, and will be furnished to Developer and other interested parties on request. For crafts or classifications not shown on the prevailing wage determinations, Developer may be required to pay the wage rate of the most closely related craft or classification shown in such determinations for design-build work.

If the Division of Labor Standards Enforcement determines that employees of any contractor or subcontractor were not paid the general prevailing rate of per diem wages as required by law, Developer shall withhold an amount of moneys due to its contractor sufficient to pay those employees the general prevailing wage rate of per diem wages if requested by the Division of Labor Standards Enforcement. Developer shall pay any money retained from and owed such contractor upon receipt of notification by the Division of Labor Standards Enforcement that the wage complaint has been resolved. Pursuant to Section 1773.2 of the Labor Code, Developer shall post prevailing wage rates at a prominent place at the Site.

C. Hours of Work

Eight hours labor constitutes a legal day's work.

D. Apprenticeship

Developer shall comply with the provisions of Labor Code Sections 1777.5 and 1777.6, and Title

8, Code of Regulations, Sections 200 et seq., relating to apprentice employment and training. Developer shall assume full responsibility for compliance with said sections with respect to all apprenticeable occupations on the Project. To ensure compliance and complete understanding of the law regarding apprentices, and specifically the required ratio thereunder, Developer should, where some question exists, contact the Division of Apprenticeship Standards, Los Angeles Office, 320 West 4th Street, Suite 830, Los Angeles, CA 90013, prior to commencement of the Work.

E. Specific Labor Code Provisions

Developer's attention is directed to the following requirements of the Labor Code. A copy of each such Code section (except 1810, 1811 and 1812) shall be included in each contract for work described in this Agreement that is subject to prevailing wage requirements under applicable law:

Labor Code Section 1725.5

1725.5. A contractor shall be registered pursuant to this section to be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any public work contract that is subject to the requirements of this chapter. For the purposes of this section, "contractor" includes a subcontractor as defined by Section 1722.1.

(a) To qualify for registration under this section, a contractor shall do all of the following:

(1) Beginning July 1, 2014, register with the Department of Industrial Relations in the manner prescribed by the department and pay an initial nonrefundable application fee of three hundred dollars (\$300) to qualify for registration under this section and an annual renewal fee on or before July 1 of each year thereafter. The annual renewal fee shall be in a uniform amount set by the Director of Industrial Relations, and the initial registration and renewal fees may be adjusted no more than annually by the director to support the costs specified in Section 1771.3.

(2) Provide evidence, disclosures, or releases as are necessary to establish all of the following:

(A) Workers' Compensation coverage that meets the requirements of Division 4 (commencing with Section 3200) and includes sufficient coverage for any worker whom the contractor employs to perform work that is subject to prevailing wage requirements other than a contractor who is separately registered under this section. Coverage may be evidenced by a current and valid certificate of workers' compensation Insurance or certification of self-insurance required under Section 7125 of the Business and Professions Code.

(B) If applicable, the contractor is licensed in accordance with Chapter 9 (commencing with Section 7000) of the Business and Professions Code.

(C) The contractor does not have any delinquent liability to an employee or the state for any assessment of back wages or related damages, interest, fines, or penalties pursuant to any final judgment, order, or determination by a court or any federal, state, or local administrative agency, including a confirmed arbitration award. However, for purposes of this paragraph, the contractor shall not be disqualified for any judgment, order, or determination that is under appeal, provided that the contractor has secured the payment of any amount eventually found due through a bond or other appropriate means.

(D) The contractor is not currently debarred under Section 1777.1 or under any other

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federal or state law providing for the debarment of contractors from public works.

(E) The contractor has not bid on a public works contract, been listed in a bid proposal, or engaged in the performance of a contract for public works without being lawfully registered in accordance with this section, within the preceding 12 months or since the effective date of the requirements set forth in subdivision (e), whichever is earlier. If a contractor is found to be in violation of the requirements of this paragraph, the period of disqualification shall be waived if both of the following are true:

(i) The contractor has not previously been found to be in violation of the requirements of this paragraph within the preceding 12 months.

(ii) The contractor pays an additional nonrefundable penalty registration fee of two thousand dollars (\$2,000).

(b) Fees received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

(c) A contractor who fails to pay the renewal fee required under paragraph (1) of subdivision (a) on or before the expiration of any prior period of registration shall be prohibited from bidding on or engaging in the performance of any contract for public work until once again registered pursuant to this section. If the failure to pay the renewal fee was inadvertent, the contractor may renew its registration retroactively by paying an additional nonrefundable penalty renewal fee equal to the amount of the renewal fee within 90 days of the due date of the renewal fee.

(d) If, after a body awarding a contract accepts the contractor's bid or awards the contract, the work covered by the bid or contract is determined to be a public work to which Section 1771 applies, either as the result of a determination by the director pursuant to Section 1773.5 or a court decision, the requirements of this section shall not apply, subject to the following requirements:

(1) The body that awarded the contract failed, in the bid specification or in the contract documents, to identify as a public work that portion of the work that the determination or decision subsequently classifies as a public work.

(2) Within 20 days following service of notice on the awarding body of a determination by the Director of Industrial Relations pursuant to Section 1773.5 or a decision by a court that the contract was for public work as defined in this chapter, the contractor and any subcontractors are registered under this section or are replaced by a contractor or subcontractors who are registered under this section.

(3) The requirements of this section shall apply prospectively only to any subsequent bid, bid proposal, contract, or work performed after the awarding body is served with notice of the determination or decision referred to in paragraph (2) of this subdivision.

(e) The requirements of this section shall apply to any bid proposal submitted on or after March 1, 2015, and any contract for public work, as defined in this chapter, entered into on or after April 1, 2015.

Labor Code Section 1771

1771. Except for public works projects of one thousand dollars (\$1,000) or less, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in this chapter, shall be paid to all workers employed on public works.

This section is applicable to contracts let for maintenance work.

Labor Code Section 1775

1775. (a) (1) The contractor and any subcontractor under the contractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rates as determined by the director for the work or craft in which the worker is employed for any public work done under the contract by the contractor or, except as provided in subdivision (b), by any subcontractor under the contractor.

(2) (A) The amount of the penalty shall be determined by the Labor Commissioner based on consideration of both of the following:

(i) Whether the failure of the contractor or subcontractor to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily corrected when brought to the attention of the contractor or subcontractor.

(ii) Whether the contractor or subcontractor has a prior record of failing to meet its prevailing wage obligations.

(B) (i) The penalty may not be less than forty dollars (\$40) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, unless the failure of the contractor or subcontractor to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily corrected when brought to the attention of the contractor or subcontractor.

(ii) The penalty may not be less than eighty dollars (\$80) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the contractor or subcontractor has been assessed penalties within the previous three years for failing to meet its prevailing wage obligations on a separate contract, unless those penalties were subsequently withdrawn or overturned.

(iii) The penalty may not be less than one hundred twenty dollars (\$120) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the Labor Commissioner determines that the violation was willful, as defined in subdivision (c) of Section 1777.1.

(C) If the amount due under this section is collected from the contractor or subcontractor, any outstanding wage claim under Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 against that contractor or subcontractor shall be satisfied before applying that amount to the penalty imposed on that contractor or subcontractor pursuant to this section.

(D) The determination of the Labor Commissioner as to the amount of the penalty shall be reviewable only for abuse of discretion.

(E) The difference between the prevailing wage rates and the amount paid to each worker

for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the contractor or subcontractor, and the body awarding the contract shall cause to be inserted in the contract a stipulation that this section will be complied with.

(b) If a worker employed by a subcontractor on a public works project is not paid the general prevailing rate of per diem wages by the subcontractor, the prime contractor of the project is not liable for any penalties under subdivision (a) unless the prime contractor had knowledge of that failure of the subcontractor to pay the specified prevailing rate of wages to those workers or unless the prime contractor fails to comply with all of the following requirements:

(1) The contract executed between the contractor and the subcontractor for the performance of work on the public works project shall include a copy of the provisions of Sections 1771, 1775, 1776, 1777.5, 1813, and 1815.

(2) The contractor shall monitor the payment of the specified general prevailing rate of per diem wages by the subcontractor to the employees, by periodic review of the certified payroll records of the subcontractor.

(3) Upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages, the contractor shall diligently take corrective action to halt or rectify the failure, including, but not limited to, retaining sufficient funds due the subcontractor for work performed on the public works project.

(4) Prior to making final payment to the subcontractor for work performed on the public works project, the contractor shall obtain an affidavit signed under penalty of perjury from the subcontractor that the subcontractor has paid the specified general prevailing rate of per diem wages to his or her employees on the public works project and any amounts due pursuant to Section 1813.

(c) The Division of Labor Standards Enforcement shall notify the contractor on a public works project within 15 days of the receipt by the Division of Labor Standards Enforcement of a complaint of the failure of a subcontractor on that public works project to pay workers the general prevailing rate of per diem wages.

Labor Code Section 1776

1776. (a) Each contractor and subcontractor shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:

(1) The information contained in the payroll record is true and correct.

(2) The employer has complied with the requirements of Sections 1771, 1811, and 1815 for any work performed by his or her employees on the public works project.

(b) The payroll records enumerated under subdivision (a) shall be certified and shall be available for inspection at all reasonable hours at the principal office of the contractor on the following basis:

(1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or his or her authorized representative on request.

(2) A certified copy of all payroll records enumerated in subdivision (a) shall be made available for inspection or furnished upon request to a representative of the body awarding the contract, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations.

(3) A certified copy of all payroll records enumerated in subdivision (a) shall be made available upon request by the public for inspection or for copies thereof. However, a request by the public shall be made through either the body awarding the contract, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the contractor, subcontractors, and the entity through which the request was made. The public may not be given access to the records at the principal office of the contractor.

(c) Unless required to be furnished directly to the Labor Commissioner in accordance with paragraph (3) of subdivision (a) of Section 1771.4, the certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division. The payroll records may consist of printouts of payroll data that are maintained as computer records, if the printouts contain the same information as the forms provided by the division and the printouts are verified in the manner specified in subdivision (a).

(d) A contractor or subcontractor shall file a certified copy of the records enumerated in subdivision (a) with the entity that requested the records within 10 days after receipt of a written request.

(e) Except as provided in subdivision (f), any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the awarding body or the Division of Labor Standards Enforcement shall be marked or obliterated to prevent disclosure of an individual's name, address, and social security number. The name and address of the contractor awarded the contract or the subcontractor performing the contract shall not be marked or obliterated. Any copy of records made available for inspection by, or furnished to, a multiemployer Taft-Hartley trust fund (29 U.S.C. Sec. 186(c)(5)) that requests the records for the purposes of allocating contributions to participants shall be marked or obliterated only to prevent disclosure of an individual's full social security number, but shall provide the last four digits of the social security number. Any copy of records made available for inspection by, or furnished to, a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) shall be marked or obliterated only to prevent disclosure of an individual's social security number.

(f)(1) Notwithstanding any other provision of law, agencies that are included in the Joint Enforcement Strike Force on the Underground Economy established pursuant to Section 329 of the Unemployment Insurance Code and other law enforcement agencies investigating violations of law shall, upon request, be provided nonredacted copies of certified payroll records. Any copies of records or certified payroll made available for inspection and furnished upon request to the public by an agency included in the Joint Enforcement Strike Force on the Underground Economy or to a law enforcement agency investigating a violation of law shall be marked or redacted to prevent disclosure of an individual's name, address, and social security number.

(2) An employer shall not be liable for damages in a civil action for any reasonable act

Appendix 1

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or omission taken in good faith in compliance with this subdivision.

(g) The contractor shall inform the body awarding the contract of the location of the records enumerated under subdivision (a), including the street address, city, and county, and shall, within five working days, provide a notice of a change of location and address.

(h) The contractor or subcontractor has 10 days in which to comply subsequent to receipt of a written notice requesting the records enumerated in subdivision (a). In the event that the contractor or subcontractor fails to comply within the 10-day period, he or she shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit one hundred dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. A contractor is not subject to a penalty assessment pursuant to this section due to the failure of a subcontractor to comply with this section.

(i) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section.

(j) The director shall adopt rules consistent with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and the Information Practices Act of 1977 (Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code) governing the release of these records, including the establishment of reasonable fees to be charged for reproducing copies of records required by this section.

Regulations implementing Labor Code Section 1776 are located in Sections 16000, 16400, 16401, 16402, 16403, and 16500 of Title 8, California Code of Regulations.

Labor Code Section 1777.5

1777.5. (a) Nothing in this chapter shall prevent the employment of properly registered apprentices upon public works.

(b) Every apprentice employed upon public works shall be paid the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered and shall be employed only at the work of the craft or trade to which he or she is registered.

(c) Only apprentices, as defined in Section 3077, who are in training under apprenticeship standards that have been approved by the Chief of the Division of Apprenticeship Standards and who are parties to written apprentice agreements under Chapter 4 (commencing with Section 3070) of Division 3 are eligible to be employed at the apprentice wage rate on public works. The employment and training of each apprentice shall be in accordance with either of the following:

(1) The apprenticeship standards and apprentice agreements under which he or she is training.

(2) The rules and regulations of the California Apprenticeship Council.

(d) When the contractor to whom the contract is awarded by the state or any political subdivision, in performing any of the work under the contract, employs workers in any apprenticeable craft or trade, the contractor shall employ apprentices in at least the ratio set forth in this Section and may apply to any apprenticeship program in the craft or trade that can provide apprentices to the site of the public work for a certificate approving the contractor under the

apprenticeship standards for the employment and training of apprentices in the area or industry affected. However, the decision of the apprenticeship program to approve or deny a certificate shall be subject to review by the Administrator of Apprenticeship. The apprenticeship program or programs, upon approving the contractor, shall arrange for the dispatch of apprentices to the contractor. A contractor covered by an apprenticeship program's standards shall not be required to submit any additional application in order to include additional public works contracts under that program.

"Apprenticeable craft or trade," as used in this section, means a craft or trade determined as an apprenticeable occupation in accordance with rules and regulations prescribed by the California Apprenticeship Council. As used in this section, "contractor" includes any subcontractor under a contractor who performs any public works not excluded by subdivision (o).

(e) Prior to commencing work on a contract for public works, every contractor shall submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the public work. The information submitted shall include an estimate of journeyman hours to be performed under the contract, the number of apprentices proposed to be employed, and the approximate dates the apprentices would be employed. A copy of this information shall also be submitted to the awarding body if requested by the awarding body.

Within 60 days after concluding work on the contract, each contractor and subcontractor shall submit to the awarding body, if requested, and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed on the contract. The information under this subdivision shall be public. The apprenticeship programs shall retain this information for 12 months.

(f) The apprenticeship program that can supply apprentices to the area of the site of the public work shall ensure equal employment and affirmative action in apprenticeship for women and minorities.

(g) The ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the public work may be no higher than the ratio stipulated in the apprenticeship standards under which the apprenticeship program operates where the contractor agrees to be bound by those standards, but, except as otherwise provided in this section, in no case shall the ratio be less than one hour of apprentice work for every five hours of journeyman work.

(h) This ratio of apprentice work to journeyman work shall apply during any day or portion of a day when any journeyman is employed at the jobsite and shall be computed on the basis of the hours worked during the day by journeymen so employed. Any work performed by a journeyman in excess of eight hours per day or 40 hours per week shall not be used to calculate the ratio. The contractor shall employ apprentices for the number of hours computed as above before the end of the contract or, in the case of a subcontractor, before the end of the subcontract. However, the contractor shall endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the jobsite. Where an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Chief of the Division of Apprenticeship Standards, upon application of an apprenticeship program, may order a minimum ratio of not less than one apprentice for each five journeymen in a craft or trade classification.

(i) A contractor covered by this Section that has agreed to be covered by an apprenticeship program's standards upon the issuance of the approval certificate, or that has been previously approved for an apprenticeship program in the craft or trade, shall employ the number of apprentices or the ratio of apprentices to journeymen stipulated in the applicable apprenticeship

standards, but in no event less than the 1-to-5 ratio required by subdivision (g).

(j) Upon proper showing by a contractor that he or she employs apprentices in a particular craft or trade in the state on all of his or her contracts on an annual average of not less than one hour of apprentice work for every five hours of labor performed by journeymen, the Chief of the Division of Apprenticeship Standards may grant a certificate exempting the contractor from the 1-to-5 hourly ratio, as set forth in this Section for that craft or trade.

(k) An apprenticeship program has the discretion to grant to a participating contractor or contractor association a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the contractor from the 1-to-5 ratio set forth in this Section when it finds that any one of the following conditions is met:

(1) Unemployment for the previous three-month period in the area exceeds an average of 15 percent.

(2) The number of apprentices in training in the area exceeds a ratio of 1 to 5.

(3) There is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis.

(4) Assignment of an apprentice to any work performed under a public works contract would create a condition that would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large, or the specific task to which the apprentice is to be assigned is of a nature that training cannot be provided by a journeyman.

(l) When an exemption is granted pursuant to subdivision (k) to an organization that represents contractors in a specific trade from the 1-to-5 ratio on a local or statewide basis, the member contractors shall not be required to submit individual applications for approval to local joint apprenticeship committees, if they are already covered by the local apprenticeship standards.

(m) (1) A contractor to whom a contract is awarded, who, in performing any of the work under the contract, employs journeymen or apprentices in any apprenticeable craft or trade shall contribute to the California Apprenticeship Council the same amount that the director determines is the prevailing amount of apprenticeship training contributions in the area of the public works site. A contractor may take as a credit for payments to the council any amounts paid by the contractor to an approved apprenticeship program that can supply apprentices to the site of the public works project. The contractor may add the amount of the contributions in computing his or her bid for the contract.

(2) At the conclusion of the 2002-03 fiscal year and each fiscal year thereafter, the California Apprenticeship Council shall distribute training contributions received by the council under this subdivision, less the expenses of the Division of Apprenticeship Standards for administering this subdivision, by making grants to approved apprenticeship programs for the purpose of training apprentices. The funds shall be distributed as follows:

(A) If there is an approved multiemployer apprenticeship program serving the same craft or trade and geographic area for which the training contributions were made to the council, a grant to that program shall be made.

(B) If there are two or more approved multiemployer apprenticeship programs serving the

same craft or trade and geographic area for which the training contributions were made to the council, the grant shall be divided among those programs based on the number of apprentices registered in each program.

(C) All training contributions not distributed under subparagraphs (A) and (B) shall be used to defray the future expenses of the Department of Industrial Relations for the administration and enforcement of apprenticeship standards and requirements under this code.

(3) All training contributions received pursuant to this subdivision shall be deposited in the Apprenticeship Training Contribution Fund, which is hereby created in the State Treasury. Upon appropriation by the Legislature, all moneys in the Apprenticeship Training Contribution Fund shall be used for the purpose of carrying out this subdivision and to pay the expenses of the Department of Industrial Relations.

(n) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section. The stipulations shall fix the responsibility of compliance with this Section for all apprenticeable occupations with the prime contractor.

(o) This Section does not apply to contracts of general contractors or to contracts of specialty contractors not bidding for work through a general or prime contractor when the contracts of general contractors or those specialty contractors involve less than thirty thousand dollars (\$30,000).

(p) An awarding body that implements an approved labor compliance program in accordance with subdivision (b) of Section 1771.5 may, with the approval of the director, assist in the enforcement of this section under the terms and conditions prescribed by the director.

All decisions of an apprenticeship program under this Section are subject to Section 3081.

Labor Code Section 1810

1810. Eight hours labor constitutes a legal day's work in all cases where the same is performed under the authority of any law of this State, or under the direction, or control, or by the authority of any officer of this State acting in his official capacity, or under the direction, or control or by the authority of any municipal corporation, or of any officer thereof. A stipulation to that effect shall be made a part of all contracts to which the State or any municipal corporation therein is a party.

Labor Code Section 1811

1811. The time of service of any workman employed upon public work is limited and restricted to 8 hours during any one calendar day, and 40 hours during any one calendar week, except as hereinafter provided for under Section 1815.

Labor Code Section 1812

1812. Every contractor and subcontractor shall keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed by him or her in connection with the public work. The record shall be kept open at all reasonable hours to the inspection of the awarding body and to the Division of Labor Standards Enforcement.

Labor Code Section 1813

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1813. The contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five dollars (\$25) for each worker employed in the execution of the contract by the respective contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of this article. In awarding any contract for public work, the awarding body shall cause to be inserted in the contract a stipulation to this effect. The awarding body shall take cognizance of all violations of this article committed in the course of the execution of the contract, and shall report them to the Division of Labor Standards Enforcement.

Labor Code Section 1815

1815. Notwithstanding the provisions of Sections 1810 to 1814, inclusive, of this code, and notwithstanding any stipulation inserted in any contract pursuant to the requirements of said sections, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than 1 1/2 times the basic rate of pay.

F. Labor Nondiscrimination

Developer's attention is directed to Section 1735 of the Labor Code, which reads as follows:

"A contractor shall not discriminate in the employment of persons upon public works on any basis listed in subdivision (a) of Section 12940 of the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code, except as otherwise provided in Section 12940 of the Government Code. Every contractor for public works who violates this section is subject to all the penalties imposed for a violation of this chapter."

Developer's attention is directed to the following "Nondiscrimination Clause" that is required by Chapter 5 of Division 4 of Title 2, California Code of Regulations.

Nondiscrimination Clause

1. During the performance of this contract, contractor and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age (over 40) or sex. Contractors and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. Contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, Section 12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Admin. Code, Tit. 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the California Administrative Code are incorporated into this contract by reference and made a part hereof as if set forth in full. Developer and its contractors and subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

2. Developer shall include the nondiscrimination and compliance provisions of this clause in all contracts to perform work under the Agreement.

BOARD OF DIRECTORS

October 27, 2020

SUBJECT

NOTICE OF COMPLETION AND ACCEPTANCE OF THE NORTH RIVER ROAD SEWER POINT REPAIRS (PHASE I) IMPROVEMENT PROJECT

BACKGROUND

One of the District's most critical piece of sanitary sewer infrastructure is its 15-inch vitrified clay pipe (VCP) land outfall section of gravity sanitary sewer in North River Road beginning just west of Highway 76 and ending at the intersection of Stallion Drive. It consists of nearly three miles of sewer pipeline and 58 manholes. This pipeline carries wastewater to the City of Oceanside San Luis Rey Water Reclamation Facility for treatment on behalf of the District. In the past year, District staff contended with issues related to rainwater infiltration/intrusion and ultimately overflow conditions. A State of Emergency was declared by the District's General Manager on April 19, 2020 to authorize immediate repair of two most damaged sections of the pipe that were considered an imminent threat to collapse. This project is the continuation of the overall sewer pipeline rehabilitation project.

The North River Road Sewer Point Repairs project included the construction of six point repairs along five reaches of 15-inch diameter VCP sanitary sewer pipe along North River Road between Mission Road (upstream) and Stallion Drive (downstream) (Attachment 1). The repairs were performed using open trench methods at depths to top of pipe ranging from 15-25 feet and repairing by removing and replacing with 10 feet of PVC-16"-DR-18 pipe (polyvinyl chloride). These point repairs are the first phase of the Land Outfall Sewer Pipeline Rehabilitation Project. With Phase I point repairs completed, the District has been able to move forward with Phase II rehabilitation of the sewer pipeline via installation of cured in place pipe (CIPP) lining.

DESCRIPTION

The Board of Directors authorized the General Manager to execute a contract for the North River Road Sewer Point Repairs improvement project on July 28, 2020 for \$474,000. An optional item for traffic control was removed from the contract reducing SCW Contracting to a not to exceed budget to \$427,000. SCW Contracting completed the project within the allocated budget of \$427,000. The project was completed on October 2, 2020.

Facilities constructed and ready for acceptance include the following:

- Point Repair 1: 10 feet of PVC-16"-DR-18 pipe (polyvinyl chloride)
- Point Repair 2: 10 feet of PVC-16"-DR-18 pipe (polyvinyl chloride)
- Point Repair 3: 10 feet of PVC-16"-DR-18 pipe (polyvinyl chloride)
- Point Repair 4: 10 feet of PVC-16"-DR-18 pipe (polyvinyl chloride)
- Point Repair 5: 10 feet of PVC-16"-DR-18 pipe (polyvinyl chloride)
- Point Repair 6: 10 feet of PVC-16"-DR-18 pipe (polyvinyl chloride)

All facilities have been constructed per plans, inspected, and tested per specifications. Upon acceptance by the Board, the improvements become part of the District's sanitary sewer system and Staff takes over operation and maintenance. For construction projects, the District requires contractors to provide payment and performance bonds. These certificates are issued by insurance companies for the value of the project to guarantee satisfactory completion of the project. Once the project is completed to the satisfaction of the District, bonds can be released. Released bonds does not constitute an exchange of funds but a release of insurance coverage on the project's construction and completion guarantee. North River Road Sewer Point Repair project payment bond of \$427,000 and 90% of the performance bond, \$384,300 will be released based on the satisfactory completion of the project. There is a one-year warranty period for all improvements which commences after board acceptance. The District will retain 10% of the performance bond, \$42,700, as the warranty bond for this one-year period. 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 CEQA guidelines Section 15378, the action before the Board, filing a Notice of Completion and accepting the facilities, does not constitute a "project" as defined by CEQA and further environmental review is not required at this time.

BOARD OPTIONS/FISCAL IMPACTS

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

- 1) Option 1:
 - Accept the North River Road Sewer Point Repairs Project.
 - Approve filing the Notice of Completion.
 - Add installation costs to the District's total valuation.
 - Release the Payment Bond in the amount of \$427,000.00.
 - Release 90% of the Performance Bond in the amount of \$384,300.00.
 - Retain 10% of the performance bond in the amount of \$42,700.00 as the warranty bond for one year.
 - Make a finding that the action herein does not constitute a "project" as defined by CEQA.

- 2) Option 2:
 - Provide other direction to staff.

STAFF RECOMMENDATION

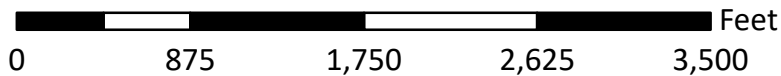
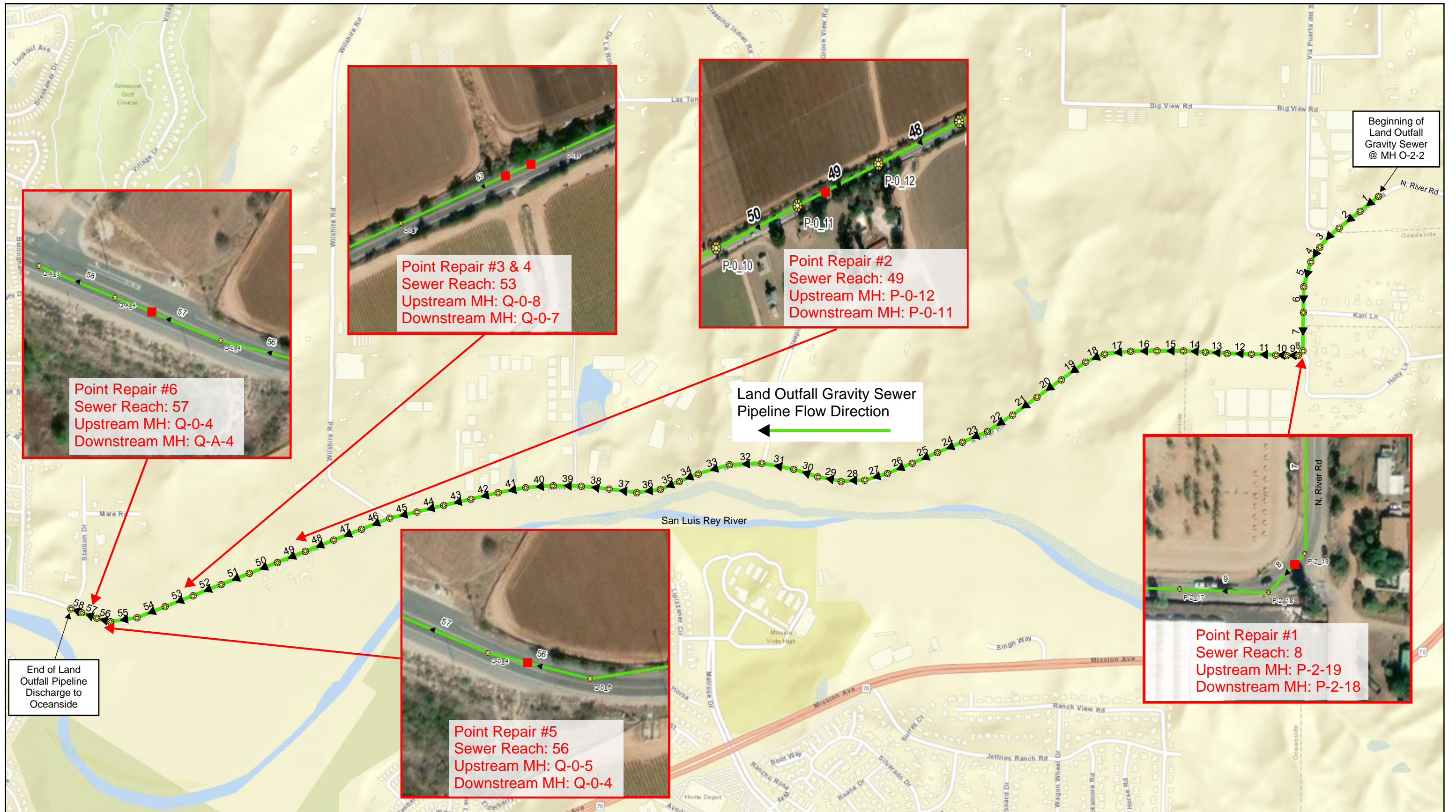
Staff recommends Option 1.



Chad Williams
Acting District Engineer

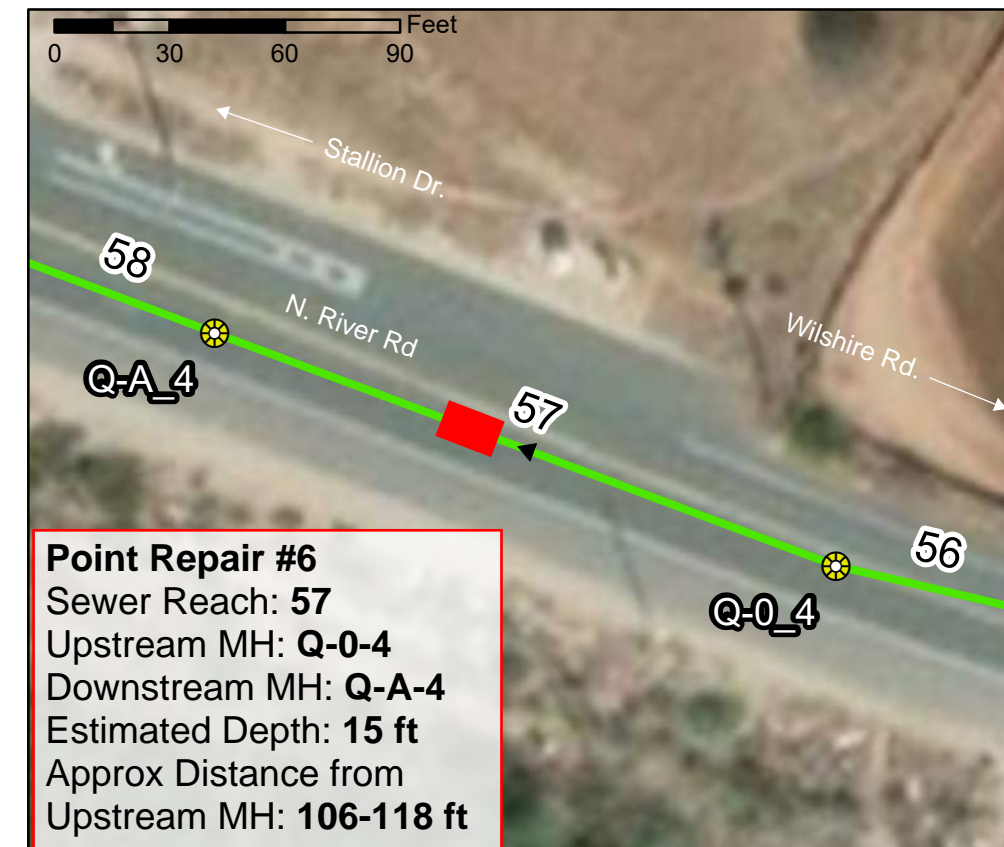
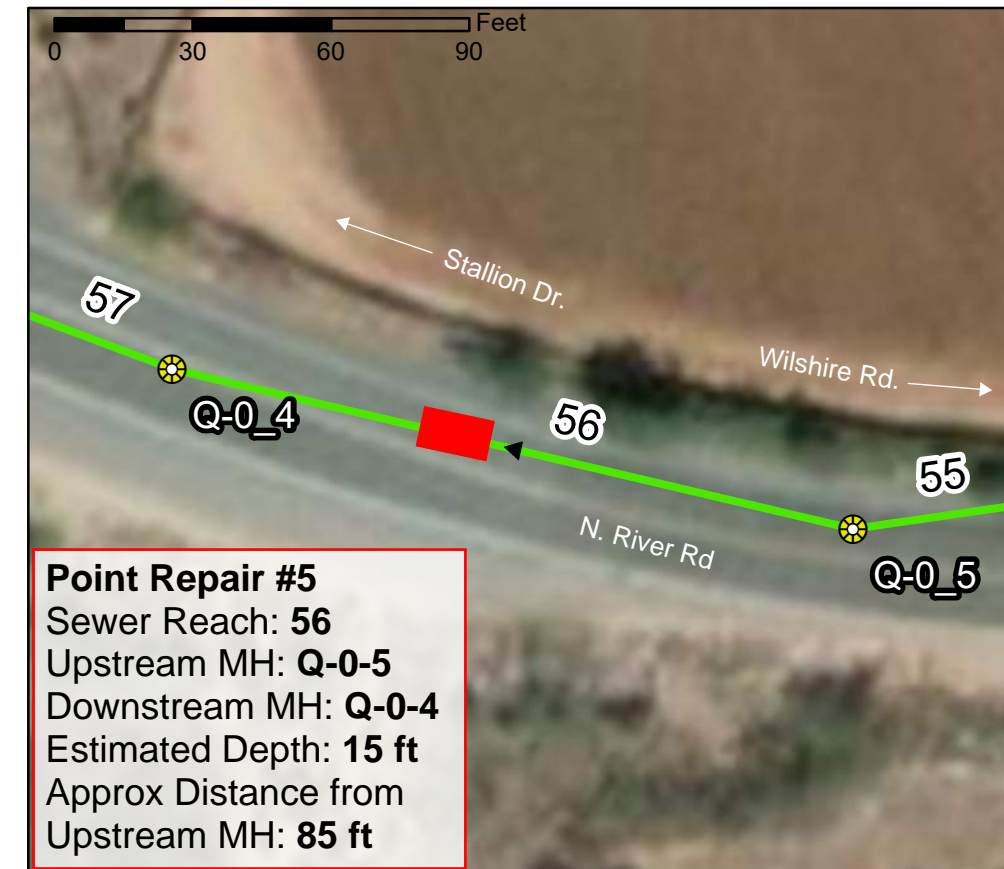
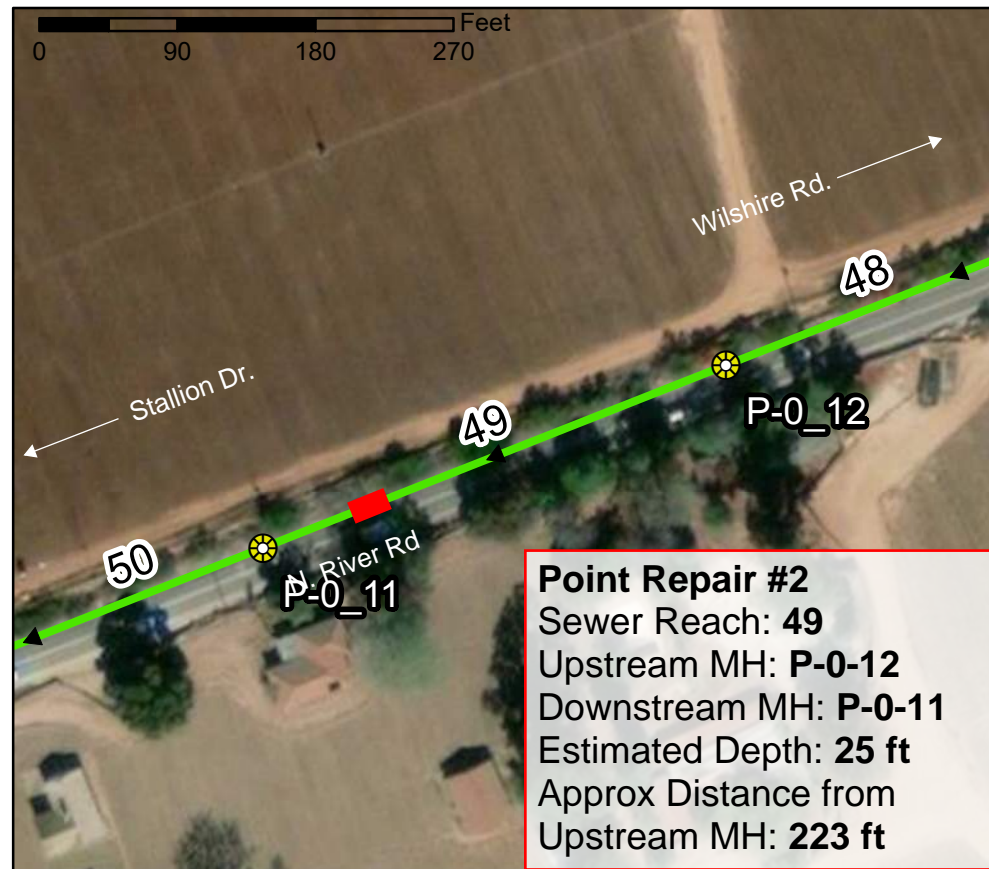
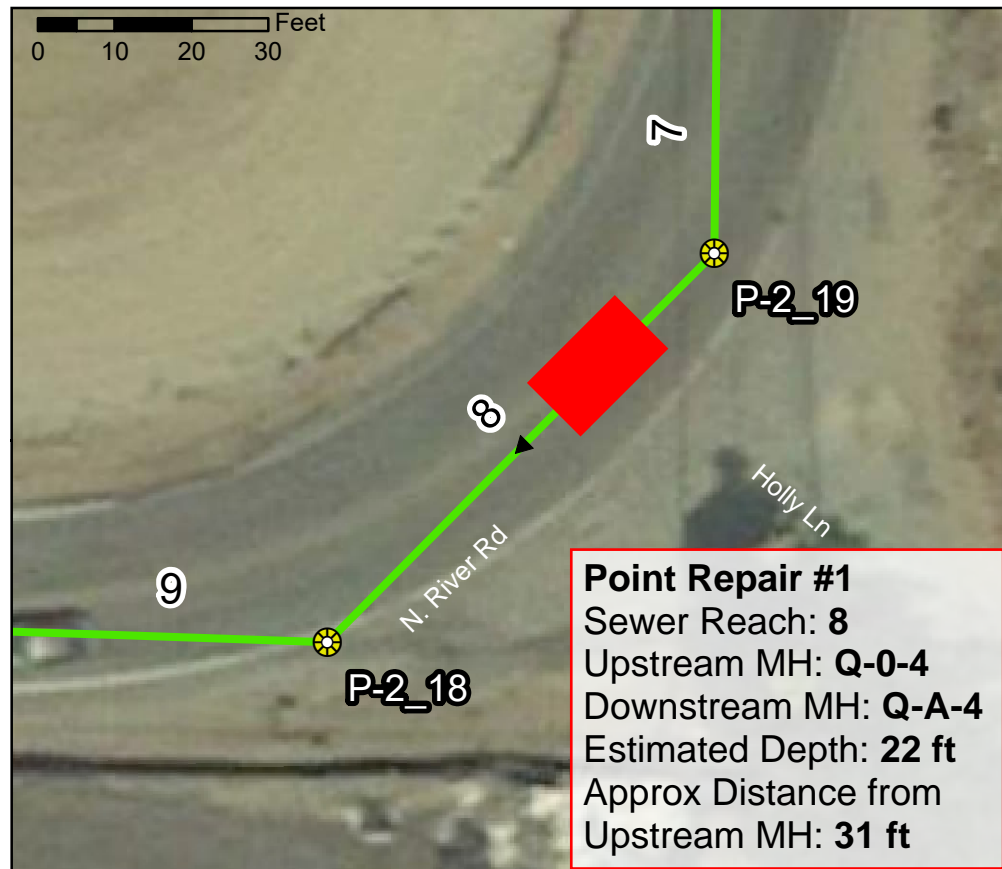
10/27/2020

ATTACHMENT 1: PROJECT SITE PLAN



Rainbow MWD
 Land Outfall Sewer Pipeline Rehabilitation
 Attachment A: Point Repairs Overview

- 15" Vitrified Clay Pipe - Length: 16,002 ft
 - 24 Sewer Reach Number
 - Manhole - Count: 59
 - Point Repair Location*
- * Locations shown in this figure are approximate. Contractor is responsible to confirm actual locations.



Rainbow MWD
 Land Outfall Sewer Pipeline Rehabilitation
 Attachment A: Point Repair Vicinity Maps

- 15" Vitrified Clay Pipe
- 24 Sewer Reach Number
- Manhole

Point Repair Location*
 *Locations shown in this figure are approximate. Contractor is responsible to confirm actual locations.

BOARD OF DIRECTORS

October 27, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 20-13 — A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RANGES FOR DISTRICT EMPLOYEES AND THE GENERAL MANAGER EFFECTIVE OCTOBER 27, 2020 THROUGH JUNE 30, 2021

BACKGROUND

In compliance with state and CalPERS regulations, the District maintains a Salary Grade structure that includes all job titles, salary grade levels, and monthly salary ranges for each grade. The table is available for public review, accessible from the Rainbow MWD website, and is published on a website hosted by the California State Controller.

There are two changes that the updated Salary Grade structure addresses:

1. Due to the vacancy in the District Engineer position, the District has reevaluated its needs and redefined the role to prioritize competencies in staff leadership, project management, budgeting, contract administration, and strategic stakeholder communication over engineering design skills. The new role is titled Engineering and Capital Improvement Program Manager.
2. There were clerical errors (typos) on two of the salary grades listed on Resolution 20-11. This Salary Grade structure corrects these errors in grades N1 and N5.

DESCRIPTION

The grade structure included in Resolution No. 20-13 is revised to reflect an addition of one position and corrects previous clerical errors. Resolution No. 20-11 rescinds Resolution No. 20-08.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Updating this document with current information allows the District to comply with CalPERS requirements and California Code of Regulations 570.5 and 571.

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

A 2.4% increase in base pay for all eligible employees who are not in a legacy pay grade. Annual impact is estimated to be \$109,000, which is included in the 2020-2021 budget proposal.

This resolution allows the District to comply with CalPERS requirements and the provisions of the bargaining unit MOUs.

1. Option 1: Approve Resolution No. 20-13 as presented.
2. Option 2: Do not approve Resolution No. 20-13

STAFF RECOMMENDATION

Staff recommends approval of Resolution No. 20-13



Karleen Harp, COSM
Human Resources Manager

10/27/2020

RESOLUTION NO. 20-13011

RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY RATES OF PAY FOR DISTRICT EMPLOYEES EFFECTIVE JULY 1 OCTOBER 27, 2020 THROUGH JUNE 30, 2021

Exempt Salary Grade	Monthly Salary Range/ Biweekly Rate / Hourly Equivalent	Job Titles
GM	\$15,069- \$21,700/ \$6,955.20 - \$10,015.20 \$86.94 - \$125.19	General Manager
E11	\$10,935.60 - \$15,745.60 / \$5,047.20 - \$7,267.20 / \$63.09- \$90.84	Engineering and Capital Improvement Program Manager District Engineer Finance Manager Operations Manager
E10	\$9,509.07- \$13,785.20 / \$4,388.80 - \$6,362.40 / \$54.86 – \$79.53	Human Resources Manager Information Technology Manager
E9	\$8,269.73 - \$11,989.47 / \$3,816.80 - \$5,533.60 / \$47.71 - \$69.17	Associate Engineer Project Manager Senior IT and Applications Analyst Water Operations Supervisor
E8	\$7,368.40 - \$10,424.27 / \$3,400.80 - \$4,811.20 / \$42.51 - \$60.14	Construction and Maintenance Supervisor Information Technology and Applications Analyst Meter Services Supervisor Risk Management Officer Senior Accountant Wastewater Superintendent

Non-Exempt Salary Grade	Monthly Salary Range/ Hourly Range	Job Titles
N7	\$6,862.27 - \$9,951.07 / \$39.59 - \$57.41	Customer Service and Communications Supervisor Executive Assistant/Board Secretary Lead Operator Senior Engineering Inspector Technical Services Team Lead
N6	\$5,967.87 - \$8,652.8 / \$34.43 - \$49.92	Crew Leader – Valve Maintenance Crew Leader – Construction & Maintenance Customer Service Supervisor Electronic / Electrical Technician II Information Systems Specialist III System Operator III
N5	\$5,187.87 - \$7,522.6779.87/ \$29.93 - \$43. 4073	Accounting Specialist II Electrical / Electronics Technician I Engineering Technician II Information Systems Specialist II Mechanic II Senior Meter Services Technician

		System Operator II Utility Worker III – Construction Utility Worker III – Valve Maintenance Utility Worker III – Wastewater Services
N4	\$4,511.87 - \$6,539.87 / \$26.03 - \$37.73	Accounting Specialist I Administrative Assistant II Cross Connection Control and Backflow Technician Engineering Inspector I Engineering Technician I Information Systems Specialist I Purchasing & Inventory Control Specialist II System Operator I Utility Worker II – Construction Utility Worker II/III – Meter Services Utility Worker II – Valve Maintenance Utility Worker II – Wastewater Services
N3	\$3,922.53 - \$5,688.80 / \$22.63 - \$32.82	Administrative Assistant I Customer Service Representative II District Services Representative Purchasing / Inventory Control Specialist I Utility Worker I – Construction Utility Worker I – Meter Services Utility Worker I – Valve Maintenance Utility Worker I – Wastewater Services
N2	\$3,409.47 - \$4,946.93 / \$19.67- \$28.54	Customer Service Representative I Human Resources Assistant
N1	\$2,967.47 - \$4,286.53303.87 / \$17.12 - \$24.873	Interns

Resolution No. 20-134 rescinds Resolution No. 20-1108.

PASSED, APPROVED, AND ADOPTED in Open Session at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 27th 3rd day of ~~June~~ October by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

RESOLUTION NO. 20-13

RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ESTABLISHING CLASSIFICATIONS AND MONTHLY RATES OF PAY FOR DISTRICT EMPLOYEES EFFECTIVE OCTOBER 27, 2020 THROUGH JUNE 30, 2021

Exempt Salary Grade	Monthly Salary Range/ Biweekly Rate / Hourly Equivalent	Job Titles
GM	\$15,069- \$21,700/ \$6,955.20 - \$10,015.20 \$86.94 - \$125.19	General Manager
E11	\$10,935.60 - \$15,745.60 / \$5,047.20 - \$7,267.20 / \$63.09- \$90.84	Engineering and Capital Improvement Program Manager Finance Manager Operations Manager
E10	\$9,509.07- \$13,785.20 / \$4,388.80 - \$6,362.40 / \$54.86 – \$79.53	Human Resources Manager Information Technology Manager
E9	\$8,269.73 - \$11,989.47 / \$3,816.80 - \$5,533.60 / \$47.71 - \$69.17	Associate Engineer Project Manager Senior IT and Applications Analyst Water Operations Supervisor
E8	\$7,368.40 - \$10,424.27 / \$3,400.80 - \$4,811.20 / \$42.51 - \$60.14	Construction and Maintenance Supervisor Information Technology and Applications Analyst Meter Services Supervisor Risk Management Officer Senior Accountant Wastewater Superintendent

Non-Exempt Salary Grade	Monthly Salary Range/ Hourly Range	Job Titles
N7	\$6,862.27 - \$9,951.07 / \$39.59 - \$57.41	Customer Service and Communications Supervisor Executive Assistant/Board Secretary Lead Operator Senior Engineering Inspector Technical Services Team Lead
N6	\$5,967.87 - \$8,652.8 / \$34.43 - \$49.92	Crew Leader – Valve Maintenance Crew Leader – Construction & Maintenance Customer Service Supervisor Electronic / Electrical Technician II Information Systems Specialist III System Operator III
N5	\$5,187.87 - \$7,522.67/ \$29.93 - \$43.40	Accounting Specialist II Electrical / Electronics Technician I Engineering Technician II Information Systems Specialist II Mechanic II Senior Meter Services Technician System Operator II

		Utility Worker III – Construction Utility Worker III – Valve Maintenance Utility Worker III – Wastewater Services
N4	\$4,511.87 - \$6,539.87 / \$26.03 - \$37.73	Accounting Specialist I Administrative Assistant II Cross Connection Control and Backflow Technician Engineering Inspector I Engineering Technician I Information Systems Specialist I Purchasing & Inventory Control Specialist II System Operator I Utility Worker II – Construction Utility Worker II/III – Meter Services Utility Worker II – Valve Maintenance Utility Worker II – Wastewater Services
N3	\$3,922.53 - \$5,688.80 / \$22.63 - \$32.82	Administrative Assistant I Customer Service Representative II District Services Representative Purchasing / Inventory Control Specialist I Utility Worker I – Construction Utility Worker I – Meter Services Utility Worker I – Valve Maintenance Utility Worker I – Wastewater Services
N2	\$3,409.47 - \$4,946.93 / \$19.67- \$28.54	Customer Service Representative I Human Resources Assistant
N1	\$2,967.47 - \$4,303.87 / \$17.12 - \$24.83	Interns

Resolution No. 20-13 rescinds Resolution No. 20-11.

PASSED, APPROVED, AND ADOPTED in Open Session at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 27th day of October by the following vote, to wit:

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

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

BOARD OF DIRECTORS

October 27, 2020

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 20-09 AMENDING AND UPDATING ADMINISTRATIVE CODE TITLE 3 – BOARD MEETINGS

BACKGROUND

As part of the ongoing process, staff conducted a review of RMWD's Administrative Code Title 3 and found no significant changes needed to be made, but rather minor typographical, grammatical, and formatting updates.

The Board was provided with an initial review of all sections of Administrative Code Title 3 and asked to remit any additional changes to the Board Secretary with a two weeks following the September 22, 2020 meeting so they could be finalized and provided at the October 27, 2020 meeting for consideration. Staff did not receive any additional input or feedback from the Board.

DESCRIPTION

Some of the proposed updates to Administrative Code Title 3 include:

- Eliminating single page chapters thereby reducing the number of chapters found in Title 3.
- Creating appropriate chapter title pages to include all updated subsection titles.
- Updating section titles and combining subsections and procedures for easier reference.

Other proposed minor changes are typographical, grammatical, or formatting updates.

All proposed changes have been reviewed by the General Manager and provided to the Board for review at their September 22, 2020 meeting.

Both a redline version and non-redline version have been attached.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

As the foundation for all our operations, the Administrative Code supports all of our Key Focus Areas. It is a living document that will continue to be reviewed and adapted to meet the policy and strategic needs of the District.

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

1. Adopt Ordinance No. 20-09 amending and updating Administrative Code Title 3 – Board Meetings as proposed.
2. Adopt Ordinance No. 20-09 amending and updating Administrative Code Title 3 – Board of Directors as proposed with revisions.
3. Do not approve Ordinance No. 20-09 and provide staff with direction.

STAFF RECOMMENDATION

Staff recommends Option 1.



Tom Kennedy, General Manager

October 27, 2020

Ordinance No. 20-09

**Ordinance of the Board of Directors of the Rainbow Municipal Water District
Amending and Updating Administrative Code
Title 3 – Board Meetings and All Chapters and Sections and Subsections
Included in Administrative Code Title 3**

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:

Title 3:	Board Meetings
Chapters:	3.01-3.06
Sections:	3.01.010 – 3.06.040
Subsections Under:	Sections 3.01.010 – 3.06.040

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 27th day of October 2020.

AYES:
NOES:
ABSTAIN:
ABSENT:

Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

Title 3
BOARD MEETINGS

Chapters:

- 3.01 ~~Meetings~~ Schedules
- 3.02 ~~Board Meeting~~ Agendas
- 3.03 ~~Board Meeting~~ Conduct
- 3.04 Board Actions and Directions
- 3.05 ~~Minutes of Board Meeting~~ Minutes
- 3.06 Confidentiality of Board Closed Sessions

Chapter 3.01
MEETINGS SCHEDULES

Sections:

- 3.01.010 Regular Meetings**
 - ~~3.01.010.01 Schedule~~
 - ~~3.01.010.02 Open Sessions~~
 - ~~3.01.010.03 Closed Sessions~~
 - ~~3.01.010.04 Agenda Item Order~~
- 3.01.020 Special, Adjourned and Emergency Meetings**
 - ~~3.01.020.01 Special Meetings~~
 - ~~3.01.020.02 Adjourned Meetings~~
 - ~~3.01.020.03 Emergency Meetings~~
- ~~3.01.030 Bi-Annual Organizational Meeting~~
- ~~3.01.030 Agenda Items Order~~
- 3.01.040 Availability of Information**

Section 3.01.010 Regular Meetings

All regular meetings of the Board of Directors will be conducted in the Board room of the District at 3707 Old Highway 395, Fallbrook, California 92028.

The date and time of the regular meetings shall be established by the Board of Directors at the last Board meeting of each calendar year.

3.01.010.01 Schedule

Regular ~~m~~Meetings ~~of the Board of Directors~~ shall be held on the fourth (4th) Tuesday of each calendar month. The November and December meetings shall be combined and held on the first available Tuesday in the month of December of each calendar year.

The starting time for the ~~r~~Regular ~~m~~Meeting Open Session ~~Agenda~~ shall be 1:00 p.m.

3.01.010.02 Open Sessions

Each regular meeting will include an Open Session. Open Sessions are for the purpose of discussing in an open forum any matters that are not of confidential nature as permitted by law and are open to the public.

Although the Board is not prohibited from taking testimony at regular meetings on matters not on the agenda which a member may wish to bring before the Board, the Board cannot not discuss or take action on such matters at that meeting but may briefly respond, ask a question for clarification, make an announcement, report his or her own activities, refer the item to staff for follow-up, or place it on a future agenda for discussion and action.

A time limit may be imposed on the speaker by the meeting Chairperson at their sole discretion.

3.01.010.03 Closed Sessions

The Board, General Manager, or District Counsel may schedule a Closed Session as part of any regular meeting. Closed Sessions are for the purpose of discussing confidential matters as permitted by law and are closed to the public.

Closed Sessions may be scheduled for any time during a regular meeting. The start time of each Closed Session shall be determined by the Chairperson after conferring with the General Manager and District Counsel regarding the estimated time necessary to adequately discuss the agenda items. Once a start time has been determined, this information as well as the topics to be discussed will be provided on the regular meeting agenda.

Closed Session scheduled for the beginning of a regular meeting may conclude before or after the Open Session start time; however, Open Session will not begin prior to the Open Session start time.

*M:\Administration\Confidential\Administrative Code Working Docs\Board Secretary Administrative Code Working File\Drafts Not Approved\Title 3\Redline\Regular Meetings 3.01.010.docx\rmwd-b\Store03\BoardFiles\Board Secretary\Administrative Code Working File\Board Admin Code 2005-2006\Regular Meetings 3.01.010.doc\Approved 8-3-05 by Ordinance No. 05-07\8-3-05\Amended and Updated 1-13-06 by Ordinance No. 06-01; Revised 1-13-06\Amended and UpdatedApproved 12-5-06 by Ordinance No. 06-11\Amended and UpdatedApproved 1-23-07 by Ordinance No. 07-02\Amended and UpdatedApproved 8-28-07 by Ordinance No. 07-12\Amended and UpdatedApproved 11-7-07 by Ordinance No. 07-18\Amended and UpdatedApproved 12-2-08 by Ordinance No. 08-17\Amended and UpdatedApproved 5-26-09 by Ordinance No. 09-08\Amended and UpdatedApproved 7-28-09 by Ordinance No. 09-14\Amended and UpdatedApproved 1-22-13 by Ordinance No. 13-01\Amended and UpdatedApproved 11-18-14 by Ordinance No. 14-08\Amended and UpdatedApproved 1-24-17 by Ordinance No. 17-01***DRAFT**

~~Prior to the 1:00 p.m. Open Session there may be a Closed Session that is closed to the public for the purpose of discussing confidential matters as allowed by law. The starting time of each Closed Session shall be determined by the General Manager after conferring with District Counsel and the Board President regarding the estimated time necessary to adequately discuss the agenda items. The Closed Session agenda items and starting time will then be published on the Regular Meeting Agenda.~~

Prior to adjourning to the Closed Session there shall be a public comment period to allow interested members of the public the opportunity to comment only on those items on the Closed Session agenda.

~~The Regular Meeting Open Session will not start before 1:00 p.m.~~

A second public comment period will be held at the beginning of Open Session to allow interested members of the public an opportunity to directly address the Board on any item of interest to the public.

~~All regular meetings will be conducted in the Board room of the District at 3707 Old Highway 395, Fallbrook, California 92028. The date, time and place of the regular Board meetings shall be reconsidered at least annually at any organizational meeting of the Board.~~

3.01.010.04 Agenda Item Order

The Chairperson of the meetings described herein shall determine the order in which agenda items shall be considered for discussion and/or action by the Board.

Section 3.01.020 Special, Adjourned and Emergency Meetings

Special, adjourned and emergency meetings of the Board of Directors may be called as provided by law, and in accordance with the provisions of the Brown Act, Government Code ~~s~~Section 54950 *et seq.*

3.01.020.01 Special Meetings

Special meetings may be called by the President or by a majority of the members of the Board as permitted by Government Code ~~s~~Section 54956. The President shall set the time and place for any special meeting of the Board of Directors. The President shall have final approval on the contents of the agendas for all special, adjourned and emergency meetings of the Board. Directors shall be notified of special meetings by the Secretary. The call and notice shall be posted at least 24 hours prior to the special meeting at the District Headquarters. The Secretary shall post an agenda containing a brief, general description of each item of business to be transacted or discussed at special meetings, including the items to be discussed in closed session. The posting shall be freely accessible to the public.

3.01.020.02 Adjourned Meetings

A regular meeting may be adjourned by the Board or by the Secretary if less than a quorum is present to another time. An adjourned regular meeting is a regular meeting if held within five days of the regular meeting. If the adjourned meeting is held more than five days after the regular meeting, a new agenda shall be posted.

3.01.020.03 Emergency Meetings

An emergency meeting may be called by a majority of the Board pursuant to Government Code ~~s~~Section 54956.5 without twenty-four hour notice or posting of an agenda if necessary due to disruption or threatened disruption of District facilities by work stoppage, natural or crippling disaster or other activity severely impairing public health or safety as determined by a majority of the members.

Section 3.01.03020-01
Bi-Annual Organizational Meeting

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

Section 3.01.040
Availability of Information

~~3.01.040.1~~ The Chairperson and the General Manager shall insure that appropriate information and materials are available for the audience at meetings of the Board of Directors. This information includes, but is not limited to, the following:

~~A. 3.01.040.1.1~~ Agenda packages and other materials deemed appropriate by the Board of Directors, e.g. draft budgets for budget workshops, shall be made available to any interested member of the public ratepayer who makes a request ~~in writing~~.

~~B. 3.01.040.1.2~~ Members of the public who would like to receive agendas as well as agenda packets on a recurring basis throughout the calendar year may submit a request form with the Executive Assistant/Board Secretary. Said written request shall be in effect for the calendar year in which it is made, and shall be renewed annually to continue regular receipt of the materials.

~~C. 3.01.040.1.3~~ Sufficient copies of any materials provided at meetings of the Board of Directors shall be made and readily available for those attending said meetings. ~~these materials shall be made to provide for the list of those having made requests.~~

~~D. 3.01.040.1.4~~ One additional copy of the agenda packages will be made readily available for each division (5) will be made available to the first non-subscribers from that division upon requesting one.

~~E. 3.01.040.1.5~~ Subscribers will be notified by e-mail, fax, or telephone when materials are available.

~~3.01.040.1.6~~ Staff shall provide materials to interested parties within 24 hours of receipt by the Board of Directors.

~~3.01.040.1.7~~ A copy of Resolution No. 05-06 shall be kept along with a current list of recipients, at the District's front desk.

Section 3.01.030
Agenda Items Order

The Chairperson of the meetings described herein shall determine the order in which agenda items shall be considered for discussion and/or action by the Board.

Moved to Regular Meetings Section 3.01.010.04

Chapter 3.02
BOARD MEETING AGENDAS

Sections:

- 3.02.010 Board Meeting Agendas**
- 3.02.010.01 Agenda Preparation**
- 3.02.010.02 Requests for Agenda Items**
- 3.02.010.02.1 Requests Made by Board of Directors**
- 3.02.010.02.2 Requests Made by Members of the Public**
- 3.02.010.03 Taking Testimony**
- 3.02.010.04 Time Limits**
- 3.02.010.05 Posting of Agenda**
- 3.02.010.05.1 Regular Meetings**
- 3.02.010.05.2 Special Meetings**
- 3.02.020.01 Presentations from Board Invited Guests**
- 3.02.020 Time Limits**
- 3.02.030 Items Not on Agenda**
- 3.02.040 Posting of Agenda**

Section 3.02.010

Board Meeting Agendas

3.02.010.01 Agenda Preparation

–The General Manager, in cooperation with the Board President, shall coordinate preparation ~~prepare of~~ an agenda for each regular and special meeting of the Board of Directors.

3.02.010.02 Requests for Agenda Items

3.02.010.02.1 Requests Made by Board of Directors

Any Director may call the General Manager and request any item to be placed on the agenda no later than two weeks prior to the meeting date.

3.02.010.02.2 Requests Made by Public Members

–Any member of the public may request that a matter directly related to District business be placed on the agenda of a regularly scheduled meeting of the Board of Directors, subject to the following conditions:

(a) ~~_____ 3.02.010.2.1~~ The request must be in writing and be submitted to the General Manager or his/her designee together with supporting documents and information, if any, at least two weeks prior to the date of the meeting;.

(b) ~~_____ 3.02.010.2.2~~ No matter which is legally a proper subject for consideration by the Board of Directors in closed session will be accepted under this policy; Notwithstanding permission to request an item's placement on the agenda or to address the Board during public comment, for issues requiring closed session discussion as provided by law, no substantive discussion or action shall be taken by the Board until after the matter has been discussed by the Board in a duly noticed closed session.

~~_____ 3.02.010.2.3~~ The Board of Directors may place limitations on the total time to be devoted to a public request issue at any meeting, and may limit the time allowed _____ for any one person to speak on the issue at the meeting.

3.02.010.03 Taking Testimony

–This policy does not prevent the Board from taking testimony at regular and special meetings of the Board on matters which are not on the agenda which a member of the public may wish to bring before the Board; ~~however,~~ ~~–However,~~ the Board shall not ~~discuss or take action~~ or engage in substantive discussions on non-agenda items. The Board may request to place a matter on the agenda for a subsequent meeting, ask a question for clarification, provide a reference to staff or other resources for factual information, or direct staff to report back at a future date on such matters at that meeting.

3.02.010.04 Time Limits

The Board of Directors may place limitations on the total time to be devoted to a public request issue at any meeting and may limit the time allowed for any one person to speak on the issue at the meeting.

3.02.010.054 Posting of Agenda

3.02.010.05.1 Regular Meetings

In accordance with the law, atAt least seventy-two (72) hours prior to the time of all regular meetings, an agenda, which includes but is not limited to all matters on which there may be discussion and/or action by the Board, shall be posted conspicuously for public review at~~within~~ the District office or otherwise as provided by law.

3.02.010.054.24 Special Meetings

–The agenda for a special meeting shall be posted at least twenty-four (24) hours before the meeting in the same location as stated for regular meetings.

Section 3.02.0~~20~~10.01
Presentations from Board Invited Guests

A Board member may request that a guest be invited to make a presentation to the Board of Directors subject to the approval of the request by the Board of Directors.

A Board member wishing to invite a guest to make a presentation will provide to the General Manager a brief description of the nature of the presentation.

Upon receipt of the request the General Manager will include the request in the next available agenda for Board consideration.

Section 3.02.020
Time Limits

~~The Board of Directors may place limitations on the total time to be devoted to public request issue at any meeting, and may limit the time allowed for any person to speak on the issue at the meeting.~~

Moved to Section Regular Meetings 3.01.010.02 and Agendas 3.02.010.04 Respectively

Section 3.02.030
Items Not on Agenda

~~This policy does not prevent the Board from taking testimony at regular and special meetings of the Board on matters which a member of the public may wish to bring before the Board which are not on the agenda. However, the Board shall not discuss or take action on such matters at that meeting.~~

Moved to Regular Meetings Section 3.01.010.02 and Agendas 3.02.010.03 Respectively

Section 3.02.040
Posting of Agenda

In accordance with the law, at least seventy two (72) hours prior to the time of all regular meetings, an agenda, which includes but is not limited to all matters on which there may be discussion and/or action by the Board, shall be posted conspicuously for public review within the District office or as otherwise provided for by law.

The agenda for a special meeting shall be posted at least twenty four (24) hours before the meeting in the same location as stated above.

Moved to Agendas Section 3.02.010.05

Chapter 3.03
~~BOARD MEETING CONDUCT~~

Sections:

- 3.03.010** **Roberts Rules of Order, Revised**
- 3.03.020** **Time of Meeting**
- 3.03.030** **Conduct of Meetings**

Section 3.03.010
Roberts Rules of Order, Revised

Meetings of the Board of Directors shall be conducted by the Chairperson. The Board approved Rainbow Municipal District Parliamentary Procedures Policy as well as the latest of Robert's Rules of Order, Revised shall also be used as a general guideline for meeting protocol. District policies shall prevail whenever they ~~are in~~ conflict with Robert's Rules of Order, Revised.

RMWD Parliamentary Procedures Policy

Introduction

The Rainbow Municipal Water District is at its heart a service organization dedicated to the communities that make up the District. Part of our mission requires the Board of Directors and various committees to conduct open and public meetings in order to review information and make decisions about important topics facing the District. The manner in which these meetings are conducted is an important factor in the success of the organization.

There are multiple goals of the conduct of each meeting, including but not limited to:

- **Transparency** – the conduct of the meetings must be such that all participants must be able to have access to the information being considered by the Board. In addition, the deliberative process must be in accordance with the requirements of the Ralph M. Brown Act. Except for specific circumstances that require a closed session, the goal is for all deliberations to be done in public sessions with as much information available to the public as possible.
- **Public Input** – the input of the public is an important component in the deliberative process. Each meeting must allow for meaningful input from interested parties. It is also important that the nature and duration of the public input support the deliberative process rather than disrupt the meeting. All opinions are welcome, but communications that are designed to disrupt the meeting must be managed effectively to prevent disruptions.
- **Board/Committee Decorum** – in order to ensure that each member of the Board or committee is able to voice their option on each item under consideration, Board and committee members must conduct themselves in such a way that the rights of the others to speak are respected.
- **Effective Meeting Management** – effective Board and Committee meetings are generally characterized by a strong leadership role of the Board President or Committee Chair. Each person who is leading the meeting must understand the role that they play in the meeting and ensure that the activities of all participants in the meeting adhere to the policies outlined in this document. There can sometimes be a challenge when balancing the needs outlined above with the need for effective meeting management and the role of the leader of the meeting is important in managing this process.

Background

Section 3.03 of the RMWD Administrative Code outlines the policies of Board Meeting Conduct. This policy document is intended to serve as a supplement to the Administrative Code. In accordance with the Administrative Code, the basic conduct of the meeting will be in accordance with the latest version of Robert's Rules of Order, Revised (hereafter referred to as Robert's Rules). As most people are aware, Robert's Rules are very effective but also very limiting if followed exactly. They were designed for a particular purpose and some facets of Robert's Rules can conflict with the goals stated above. For instance, strict adherence to Robert's Rules would require a motion to be made and seconded before any discussion could be had on a particular course of action. While this may be an appropriate parliamentary procedure in some circumstances, if this practice were to be followed at an RMWD meeting, attendees may conclude

that since a motion was made prior to any discussion there must have been some back room deals leading to the motion. This is not what we want to project to the public.

To that end, this list of parliamentary procedures is intended to supplement and expand on Robert's Rules and provide guidance on how we can conduct orderly, effective, and transparent meetings at RMWD. For the purposes of this document, the Board President and Committee Chairpersons will be collectively referred to as the Chairperson. Board Members or Committee Members will be collectively referred to as Members.

Conduct of Meetings

Call to Order – the Chairperson will call the meeting to order at the time stated on the public notice for that meeting. The clock located in the Boardroom shall be the official clock for starting meetings. If there are Members that are running late, the Chairperson may delay the start of the meeting but such delays should not exceed ten minutes.

Pledge of Allegiance – The Chairperson shall lead the group in the recital of the Pledge of Allegiance. As an option, the Chairperson may designate another member or attendee to lead the Pledge of Allegiance. In order to lead the Pledge, the Chairperson or designee shall state "Please rise and join me in the Pledge of Allegiance" and then pause to allow attendees to stand up. Once the room is ready he or she shall state "Ready – Begin" and then recite the Pledge of Allegiance.

Roll Call and Establishment of a Quorum – The Board Secretary shall call the roll to determine if a quorum is present at the meeting. The default rule is that a quorum is one more than half the Board or Committee. So, for example, in a Regular Board meeting with a five-member body a quorum is three. When the Board has three members present, it can legally transact business. If the Board has less than a quorum of members present, it cannot legally transact business. For Committees with larger numbers of Members the quorum number will change accordingly.

If the Board or Committee has a quorum to begin the meeting, the Board or Committee can lose the quorum during the meeting when a member departs (or even when a member leaves the dais), and when that occurs the body loses its ability to transact business until and unless a quorum is reestablished.

Opportunity for Public Comments on Items That are Not on the Agenda – The Chairperson shall announce that any person who wishes to speak about a topic that is not on the agenda may do so at this time. The Chairperson shall indicate that comments should be limited to three minutes and that speakers should fill out a speaker slip. Depending on the level of attendance at the meeting, the Chairperson may allow for comments to be presented without the use of a speaker slip, but this should be the exception rather than the rule. In addition, if there are a large number of speakers, the Chairperson may restrict the time limit in order to allow all speakers a chance to address the Board. Conversely, if there is limited attendance the Chairperson may allow for more than three minutes per speaker.

The Chairperson has the responsibility to remind speakers when their time limit has been reached. District staff will monitor the length of time of each speaker and inform the Chairperson when the time limit has been reached. The Chairperson will then inform the speaker that they must conclude their comments so that the meeting can proceed.

Use of AV System During Meetings – District staff shall prepare presentation materials for each meeting so that information about the item under consideration will be displayed on the screen while the item is under consideration. This is intended to allow all attendees to see which topic is under consideration and receive pertinent information about that topic. In some cases, the information displayed will be a short text summary of the item, but in other cases the staff will include more detailed presentations, maps, tables, and other information that is relevant to the deliberation process. In all cases, the intent of the information presented is to ensure that all parties have adequate information to understand the issues under consideration and the rationale for the decision that is ultimately made.

District staff will operate the AV system during the meeting.

Board or Committee Action Items – When considering any action, from approval of minutes, to consent calendar, to individual action items, the following process shall be followed:

- The Chairperson shall announce the title of the Action Item
- Staff shall provide a report on the details of the item. This could be as brief as a comment from the General Manager describing the nature of the item or a full staff presentation. In some cases, staff may have contractors or consultants present technical materials. Guest speakers from other agencies may also provide information at this time. The goal of this part of the process is to lay out the foundation of information needed for the Members to deliberate the situation. Members may ask questions of the presenters to clarify information at this time, but this would not be the time to express opinions on options that are presented.
- Once the staff report has concluded, the Chairman shall ask for public comments on the topic. The same rules related to public comments listed above shall apply. At the end of the public comment period, the Chairperson should make it clear to the attendees that they may not be allowed to speak on this topic again, so they should say what they need to say now as the Chairman may not allow an interruption of the deliberation of the Members afterwards.
- After both the staff presentation and public comments have concluded, the Members may begin to discuss technical aspects of the topic or get more information from staff about the staff recommendation. It is important to remember that this part of the process is for information gathering, not actually deliberating a decision. Actual deliberation should occur after a motion has been made and seconded. Each Member wishing to speak on the topic shall be recognized by the Chairperson as having the floor prior to speaking. Only one Member should speak at a time. This is not only to provide a respectful environment for dialogue, it is also to avoid having garbled recordings of the meetings. When multiple speakers talk at once, it is very difficult to understand what was said on the recordings. Members may ask other members brief clarifying questions without having the floor, but such interjections should be kept to a minimum.
- At any point during the discussion process, any Member may make a Motion regarding the action item. If a Motion is made, the Chairperson shall acknowledge the Motion and clarify the terms of the motion as needed. If another Member Seconds the motion in a timely manner, the Chairperson shall announce that there has been a Motion and Second and verbally state who made the Motion and the Second. This clarification of which

Member took which action is helpful for the audio recording and the development of meeting minutes. The Chairperson shall then call for any additional discussion. This is the point in time for Members to deliberate about the Motion on hand. Members may ask for further technical clarifications from staff about the motion as part of this process which will continue until the Chairperson “calls the question” for a vote.

- When voting, the Chairperson will verbally clarify the terms of the Motion and ask for a vote. In the case of an Ordinance, the vote shall be a roll call vote. The Chairperson may use a voice vote on an Ordinance as long as the audio record is clear as to how each Member voted. In any act of the group, the votes of each Member must be clearly recorded in our minutes, so roll call votes are generally the best way to go.

Participation by Public After the Public Comment Period Has Ended – From time to time a member of the public may wish to make a comment to the Members after the public comment period has ended. This situation can be a very productive part of the deliberative process, but it can also be a disruption to the deliberative process. The Chairperson must clarify the rules for attendees at each meeting and/or for each action item. For items where there are many attendees who may want to join into the deliberative process, the Chairperson should inform them during the public comment period that he or she will not allow further comment so as not to bog down the meeting. The Chairperson has the discretion to allow attendees to briefly speak at his or her discretion. It will be the responsibility of the Chairperson to manage the public input process so that the co-equal goals of public input and a constructive deliberation process are achieved.

Substitute Motions or Amendments to Motions – Within Robert’s Rules there is a labyrinth of methods to amend or substitute Motions and these processes can become very confusing. In order to create an environment where all parties can clearly understand the deliberative process, the Chairperson shall limit any amendments to any Motion to a single amendment and will not allow substitute Motions. If a Motion is made and Seconded, a Member may ask for an amendment to the Motion during the discussion phase. The request for Amendment shall be made to the originator of the Motion. If the originator of the Motion agrees with the requested amendment, the originator of the Motion shall clarify their revised Motion. If this revised Motion received a Second from another Member, discussion shall ensure until the question is called. If the revised Motion fails to receive a Second, the discussion shall revert to the original Motion and proceed from there.

At the time a vote is taken, the Chairperson shall again clarify the original and amended Motion, including which Members made the Motion and Second, and call for the vote.

Courtesy and Decorum (this section is adapted from “Rosenberg’s Rules of Order)

These parliamentary rules of are meant to create an atmosphere where the members of the Board or Committee and the members of the public can attend to business efficiently, fairly and with full participation. At the same time, it is up to the Chairperson and the members of the Board or Committee to maintain common courtesy and decorum. Unless the setting is very informal, it is always best for only one person at a time to have the floor, and it is always best for every speaker to be first recognized by the Chairperson before proceeding to speak.

The Chairperson should always ensure that debate and discussion of an agenda item focuses on the item and the policy in question, not the personalities of the Members of the Board or

Committee. Debate on policy is healthy, debate on personalities is not. The Chairperson has the right to cut off discussion that is too personal, too loud, or too crude.

Debate and discussion should be focused, but free and open. In the interest of time, the Chairperson may, however, limit the time allotted to speakers, including Members of the body. Can a Member of the body interrupt the speaker? The general rule is “no.” There are, however, exceptions. A speaker may be interrupted for the following reasons:

Privilege. The proper interruption would be: “point of privilege.” The Chairperson would then ask the interrupter to “state your point.” Appropriate points of privilege relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, or a blowing fan might interfere with a person’s ability to hear.

Order. The proper interruption would be: “point of order.” Again, the Chairperson would ask the interrupter to “state your point.” Appropriate points of order relate to anything that would not be considered appropriate conduct of the meeting. For example, if the Chairperson moved on to a vote on a motion that permits debate without allowing that discussion or debate.

Appeal. If the Chairperson makes a ruling that a Member of the Board or Committee disagrees with, that Member may appeal the ruling of the Chairperson. If the motion is seconded, and after debate, it passes by a simple majority vote, then the ruling of the Chairperson is deemed reversed.

Call for orders of the day. This is simply another way of saying, “Let’s return to the agenda.” If a Member believes that the Board or Committee has drifted from the agreed-upon agenda, such a call may be made. It does not require a vote, and when the Chairperson discovers that the agenda has not been followed, the Chairperson simply reminds the Board or Committee to return to the agenda item properly before them. If the Chairperson fails to do so, the Chairperson’s determination may be appealed.

Withdraw a motion. During debate and discussion of a motion, the maker of the motion on the floor, at any time, may interrupt a speaker to withdraw his or her motion from the floor. The motion is immediately deemed withdrawn, although the Chairperson may ask the person who seconded the motion if he or she wishes to make the motion, and any other Member may make the motion if properly recognized.

Section 3.03.020
Time of Meeting

All Board meetings shall commence at the time stated on the agenda and shall be guided by same.

Section 3.03.030
Conduct of Meetings

The conduct of meetings shall, to the fullest possible extent, enable Directors to:

- (a) Consider problems to be solved, weigh evidence related thereto, and make wise decision intended to solve the problems; and,
- (b) Receive, consider and take any needed action with respect to reports of accomplishment of District operations.

Provisions for permitting any individual or group to address the Board concerning any item on the agenda of a special meeting, or to address the Board at a regular meeting on any subject that lies within the jurisdiction of the Board of Directors, shall be as follows:

- * Three (3) minutes may be allotted to each speaker unless extended by the Chairperson~~President.~~

No conduct which interferes with the meeting shall be permitted at any Board meeting. Persistence in such conduct shall be grounds for summary termination by the Chairperson of that person's privilege to address the Board, and that person may be removed from the meeting.

Oral presentations which include charges or complaints against any District employee, regardless of whether the employee is identified in the presentation by name or by another reference which tends to identify, shall immediately be referred to the General Manager without further comment by the Board.

Willful disruption of any of the meetings of the Board of Directors shall not be permitted. If the Chairperson finds ~~that~~ there is in fact willful disruption of any meeting of the Board and that order cannot be restored by the individuals interrupting the meeting, he/she may order the room cleared and subsequently conduct the Board's business without the audience present.

- (a) In such an event, only matters appearing on the agenda may be considered in such a session.
- (b) After clearing the room, the Chairperson may permit those persons who, in his/her opinion, were not responsible for the willful disruption to re-enter the meeting room.
- (c) Duly accredited representatives of the news media, whom the Chairperson finds have not participated in the disruption, shall be admitted to the remainder of the meeting.

Chapter 3.04
BOARD OF DIRECTORS ACTIONS AND DIRECTIONS

Sections:

- 3.04.010** **Board of Directors Actions**
- 3.04.020** **Board of Directors Directions**

Section 3.04.010
Board of Directors Actions

Actions by the Board of Directors include but are not limited to the following:

- (a) Adoption or rejection of regulations or policies;
- (b) Adoption or rejection of a resolution;
- (c) Adoption or rejection of an ordinance; and
- (d) Approval or rejection of any contract or expenditure.

Action can only be taken by ~~at~~the vote of the majority of the Board of Directors. Three (3) Directors must vote affirmatively for any action to be effective (unless a 4/5 vote is required by policy or other law).

This policy applies ~~as well~~ to abstentions from voting as well. A member abstaining in a vote is considered as absent for that vote.

Section 3.04.020
Board of Directors Directions

The Board may give directions which are not formal action. Such directions do not require formal procedural process. Such directions include the Board's directives and instructions to the General Manager. Such directives shall not consist of orders or instructions that would require the expenditure of District funds or other actions that would otherwise require formal approval of the Board.

The Chairperson shall determine by consensus a Board directive and shall state it for clarification. Should any two Directors challenge the statement of the Chairperson, a voice vote may be requested.

A formal motion may be made to place a disputed directive on a fixture agenda for Board consideration, or to take some other action (such as refer the matter to the General Manager for review and recommendation, etc.).

Informal action by the Board is still Board action and shall only occur regarding matters which appear on the agenda for the Board meeting during which said informal action is taken.

Chapter 3.05
MINUTES

Sections:

3.05.010 Minutes Policy

Chapter 3.05
MINUTES OF
BOARD
MEETINGS

Section 3.05.010
Minutes Policy

The Secretary of the Board of Directors shall keep minutes of all regular and special meetings of the Board.

~~Staff shall endeavor to make copies of said minutes for distribution to Directors with the agenda of the minutes available at the next Board meeting for approval consideration. Copies of said minutes shall be made for distribution to Directors with the agenda for the next regular Board meeting.~~

The official minutes of the regular and special meetings of the Board shall be kept in a fire-proof vault or in fire-resistant, locked cabinets, as well as in electronic format.

All audio recordings of regular, special, and committee meetings will be kept for the transcription of minutes. Recordings shall be stored on the computer or on the server on secure electronic storage systems managed by District staff. ~~These recordings are made for the convenience of the Secretary and shall be retained until the minutes for the meeting have been transcribed and approved; they are not permanent records.~~ Once minutes have been transcribed and approved, all audio recordings shall be destroyed.

A notice will be visible that a recording is being made at all Board meetings;

There will be no recordings made during closed sessions of the Board. ~~;~~ and

~~Recordings shall be stored on the computer or on the server. These recordings are made for the convenience of the Secretary and shall be retained until the minutes for the meeting have been transcribed and approved; they are not permanent records.~~

Motions, resolutions or ordinances shall be recorded as having passed or failed and individual votes will be recorded unless the action was unanimous.

The minutes of Board meetings shall ~~be maintained as hereinafter outlined~~ include the following:-

Procedure:

- (a) Date, place and type of each meeting.;
- (b) Directors present and absent by name.;
- (c) Call to order.;
- (d) Arrival/Departure of tardy Directors by name and time.;
- (e) Adjournment of the meeting.;
- ~~Record of written notice of special meetings; and,~~
- ~~Record of items to be considered at special meetings.~~
- (f) Board Actions: Approval or amended approval of the minutes of preceding meetings.;
- (g) Complete information as to each subject of the Board's deliberation.;

M:\Administration\Confidential\Administrative Code Working Docs\Board Secretary Administrative Code Working File\Drafts Not Approved\Title 3\Redline\Minutes Policy 3.05.010.docx\rmwd-b\Store03\BoardFiles\Board Secretary\Administrative Code Working File\Board Admin Code 2005-2006\Minutes of Board Meetings 3.05-Minutes Policy 3.05.010.doc\Approved 8-3-05 by Ordinance No. 05-07\8-3-05\Amended and Updated Approved 7-21-06 by Ordinance No. 06-02\Amended and Updated Approved 1-27-09 by Ordinance No. 09-03\Amended and Updated Approved 10-25-16 by Ordinance No. 16-14\DRAFT

- (h) Complete information as to each subject including the roll call record of the vote on a motion if not unanimous.
- (i) All Board resolutions and ordinances in complete context, numbered serially for each calendar year.
- (j) A record of all contracts entered into.
- (k) All employments and resignations or terminations of employment within the District.
- (l) A record by number of all warrants approved for payment.
- (m) Adoption of the annual budget.
- (n) Approval of all policies and Board-adopted regulations.
- (o) ~~and,~~ A record of all visitors and delegations appearing before the Board.

Chapter 3.06
CONFIDENTIALITY OF BOARD CLOSED SESSIONS

Sections

- 3.06.010** **General Policy**
- 3.06.020** **Unauthorized Disclosure by a Director**
- 3.06.030** **Unauthorized Disclosure by an Employee**
- 3.06.040** **Enforcement**
- 3.06.040.01** **Violation of Policy**
- 3.06.040.02** **Investigation of Violation**

Section 3.06.010 General Policy

The Brown Act prohibits the disclosure of confidential information acquired in closed session by any person present and offers various remedies to address willful breaches of confidentiality. These include injunctive relief, disciplinary action against an employee, and referral of a member of the legislative body to the grand jury.

It is incumbent upon all those attending lawful closed sessions to protect the confidentiality of those discussions.

Generally, the business of the District must be conducted in open session. Pursuant to the Ralph M. Brown Act, California Government Code sections 54962 et seq., the following matters may be discussed in closed session:

- a determination regarding a license or permit;
- conference regarding real property negotiations;
- conference with legal counsel regarding existing litigation;
- conference with legal counsel regarding anticipated litigation;
- liability claims;
- threat to public services or facilities;
- public employee appointment;
- public employee performance evaluation;
- public employee discipline, dismissal, or release;
- conference with labor negotiators;
- report involving trade secret;
- charge or complaint involving information protected by federal law; and a
- conference involving a joint powers agency.

Only the legislative body, acting as a body, may agree to divulge confidential closed session information.

Regarding attorney/client privileged communications occurring in closed session, the entire legislative body is the holder of the privilege and only a majority vote of the entire legislative body can authorize the waiver of the privilege.

Only what is publicly reported by the general counsel at the conclusion of a closed session may be publicly disclosed except as may be necessary to implement the decisions made by the Board in closed session.

Section 3.06.020
Unauthorized Disclosure by a Director

A violation of the policy stated in Section 3.06.010 by a director shall be placed on the agenda of the next regular meeting of the Board or on an earlier special meeting of the Board to consider remedial action, which may include, but not be limited to:

- (a) an oral reprimand;
- (b) a written reprimand;
- (c) injunctive relief to prevent the current or future disclosure of confidential information;
- (d) referral of the Director(s) who willfully disclosed confidential information in violation of the policy to the San Diego District Attorney;
- (e) removal from any committee assignments for a specified period;
- (f) suspension of reimbursements for District travel for a specified period.

Before taking any action, the Board, or an ad hoc committee appointed by the Board to first review the matter, shall provide the person(s) under investigation with an opportunity to meet with the Board or ad hoc committee appointed for the purpose to review the presentation of reasons and evidence why action should not be taken.

It is the intention to implement progressive discipline unless the violation is so severe, willful and detrimental to the interests of the District in fulfilling its public functions that progressive discipline would not serve the District.

The resulting decision of the Board shall be final without any administrative appeal procedure.

Section 3.06.030
Unauthorized Disclosure by an Employee

A violation of the policy stated in Section 3.06.010 by an employee shall be placed on the agenda of the next regular meeting of the Board or on an earlier special meeting of the Board to consider remedial action, which may include, but not be limited to:

- (a) an oral reprimand;
- (b) a written reprimand;
- (c) a suspension of a specified period of time with or without pay;
- (d) injunctive relief to prevent the current or future disclosure of confidential information;
- (e) referral of the employee(s) who willfully disclosed confidential information in violation of the policy to the San Diego District Attorney;
- (f) termination.

It is the intention to implement progressive discipline unless the violation is so severe, willful and detrimental to the interests of the District in fulfilling its public functions that progressive discipline would not serve the District.

Before taking any action, the Board, or an ad hoc committee appointed by the Board to first review the matter, shall provide the person(s) under investigation with an opportunity to meet with the Board or ad hoc committee appointed for the purpose to review the presentation of reasons and evidence why action should not be taken.

The resulting decision of the Board shall be final without any administrative appeal procedure.

**Section 3.06.040
Enforcement**

3.06.040.01 Violation of Policy

(a) Any director or employee who has reason to believe that a violation of the policy of confidentiality has occurred shall report the suspected violation as follows:

- (1) if the suspected violation was by a director, the chair of the Board shall be notified;
- (2) if the suspected violation was by the chair of the Board, the general manager and general counsel shall be notified;
- (3) if the suspected violation was by an employee, the general manager shall be notified;
- (4) if the suspected violation was by the general manager, the chair of the Board shall be notified;
- (5) if the suspected violation was by the general counsel, the general manager and the chair of the Board shall be notified.

(b) **3.06.040.02 Investigation of Violation**

The suspected violation shall be investigated in the manner provided in Administrative Code Ssection 3.06.020 or 3.06.030, as appropriate. The Board, or an ad hoc committee appointed by the Board, upon receiving any information in support of the suspected violation, shall permit the suspected violator(s) to present any explanation, evidence, or testimony to rebut the allegation.

The Board's decision regarding the suspected violation shall be supported by the "preponderance of the evidence" legal standard, which requires a showing that it is more likely than not ~~that~~ the suspected violation occurred. (California Evidence Code section 115; Weiner v. Fleischman (1991) 54 Cal.3d 476).

**Title 3
BOARD MEETINGS**

Chapters:

- 3.01 Meetings**
- 3.02 Meeting Agendas**
- 3.03 Conduct**
- 3.04 Board Actions and Directions**
- 3.05 Minutes**
- 3.06 Confidentiality of Board Closed Sessions**

**Chapter 3.01
MEETINGS**

Sections:

- 3.01.010 Regular Meetings**
- 3.01.010.01 Schedule**
- 3.01.010.02 Open Sessions**
- 3.01.010.03 Closed Sessions**
- 3.01.010.04 Agenda Item Order**
- 3.01.020 Special, Adjourned and Emergency Meetings**
- 3.01.020.01 Special Meetings**
- 3.01.020.02 Adjourned Meetings**
- 3.01.020.03 Emergency Meetings**
- 3.01.030 Biannual Organizational Meeting**
- 3.01.040 Availability of Information**

Section 3.01.010
Regular Meetings

All regular meetings of the Board of Directors will be conducted in the Board room of the District at 3707 Old Highway 395, Fallbrook, California 92028.

The date and time of the regular meetings shall be established by the Board of Directors at the last Board meeting of each calendar year.

3.01.010.01 Schedule

Regular meetings shall be held on the fourth (4th) Tuesday of each calendar month. The November and December meetings shall be combined and held on the first available Tuesday in the month of December of each calendar year.

The starting time for the regular meeting Open Session shall be 1:00 p.m.

3.01.010.02 Open Sessions

Each regular meeting will include an Open Session. Open Sessions are for the purpose of discussing in an open forum any matters that are not of confidential nature as permitted by law and are open to the public.

Although the Board is not prohibited from taking testimony at regular meetings on matters not on the agenda which a member may wish to bring before the Board, the Board cannot discuss or take action on such matters at that meeting but may briefly respond, ask a question for clarification, make an announcement, report his or her own activities, refer the item to staff for follow-up, or place it on a future agenda for discussion and action.

A time limit may be imposed on the speaker by the meeting Chairperson at their sole discretion.

3.01.010.03 Closed Sessions

The Board, General Manager, or District Counsel may schedule a Closed Session as part of any regular meeting. Closed Sessions are for the purpose of discussing confidential matters as permitted by law and are closed to the public.

Closed Sessions may be scheduled for any time during a regular meeting. The start time of each Closed Session shall be determined by the Chairperson after conferring with the General Manager and District Counsel regarding the estimated time necessary to adequately discuss the agenda items. Once a start time has been determined, this information as well as the topics to be discussed will be provided on the regular meeting agenda.

Closed Session scheduled for the beginning of a regular meeting may conclude before or after the Open Session start time; however, Open Session will not begin prior to the Open Session start time.

Prior to adjourning to the Closed Session there shall be a public comment period to allow interested members of the public the opportunity to comment only on those items on the Closed Session agenda.

A second public comment period will be held at the beginning of Open Session to allow interested members of the public an opportunity to directly address the Board on any item of interest to the public.

3.01.010.04 Agenda Item Order

The Chairperson of the meetings described herein shall determine the order in which agenda items shall be considered for discussion and/or action by the Board.

Section 3.01.020
Special, Adjourned and Emergency Meetings

Special, adjourned and emergency meetings of the Board of Directors may be called as provided by law, and in accordance with the provisions of the Brown Act, Government Code Section 54950 *et seq.*

3.01.020.01 Special Meetings

Special meetings may be called by the President or by a majority of the members of the Board as permitted by Government Code Section 54956. The President shall set the time and place for any special meeting of the Board of Directors. The President shall have final approval on the contents of the agendas for all special, adjourned and emergency meetings of the Board. Directors shall be notified of special meetings by the Secretary. The call and notice shall be posted at least 24 hours prior to the special meeting at the District Headquarters. The Secretary shall post an agenda containing a brief, general description of each item of business to be transacted or discussed at special meetings, including the items to be discussed in closed session. The posting shall be freely accessible to the public.

3.01.020.02 Adjourned Meetings

A regular meeting may be adjourned by the Board or by the Secretary if less than a quorum is present to another time. An adjourned regular meeting is a regular meeting if held within five days of the regular meeting. If the adjourned meeting is held more than five days after the regular meeting, a new agenda shall be posted.

3.01.020.03 Emergency Meetings

An emergency meeting may be called by a majority of the Board pursuant to Government Code Section 54956.5 without twenty-four hour notice or posting of an agenda if necessary due to disruption or threatened disruption of District facilities by work stoppage, natural disaster or other activity severely impairing public health or safety as determined by a majority of the members.

Section 3.01.030
Biannual Organizational Meeting

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

Section 3.01.040
Availability of Information

The Chairperson and the General Manager shall insure that appropriate information and materials are available for the audience at meetings of the Board of Directors. This information includes, but is not limited to, the following:

- A.** Agenda packages and other materials deemed appropriate by the Board of Directors, e.g. draft budgets for budget workshops, shall be made available to any interested member of the public who makes a request.
- B.** Members of the public who would like to receive agendas as well as agenda packets on a recurring basis throughout the calendar year may submit a request form with the Executive Assistant/Board Secretary. Said written request shall be in effect for the calendar year in which it is made and shall be renewed annually to continue regular receipt of the materials.
- C.** Sufficient copies of any materials provided at meetings of the Board of Directors shall be made and readily available for those attending said meetings.
- D.** Additional copies of the agenda packages will be made readily available to non-subscribers upon request.
- E.** Subscribers will be notified by e-mail, fax, or telephone when materials are available.

Moved to Regular Meetings Section 3.01.010.04

**Chapter 3.02
MEETING AGENDAS**

Sections:

- 3.02.010 Agendas**
- 3.02.010.01 Agenda Preparation**
- 3.02.010.02 Requests for Agenda Items**
- 3.02.010.02.1 Requests Made by Board of Directors**
- 3.02.010.02.2 Requests Made by Members of the Public**
- 3.02.010.03 Taking Testimony**
- 3.02.010.04 Time Limits**
- 3.02.010.05 Posting of Agenda**
- 3.02.010.05.1 Regular Meetings**
- 3.02.010.05.2 Special Meetings**
- 3.02.020 Presentations from Board Invited Guests**

Section 3.02.010
Agendas

3.02.010.01 Agenda Preparation

The General Manager, in cooperation with the Board President, shall coordinate preparation of an agenda for each regular and special meeting of the Board of Directors.

3.02.010.02 Requests for Agenda Items

3.02.010.02.1 Requests Made by Board of Directors

Any Director may call the General Manager and request any item to be placed on the agenda no later than two weeks prior to the meeting date.

3.02.010.02.2 Requests Made by Public Members

Any member of the public may request that a matter directly related to District business be placed on the agenda of a regularly scheduled meeting of the Board of Directors, subject to the following conditions:

- (a) The request must be in writing and be submitted to the General Manager or his/her designee together with supporting documents and information, if any, at least two weeks prior to the date of the meeting.
- (b) Notwithstanding permission to request an item's placement on the agenda or to address the Board during public comment, for issues requiring closed session discussion as provided by law, no substantive discussion or action shall be taken by the Board until after the matter has been discussed by the Board in a duly noticed closed session.

3.02.010.03 Taking Testimony

This policy does not prevent the Board from taking testimony at regular and special meetings of the Board on matters which are not on the agenda which a member of the public may wish to bring before the Board; however, the Board shall not take action or engage in substantive discussions on non-agenda items. The Board may request to place a matter on the agenda for a subsequent meeting, ask a question for clarification, provide a reference to staff or other resources for factual information, or direct staff to report back at a future date.

3.02.010.04 Time Limits

The Board of Directors may place limitations on the total time to be devoted to a public request issue at any meeting and may limit the time allowed for any one person to speak on the issue at the meeting.

3.02.010.05 Posting of Agenda

3.02.010.05.1 Regular Meetings

In accordance with the law, at least seventy-two (72) hours prior to the time of all regular meetings, an agenda, which includes but is not limited to all matters on which there may be discussion and/or action by the Board, shall be posted conspicuously for public review at the District office or otherwise as provided by law.

3.02.010.05.2 Special Meetings

The agenda for a special meeting shall be posted at least twenty-four (24) hours before the meeting in the same location as stated for regular meetings.

Section 3.02.020
Presentations from Board Invited Guests

A Board member may request that a guest be invited to make a presentation to the Board of Directors subject to the approval of the request by the Board of Directors.

A Board member wishing to invite a guest to make a presentation will provide to the General Manager a brief description of the nature of the presentation.

Upon receipt of the request the General Manager will include the request in the next available agenda for Board consideration.

Moved to Regular Meetings Section 3.01.010.02 and Agendas 3.02.010.03 Respectively

Moved to Agendas Section 3.02.010.05

**Chapter 3.03
CONDUCT**

Sections:

- 3.03.010** **Roberts Rules of Order, Revised**
- 3.03.020** **Time of Meeting**
- 3.03.030** **Conduct of Meetings**

Section 3.03.010
Roberts Rules of Order, Revised

Meetings of the Board of Directors shall be conducted by the Chairperson. The Board approved Rainbow Municipal District Parliamentary Procedures Policy as well as the latest of Robert's Rules of Order, Revised shall also be used as a general guideline for meeting protocol. District policies shall prevail whenever they conflict with Robert's Rules of Order, Revised.

RMWD Parliamentary Procedures Policy

Introduction

The Rainbow Municipal Water District is at its heart a service organization dedicated to the communities that make up the District. Part of our mission requires the Board of Directors and various committees to conduct open and public meetings in order to review information and make decisions about important topics facing the District. The manner in which these meetings are conducted is an important factor in the success of the organization.

There are multiple goals of the conduct of each meeting, including but not limited to:

- **Transparency** – the conduct of the meetings must be such that all participants must be able to have access to the information being considered by the Board. In addition, the deliberative process must be in accordance with the requirements of the Ralph M. Brown Act. Except for specific circumstances that require a closed session, the goal is for all deliberations to be done in public sessions with as much information available to the public as possible.
- **Public Input** – the input of the public is an important component in the deliberative process. Each meeting must allow for meaningful input from interested parties. It is also important that the nature and duration of the public input support the deliberative process rather than disrupt the meeting. All opinions are welcome, but communications that are designed to disrupt the meeting must be managed effectively to prevent disruptions.
- **Board/Committee Decorum** – in order to ensure that each member of the Board or committee is able to voice their option on each item under consideration, Board and committee members must conduct themselves in such a way that the rights of the others to speak are respected.
- **Effective Meeting Management** – effective Board and Committee meetings are generally characterized by a strong leadership role of the Board President or Committee Chair. Each person who is leading the meeting must understand the role that they play in the meeting and ensure that the activities of all participants in the meeting adhere to the policies outlined in this document. There can sometimes be a challenge when balancing the needs outlined above with the need for effective meeting management and the role of the leader of the meeting is important in managing this process.

Background

Section 3.03 of the RMWD Administrative Code outlines the policies of Board Meeting Conduct. This policy document is intended to serve as a supplement to the Administrative Code. In accordance with the Administrative Code, the basic conduct of the meeting will be in accordance with the latest version of Robert's Rules of Order, Revised (hereafter referred to as Robert's Rules). As most people are aware, Robert's Rules are very effective but also very limiting if followed exactly. They were designed for a particular purpose and some facets of Robert's Rules can conflict with the goals stated above. For instance, strict adherence to Robert's Rules would require a motion to be made and seconded before any discussion could be had on a particular course of action. While this may be an appropriate parliamentary procedure in some circumstances, if this practice were to be followed at an RMWD meeting, attendees may conclude

that since a motion was made prior to any discussion there must have been some back room deals leading to the motion. This is not what we want to project to the public.

To that end, this list of parliamentary procedures is intended to supplement and expand on Robert's Rules and provide guidance on how we can conduct orderly, effective, and transparent meetings at RMWD. For the purposes of this document, the Board President and Committee Chairpersons will be collectively referred to as the Chairperson. Board Members or Committee Members will be collectively referred to as Members.

Conduct of Meetings

Call to Order – the Chairperson will call the meeting to order at the time stated on the public notice for that meeting. The clock located in the Boardroom shall be the official clock for starting meetings. If there are Members that are running late, the Chairperson may delay the start of the meeting but such delays should not exceed ten minutes.

Pledge of Allegiance – The Chairperson shall lead the group in the recital of the Pledge of Allegiance. As an option, the Chairperson may designate another member or attendee to lead the Pledge of Allegiance. In order to lead the Pledge, the Chairperson or designee shall state "Please rise and join me in the Pledge of Allegiance" and then pause to allow attendees to stand up. Once the room is ready he or she shall state "Ready – Begin" and then recite the Pledge of Allegiance.

Roll Call and Establishment of a Quorum – The Board Secretary shall call the roll to determine if a quorum is present at the meeting. The default rule is that a quorum is one more than half the Board or Committee. So, for example, in a Regular Board meeting with a five-member body a quorum is three. When the Board has three members present, it can legally transact business. If the Board has less than a quorum of members present, it cannot legally transact business. For Committees with larger numbers of Members the quorum number will change accordingly.

If the Board or Committee has a quorum to begin the meeting, the Board or Committee can lose the quorum during the meeting when a member departs (or even when a member leaves the dais), and when that occurs the body loses its ability to transact business until and unless a quorum is reestablished.

Opportunity for Public Comments on Items That are Not on the Agenda – The Chairperson shall announce that any person who wishes to speak about a topic that is not on the agenda may do so at this time. The Chairperson shall indicate that comments should be limited to three minutes and that speakers should fill out a speaker slip. Depending on the level of attendance at the meeting, the Chairperson may allow for comments to be presented without the use of a speaker slip, but this should be the exception rather than the rule. In addition, if there are a large number of speakers, the Chairperson may restrict the time limit in order to allow all speakers a chance to address the Board. Conversely, if there is limited attendance the Chairperson may allow for more than three minutes per speaker.

The Chairperson has the responsibility to remind speakers when their time limit has been reached. District staff will monitor the length of time of each speaker and inform the Chairperson when the time limit has been reached. The Chairperson will then inform the speaker that they must conclude their comments so that the meeting can proceed.

Use of AV System During Meetings – District staff shall prepare presentation materials for each meeting so that information about the item under consideration will be displayed on the screen

while the item is under consideration. This is intended to allow all attendees to see which topic is under consideration and receive pertinent information about that topic. In some cases, the information displayed will be a short text summary of the item, but in other cases the staff will include more detailed presentations, maps, tables, and other information that is relevant to the deliberation process. In all cases, the intent of the information presented is to ensure that all parties have adequate information to understand the issues under consideration and the rationale for the decision that is ultimately made.

District staff will operate the AV system during the meeting.

Board or Committee Action Items – When considering any action, from approval of minutes, to consent calendar, to individual action items, the following process shall be followed:

- The Chairperson shall announce the title of the Action Item
- Staff shall provide a report on the details of the item. This could be as brief as a comment from the General Manager describing the nature of the item or a full staff presentation. In some cases, staff may have contractors or consultants present technical materials. Guest speakers from other agencies may also provide information at this time. The goal of this part of the process is to lay out the foundation of information needed for the Members to deliberate the situation. Members may ask questions of the presenters to clarify information at this time, but this would not be the time to express opinions on options that are presented.
- Once the staff report has concluded, the Chairman shall ask for public comments on the topic. The same rules related to public comments listed above shall apply. At the end of the public comment period, the Chairperson should make it clear to the attendees that they may not be allowed to speak on this topic again, so they should say what they need to say now as the Chairman may not allow an interruption of the deliberation of the Members afterwards.
- After both the staff presentation and public comments have concluded, the Members may begin to discuss technical aspects of the topic or get more information from staff about the staff recommendation. It is important to remember that this part of the process is for information gathering, not actually deliberating a decision. Actual deliberation should occur after a motion has been made and seconded. Each Member wishing to speak on the topic shall be recognized by the Chairperson as having the floor prior to speaking. Only one Member should speak at a time. This is not only to provide a respectful environment for dialogue, it is also to avoid having garbled recordings of the meetings. When multiple speakers talk at once, it is very difficult to understand what was said on the recordings. Members may ask other members brief clarifying questions without having the floor, but such interjections should be kept to a minimum.
- At any point during the discussion process, any Member may make a Motion regarding the action item. If a Motion is made, the Chairperson shall acknowledge the Motion and clarify the terms of the motion as needed. If another Member Seconds the motion in a timely manner, the Chairperson shall announce that there has been a Motion and Second and verbally state who made the Motion and the Second. This clarification of which Member took which action is helpful for the audio recording and the development of meeting minutes. The Chairperson shall then call for any additional discussion. This is the point in time for Members to deliberate about the Motion on hand. Members may ask

for further technical clarifications from staff about the motion as part of this process which will continue until the Chairperson “calls the question” for a vote.

- When voting, the Chairperson will verbally clarify the terms of the Motion and ask for a vote. In the case of an Ordinance, the vote shall be a roll call vote. The Chairperson may use a voice vote on an Ordinance as long as the audio record is clear as to how each Member voted. In any act of the group, the votes of each Member must be clearly recorded in our minutes, so roll call votes are generally the best way to go.

Participation by Public After the Public Comment Period Has Ended – From time to time a member of the public may wish to make a comment to the Members after the public comment period has ended. This situation can be a very productive part of the deliberative process, but it can also be a disruption to the deliberative process. The Chairperson must clarify the rules for attendees at each meeting and/or for each action item. For items where there are many attendees who may want to join into the deliberative process, the Chairperson should inform them during the public comment period that he or she will not allow further comment so as not to bog down the meeting. The Chairperson has the discretion to allow attendees to briefly speak at his or her discretion. It will be the responsibility of the Chairperson to manage the public input process so that the co-equal goals of public input and a constructive deliberation process are achieved.

Substitute Motions or Amendments to Motions – Within Robert’s Rules there is a labyrinth of methods to amend or substitute Motions and these processes can become very confusing. In order to create an environment where all parties can clearly understand the deliberative process, the Chairperson shall limit any amendments to any Motion to a single amendment and will not allow substitute Motions. If a Motion is made and Seconded, a Member may ask for an amendment to the Motion during the discussion phase. The request for Amendment shall be made to the originator of the Motion. If the originator of the Motion agrees with the requested amendment, the originator of the Motion shall clarify their revised Motion. If this revised Motion received a Second from another Member, discussion shall ensure until the question is called. If the revised Motion fails to receive a Second, the discussion shall revert to the original Motion and proceed from there.

At the time a vote is taken, the Chairperson shall again clarify the original and amended Motion, including which Members made the Motion and Second, and call for the vote.

Courtesy and Decorum (this section is adapted from “Rosenberg’s Rules of Order)

These parliamentary rules of are meant to create an atmosphere where the members of the Board or Committee and the members of the public can attend to business efficiently, fairly and with full participation. At the same time, it is up to the Chairperson and the members of the Board or Committee to maintain common courtesy and decorum. Unless the setting is very informal, it is always best for only one person at a time to have the floor, and it is always best for every speaker to be first recognized by the Chairperson before proceeding to speak.

The Chairperson should always ensure that debate and discussion of an agenda item focuses on the item and the policy in question, not the personalities of the Members of the Board or Committee. Debate on policy is healthy, debate on personalities is not. The Chairperson has the right to cut off discussion that is too personal, too loud, or too crude.

Debate and discussion should be focused, but free and open. In the interest of time, the Chairperson may, however, limit the time allotted to speakers, including Members of the body.

Can a Member of the body interrupt the speaker? The general rule is “no.” There are, however, exceptions. A speaker may be interrupted for the following reasons:

Privilege. The proper interruption would be: “point of privilege.” The Chairperson would then ask the interrupter to “state your point.” Appropriate points of privilege relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, or a blowing fan might interfere with a person’s ability to hear.

Order. The proper interruption would be: “point of order.” Again, the Chairperson would ask the interrupter to “state your point.” Appropriate points of order relate to anything that would not be considered appropriate conduct of the meeting. For example, if the Chairperson moved on to a vote on a motion that permits debate without allowing that discussion or debate.

Appeal. If the Chairperson makes a ruling that a Member of the Board or Committee disagrees with, that Member may appeal the ruling of the Chairperson. If the motion is seconded, and after debate, it passes by a simple majority vote, then the ruling of the Chairperson is deemed reversed.

Call for orders of the day. This is simply another way of saying, “Let’s return to the agenda.” If a Member believes that the Board or Committee has drifted from the agreed-upon agenda, such a call may be made. It does not require a vote, and when the Chairperson discovers that the agenda has not been followed, the Chairperson simply reminds the Board or Committee to return to the agenda item properly before them. If the Chairperson fails to do so, the Chairperson’s determination may be appealed.

Withdraw a motion. During debate and discussion of a motion, the maker of the motion on the floor, at any time, may interrupt a speaker to withdraw his or her motion from the floor. The motion is immediately deemed withdrawn, although the Chairperson may ask the person who seconded the motion if he or she wishes to make the motion, and any other Member may make the motion if properly recognized.

Section 3.03.020
Time of Meeting

All Board meetings shall commence at the time stated on the agenda and shall be guided by same.

Section 3.03.030
Conduct of Meetings

The conduct of meetings shall, to the fullest possible extent, enable Directors to:

- (a) Consider problems to be solved, weigh evidence related thereto, and make wise decision intended to solve the problems; and,
- (b) Receive, consider and take any needed action with respect to reports of accomplishment of District operations.

Provisions for permitting any individual or group to address the Board concerning any item on the agenda of a special meeting, or to address the Board at a regular meeting on any subject that lies within the jurisdiction of the Board of Directors, shall be as follows:

- * Three (3) minutes may be allotted to each speaker unless extended by the Chairperson.

No conduct which interferes with the meeting shall be permitted at any Board meeting. Persistence in such conduct shall be grounds for summary termination by the Chairperson of that person's privilege to address the Board, and that person may be removed from the meeting.

Oral presentations which include charges or complaints against any District employee, regardless of whether the employee is identified in the presentation by name or by another reference which tends to identify, shall immediately be referred to the General Manager without further comment by the Board.

Willful disruption of any of the meetings of the Board of Directors shall not be permitted. If the Chairperson finds there is in fact willful disruption of any meeting of the Board and that order cannot be restored by the individuals interrupting the meeting, he/she may order the room cleared and subsequently conduct the Board's business without the audience present.

- (a) In such an event, only matters appearing on the agenda may be considered in such a session.
- (b) After clearing the room, the Chairperson may permit those persons who, in his/her opinion, were not responsible for the willful disruption to re-enter the meeting room.
- (c) Duly accredited representatives of the news media, whom the Chairperson finds have not participated in the disruption, shall be admitted to the remainder of the meeting.

Chapter 3.04
BOARD OF DIRECTORS ACTIONS AND DIRECTIONS

Sections:

- 3.04.010** **Board of Directors Actions**
- 3.04.020** **Board of Directors Directions**

Section 3.04.010
Board of Directors Actions

Actions by the Board of Directors include but are not limited to the following:

- (a) Adoption or rejection of regulations or policies;
- (b) Adoption or rejection of a resolution;
- (c) Adoption or rejection of an ordinance; and
- (d) Approval or rejection of any contract or expenditure.

Action can only be taken by a vote of the majority of the Board of Directors. Three (3) Directors must vote affirmatively for any action to be effective (unless a 4/5 vote is required by policy or other law).

This policy applies to abstentions from voting as well. A member abstaining in a vote is considered as absent for that vote.

Section 3.04.020
Board of Directors Directions

The Board may give directions which are not formal action. Such directions do not require formal procedural process. Such directions include the Board's directives and instructions to the General Manager. Such directives shall not consist of orders or instructions that would require the expenditure of District funds or other actions that would otherwise require formal approval of the Board.

The Chairperson shall determine by consensus a Board directive and shall state it for clarification. Should any two Directors challenge the statement of the Chairperson, a voice vote may be requested.

A formal motion may be made to place a disputed directive on a fixture agenda for Board consideration, or to take some other action (such as refer the matter to the General Manager for review and recommendation, etc.).

Informal action by the Board is still Board action and shall only occur regarding matters which appear on the agenda for the Board meeting during which said informal action is taken.

**Chapter 3.05
MINUTES**

Sections:

3.05.010 Minutes Policy

Section 3.05.010
Minutes Policy

The Secretary of the Board of Directors shall keep minutes of all regular and special meetings of the Board.

Staff shall endeavor to make copies of said minutes for distribution to Directors with the agenda of the minutes available at the next Board meeting for approval consideration.

The official minutes of the regular and special meetings of the Board shall be kept in a fire-proof vault or in fire-resistant locked cabinets, as well as in electronic format.

All audio recordings of regular, special, and committee meetings will be kept for the transcription of minutes. Recordings shall be stored on secure electronic storage systems managed by District staff. These recordings are made for the convenience of the Secretary and shall be retained until the minutes for the meeting have been transcribed and approved; they are not permanent records. Once minutes have been transcribed and approved, all audio recordings shall be destroyed.

A notice will be visible that a recording is being made at all Board meetings;

There will be no recordings made during closed sessions of the Board.

Motions, resolutions or ordinances shall be recorded as having passed or failed and individual votes will be recorded unless the action was unanimous.

The minutes of Board meetings shall include the following:

- (a) Date, place and type of each meeting.
- (b) Directors present and absent by name.
- (c) Call to order.
- (d) Arrival/Departure of tardy Directors by name and time.
- (e) Adjournment of the meeting.
- (f) Board Actions: Approval or amended approval of the minutes of preceding meetings.
- (g) Complete information as to each subject of the Board's deliberation.
- (h) Complete information as to each subject including the roll call record of the vote on a motion if not unanimous.
- (i) All Board resolutions and ordinances in complete context, numbered serially for each calendar year.
- (j) A record of all contracts entered into.
- (k) All employments and resignations or terminations of employment within the District.
- (l) A record by number of all warrants approved for payment.
- (m) Adoption of the annual budget.
- (n) Approval of all policies and Board-adopted regulations.
- (o) A record of all visitors and delegations appearing before the Board.

Chapter 3.06
CONFIDENTIALITY OF BOARD CLOSED SESSIONS

Sections

- 3.06.010** **General Policy**
- 3.06.020** **Unauthorized Disclosure by a Director**
- 3.06.030** **Unauthorized Disclosure by an Employee**
- 3.06.040** **Enforcement**
- 3.06.040.01** **Violation of Policy**
- 3.06.040.02** **Investigation of Violation**

Section 3.06.010 General Policy

The Brown Act prohibits the disclosure of confidential information acquired in closed session by any person present and offers various remedies to address willful breaches of confidentiality. These include injunctive relief, disciplinary action against an employee, and referral of a member of the legislative body to the grand jury.

It is incumbent upon all those attending lawful closed sessions to protect the confidentiality of those discussions.

Generally, the business of the District must be conducted in open session. Pursuant to the Ralph M. Brown Act, California Government Code sections 54962 et seq., the following matters may be discussed in closed session:

- a determination regarding a license or permit;
- conference regarding real property negotiations;
- conference with legal counsel regarding existing litigation;
- conference with legal counsel regarding anticipated litigation;
- liability claims;
- threat to public services or facilities;
- public employee appointment;
- public employee performance evaluation;
- public employee discipline, dismissal, or release;
- conference with labor negotiators;
- report involving trade secret;
- charge or complaint involving information protected by federal law; and a
- conference involving a joint powers agency.

Only the legislative body, acting as a body, may agree to divulge confidential closed session information.

Regarding attorney/client privileged communications occurring in closed session, the entire legislative body is the holder of the privilege and only a majority vote of the entire legislative body can authorize the waiver of the privilege.

Only what is publicly reported by the general counsel at the conclusion of a closed session may be publicly disclosed except as may be necessary to implement the decisions made by the Board in closed session.

Section 3.06.020
Unauthorized Disclosure by a Director

A violation of the policy stated in Section 3.06.010 by a director shall be placed on the agenda of the next regular meeting of the Board or on an earlier special meeting of the Board to consider remedial action, which may include, but not be limited to:

- (a) an oral reprimand;
- (b) a written reprimand;
- (c) injunctive relief to prevent the current or future disclosure of confidential information;
- (d) referral of the Director(s) who willfully disclosed confidential information in violation of the policy to the San Diego District Attorney;
- (e) removal from any committee assignments for a specified period;
- (f) suspension of reimbursements for District travel for a specified period.

Before taking any action, the Board, or an ad hoc committee appointed by the Board to first review the matter, shall provide the person(s) under investigation with an opportunity to meet with the Board or ad hoc committee appointed for the purpose to review the presentation of reasons and evidence why action should not be taken.

It is the intention to implement progressive discipline unless the violation is so severe, willful and detrimental to the interests of the District in fulfilling its public functions that progressive discipline would not serve the District.

The resulting decision of the Board shall be final without any administrative appeal procedure.

Section 3.06.030
Unauthorized Disclosure by an Employee

A violation of the policy stated in Section 3.06.010 by an employee shall be placed on the agenda of the next regular meeting of the Board or on an earlier special meeting of the Board to consider remedial action, which may include, but not be limited to:

- (a) an oral reprimand;
- (b) a written reprimand;
- (c) a suspension of a specified period of time with or without pay;
- (d) injunctive relief to prevent the current or future disclosure of confidential information;
- (e) referral of the employee(s) who willfully disclosed confidential information in violation of the policy to the San Diego District Attorney;
- (f) termination.

It is the intention to implement progressive discipline unless the violation is so severe, willful and detrimental to the interests of the District in fulfilling its public functions that progressive discipline would not serve the District.

Before taking any action, the Board, or an ad hoc committee appointed by the Board to first review the matter, shall provide the person(s) under investigation with an opportunity to meet with the Board or ad hoc committee appointed for the purpose to review the presentation of reasons and evidence why action should not be taken.

The resulting decision of the Board shall be final without any administrative appeal procedure.

**Section 3.06.040
Enforcement**

3.06.040.01 Violation of Policy

Any director or employee who has reason to believe that a violation of the policy of confidentiality has occurred shall report the suspected violation as follows:

- (1) if the suspected violation was by a director, the chair of the Board shall be notified;
- (2) if the suspected violation was by the chair of the Board, the general manager and general counsel shall be notified;
- (3) if the suspected violation was by an employee, the general manager shall be notified;
- (4) if the suspected violation was by the general manager, the chair of the Board shall be notified;
- (5) if the suspected violation was by the general counsel, the general manager and the chair of the Board shall be notified.

3.06.040.02 Investigation of Violation

The suspected violation shall be investigated in the manner provided in Administrative Code Section 3.06.020 or 3.06.030, as appropriate. The Board, or an ad hoc committee appointed by the Board, upon receiving any information in support of the suspected violation, shall permit the suspected violator(s) to present any explanation, evidence, or testimony to rebut the allegation.

The Board's decision regarding the suspected violation shall be supported by the "preponderance of the evidence" legal standard, which requires a showing that it is more likely than not the suspected violation occurred. (California Evidence Code section 115; *Weiner v. Fleischman* (1991) 54 Cal.3d 476).

BOARD OF DIRECTORS

October 27, 2020

SUBJECT

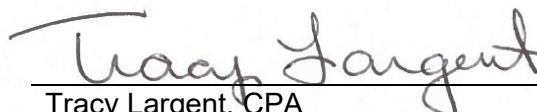
PRESENTATION OF THE 2021 RATE INCREASE TO PASS THROUGH SAN DIEGO COUNTY WATER AUTHORITY (SDCWA) RATE INCREASES

DESCRIPTION

During the Annual Budget process in April - June 2020, it was determined that the upcoming calendar year 2021 SDCWA rate increases would need to be passed through to the district customers. This increase was included as part of the board action when adopting the Annual Budget for FY 20/21 and is included in Ordinance 20-10, "The proposed amount of the San Diego County Water Authority Rate pass-through, as allowed shall be increased effective 01/01/2021." In addition, at the last rate increase hearing in March 2019, the board's approval of Ordinance 19-04, also gave the district authority to continue to pass through the SDCWA increases. As such, this increase is in full compliance with Prop 218 requirements.

These increases from SDCWA will likely result in bill increases of about \$5.53-\$7.13 per month for single family residential, between \$21.10 and \$61.10 for agriculture for medium usage and high usage, respectively.

As presented in the FY 20/21 Annual Budget, the District will be passing through the SDCWA increases but will not be increasing any of the rates charged by the District. As required, the district will be sending out the attached Rate Increase (Attachment A) notice 30 days prior to the rate increase effective date of January 8, 2021.



Tracy Largent, CPA
Finance Manager

October 27, 2020



«OWNNAME»
«Street_Address»
«City»,«State»«ZIP»

30-DAY NOTICE OF WATER RATE INCREASES

EFFECTIVE JANUARY 8, 2021

NOTICE IS HEREBY GIVEN THAT the Board of Directors of Rainbow Municipal Water District (the “District”) will pass through the San Diego County Water Authority (“SDCWA”) rate increases for Purchased Wholesale Water effective January 1, 2021.

REASONS FOR THE PROPOSED RATE INCREASES

The District purchases its water from the San Diego County Water Authority (“SDCWA”). SDCWA in turn purchases the vast majority of its water supplies from the Metropolitan Water District of Southern California (“MWD”). MWD imports water from two sources: the Colorado River via the Colorado River Aqueduct and Northern California via the State Water Project. Nearly 70 cents of each dollar in your water bill goes straight to SDCWA for water purchases. Starting January 1, 2020 SDCWA increased the rates for wholesale water that it delivers to the District and will do so again starting January 8, 2021. For calendar year 2020, the Rainbow MWD Board of Directors decided to hold the line on rate increases to our customers and did not pass through the rate increase from SDCWA. This created a financial loss of approximately \$950,000 for the District for CY2020.

Rainbow MWD operates as efficiently as possible in order to keep rates as low as possible. Absorbing this increase from SDCWA means that we must cut back on the vital services that we provide here in our community. With another increase from SDCWA on the horizon, the Rainbow MWD Board of Directors, in consultation with its ratepayer lead Budget and Finance Committee, has determined that absorbing an additional loss of \$750,000 from the new rate increase from SDCWA will not be possible.

Therefore, beginning with your January 2021 water bill, the District will pass through these SDCWA rate increases to our customers. These increases from SDCWA will likely result in bill increases of about \$5.53-\$7.13 per month for single family residential, between \$21.10 and \$61.10 for agriculture for medium usage and high usage respectively. Every penny of this rate increase will be sent to SDCWA – RMWD will not keep any of that money locally. Even though we have certain increased costs for supplies, energy, etc., we are doing everything we can to make cuts where possible to keep rates down.

As noted above, imported water costs represent nearly 70% of our total expenses. With almost 350 miles of now very old, high pressure pipelines, the rest of your bill goes to the work our staff does to operate and maintain these systems and keep the water flowing to your homes, businesses, and groves. Since there are no viable local supplies in our area, we are 100% dependent on imported water to serve our customers and have been obtaining this water through the SDCWA since 1954. Over the last 20 years, the cost of imported water has risen dramatically, so we evaluated other options to obtain water to serve you. As many of you are aware, the District has filed an application with the San Diego Local Agency Formation Commission (LAFCO) to change our wholesale water supplier to the Eastern Municipal Water District (EMWD). EMWD can deliver us the same water, through the same pipelines, with the same quality and reliability as SDCWA, but at a significantly lower cost.

While we had hoped to bring the detachment matter to the ratepayers for a decision in the fall 2020 election, that has not yet been possible. Had we been buying our water from EMWD this rate increase would not be needed at all. In fact, depending on what sort of conditions LAFCO places on our detachment, if we succeed, we will likely be able to both fund the much-needed replacement of failing pipelines AND provide rate relief. If we are unsuccessful, the sad fact is the old pipelines will still need replacement. We forecast a need of \$3 to \$4 Million per year to do a proper replacement program, but we pay SDCWA about \$6 Million per year above and beyond what EMWD charges for the same water, from the same treatment plant using the same pipelines. We will be holding a series of public meetings over the next few months to discuss the impact of higher SDCWA water costs and to prioritize the most efficient and effective allocation of funds for the district capital project plan.

During the Annual Budget process in April - June 2020, following multiple roadblocks put up by the SDCWA on the detachment effort, it was determined that the upcoming calendar year 2021 SDCWA rate increases would need to be passed through to the district customers. Approval for this increase was included as part of the board action when adopting the Annual Budget for FY 20/21 and is included in Ordinance 20-10, "The proposed amount of the San Diego County Water Authority Rate pass-through, as allowed shall be increased effective 01/01/2021." In addition, at the last rate increase hearing in March 2019, the board's approval of Ordinance 19-04, also gave the district authority to continue to pass through the SDCWA increases.

HOW THE WATER RATES ARE CALCULATED

The District's rate structure for monthly water service fees is comprised of four components: (1) a SDCWA Fixed Charge ("SDCWA Fixed"), which is a fixed monthly charge established by SDCWA on the basis of the meter size of the parcel of property receiving water service; (2) a Rainbow Municipal Water District Operations and Maintenance Charge ("RMWD O&M Charge"), which also is a fixed monthly charge established on the basis of the meter size of the parcel of property receiving water service; (3) a pumping charge that consists of both a fixed monthly charge and variable charges based on the pump zone of the property; and (4) a Commodity Charge, which is determined on the basis of the amount of water served to a parcel of property in units of water (one unit of water is equivalent to approximately 748 gallons of water). For the purpose of rate calculations, the meter counts are updated to reflect the most recent connections.

The SDCWA Fixed Charge is imposed by SDCWA on the District for the purpose of recovering certain SDCWA infrastructure costs. The IAC is a fixed charge that is established on the basis of the size of the customer's meter and is imposed on the District by SDCWA and passed through to our customers.

The RMWD O&MC is calculated on the basis of recovering certain fixed costs of the District to operate, maintain, and deliver water to its customers. These costs include, among others, meter reading, billings and collections, customer service, water facilities repairs and maintenance, meter reading, and certain other costs imposed on the District by SDCWA.

The Commodity Charge is a variable charge and generally consists of tiers which impose different rates per unit of water as the level of consumption increases. The rates for the variable Commodity Charge are based on the number of units of water delivered to a property and the water customer classification. These rates are calculated on the basis of the cost of providing water and infrastructure, purchasing water from SDCWA, and managing the District's water resources.

The rates for all four components of the District's water service fees are structured in such a way as to proportionately allocate the costs of providing water to each customer class and to manage the District's water resources.

The current and proposed rate increases are described in the tables below. The rate increases will be effective on and after January 8, 2021. In addition to the water service charges described here, the District also imposes a fixed monthly fire meter service fee on certain properties as a condition of extending or initiating water service by (1) the installation of a private fire suppression system, and (2) upon the request of the consumer or property owner for the delivery of water to the property for the purpose of fire service protection.

Fixed Rates Effective January 1, 2021

RMWD + SDCW	Current	January 2021	(\$)	(%)
SFR, MFR, COM, INST				
5/8"	\$ 65.56	\$ 67.09	\$ 1.53	2.33%
3/4"	\$ 65.56	\$ 67.09	\$ 1.53	2.33%
1"	\$ 105.59	\$ 108.14	\$ 2.55	2.42%
1 1/2"	\$ 205.62	\$ 210.72	\$ 5.10	2.48%
2"	\$ 325.67	\$ 333.83	\$ 8.16	2.51%
3"	\$ 705.81	\$ 723.66	\$ 17.85	2.53%
4"	\$ 1,266.04	\$ 1,298.17	\$ 32.13	2.54%
6"	\$ 2,606.55	\$ 2,672.85	\$ 66.30	2.54%
AG				
5/8"	\$ 94.25	\$ 95.78	\$ 1.53	1.62%
3/4"	\$ 94.25	\$ 95.78	\$ 1.53	1.62%
1"	\$ 153.36	\$ 155.91	\$ 2.55	1.66%
1 1/2"	\$ 301.20	\$ 306.30	\$ 5.10	1.69%
2"	\$ 478.61	\$ 486.77	\$ 8.16	1.70%
3"	\$ 1,040.37	\$ 1,058.22	\$ 17.85	1.72%
4"	\$ 1,868.25	\$ 1,900.38	\$ 32.13	1.72%
6"	\$ 3,849.18	\$ 3,915.48	\$ 66.30	1.72%
TSAWR/PSAWR				
5/8"	\$ 77.36	\$ 78.41	\$ 1.05	1.36%
3/4"	\$ 77.36	\$ 78.41	\$ 1.05	1.36%
1"	\$ 125.21	\$ 126.96	\$ 1.75	1.40%
1 1/2"	\$ 244.89	\$ 248.40	\$ 3.51	1.43%
2"	\$ 388.52	\$ 394.13	\$ 5.61	1.44%
3"	\$ 843.30	\$ 855.57	\$ 12.27	1.45%
4"	\$ 1,513.53	\$ 1,535.61	\$ 22.08	1.46%
6"	\$ 3,117.21	\$ 3,162.78	\$ 45.57	1.46%

Variable Rates Effective January 1, 2021

RMWD + SDCW	Current	January 2021	(\$)	(%)
Single Family Residential				
Tier 1	\$ 3.73	\$ 3.89	\$ 0.16	4.29%
Tier 2	\$ 3.99	\$ 4.15	\$ 0.16	4.01%
Tier 3	\$ 4.48	\$ 4.64	\$ 0.16	3.57%
Multi-Family Residential	\$ 3.87	\$ 4.03	\$ 0.16	4.13%
Commercial	\$ 4.03	\$ 4.19	\$ 0.16	3.97%
Institutional	\$ 4.14	\$ 4.30	\$ 0.16	3.86%
Construction	\$ 5.20	\$ 5.36	\$ 0.16	3.08%
Agriculture w/Residence				
Tier 1	\$ 3.73	\$ 3.89	\$ 0.16	4.29%
Tier 2	\$ 3.99	\$ 4.15	\$ 0.16	4.01%
Tier 3	\$ 3.63	\$ 3.79	\$ 0.16	4.41%
Agriculture w/o Residence	\$ 3.63	\$ 3.79	\$ 0.16	4.41%
TSAWR/PSAWR - Domestic				
Tier 1	\$ 3.94	\$ 4.14	\$ 0.20	5.08%
Tier 2	\$ 4.21	\$ 4.41	\$ 0.20	4.75%
Tier 3	\$ 3.15	\$ 3.35	\$ 0.20	6.35%
TSAWR/PSAWR Commercial	\$ 3.15	\$ 3.35	\$ 0.20	6.35%

If you have any questions regarding the information provided in this notice, or the rates applicable to your property, please contact Rainbow Municipal Water District at 760-728-1178.

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

VARIABLE					
DATE	2020	MEETING	LOCATION	ATTENDEES	POST
November	12	SDCWA Special Board Meeting	SDCWA	GM	N/A
November	19	CSDA – San Diego Chapter	(Location to be Announced) 6:00 p.m.	Mack	N/A
November	*	LAFCO Special Meeting	County Admin Center, Room 302 – 9:30am	(As Advised by GM)	N/A
November	*	Santa Margarita River Watershed Watermaster Steering Committee	Rancho California Water District	Hamilton	N/A

* To Be Announced

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

RECURRING					
DATE	2020	MEETING	LOCATION	ATTENDEES	POST
November	2	LAFCO	County Admin. Center Room 302 9:00 am	As Advised by GM	N/A
November	4	Engineering & Operations Committee Meeting	RMWD Board Room 3:00 p.m.	Appointed Director, General Manager	10/29
November	5	Communications & Customer Service Committee Mtg.	RMWD Board Room 3:30 p.m.	Appointed Director, General Manager	10/29
November	10	Budget & Finance Committee Mtg.	RMWD Board Room 1:00 p.m.	Appointed Director, General Manager	10/29
November	10	SDCWA GM's Meeting	SDCWA, San Diego 9:30 a.m.	General Manager	N/A
November	17	Council of Water Utilities	The Butcher Shop – 8:00 a.m. 5255 Kearny Villa Road San Diego, CA 92121	All Directors, General Manager	N/A
November	18	North County Work Group	Rincon Del Diablo, Escondido 7:30 a.m.	All Directors on a Rotating Schedule, General Manager	N/A
November	19	SDCWA Full Board Meeting	SDCWA Board Room, 3-5 p.m.	General Manager	N/A
November	20	NC Managers	Golden Egg 7:45 a.m.	General Manager	N/A
November	25	San Luis Rey Watershed Council	Pala Administration Building 12196 Pala Mission Road, Pala, CA 92009 1:00 p.m.	Appointed Director	N/A
December	2	Engineering & Operations Committee Meeting	RMWD Board Room 3:00 p.m.	Appointed Director, General Manager	11/19
December	3	Communications and Customer Service Committee Meeting	RMWD Board Room 3:30 p.m.	Appointed Director, General Manager	11/19
December	7	LAFCO	County Admin. Center Room 302 9:00 am	As Advised by GM	N/A
December	8	RMWD General Board	RMWD Board Room (Start Time to Be Determined)	All Directors	11/19
December	15	Budget and Finance Committee Meeting	RMWD Board Room 1:00 p.m.	Appointed Director, General Manager	11/19
December	18	NC Managers	Golden Egg 7:45 a.m.	General Manager	N/A

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

- **CHANGES – ADDITIONS - DELETIONS:**

1. SDCWA has combined their November and December Special Board Meetings to be held on November 12, 2020.
2. SDCWA has combined their November and December Regular Board Meetings to be held on November 19, 2020.
3. North County Water Group has combined their November and December meeting to be held on November 18, 2020 to coincide with the SDCWA Regular Board meeting.
4. There will not be a Member Agency Managers Meeting in December 2020.

~NOTE~ Some or all the meetings listed may be held via teleconference or cancelled due to the current COVID-19 situation. Please contact the District with any inquiries.



STAFF TRAINING REPORT

ATTENDEES NAME(S):	Delia A. Rubio
TITLE OF TRAINING/CONFERENCE/WORKSHOP/CLASS:	Construction Early Dispute Resolution Fundamental
DATE(S) ATTENDED:	September 28, 2020
AGENCY HOSTING TRAINING/CONFERENCE/WORKSHOP/CLASS:	Lorman
LOCATION:	RMWD - Webinar
DESCRIPTION OF TOPIC(S)/LEARNING EXPERIENCE:	
<p>This webinar explained the advantages of early dispute resolution through mediation. Most construction clients become dissatisfied with lawyers in meeting their position. Lawyers focus on the gross monetary value of a resolution and not on timing or net value. Lawyers also place an emphasize on trial and litigation when a vast majority of disputes end up settling. Despite the construction client's desire for early dispute resolution it usually isn't the lawyer's goal, even though only a small fraction of construction cases go to trial. There is more pressure to settle from the courts. It is Important to keep in mind what is the value of a lawyer if you will be settling.</p> <p>The principles used in early dispute are common sense and smart business practices. The advantages of going to mediation as early as possible:</p> <ul style="list-style-type: none"> - Cases are settled early and costs are controlled. - Confidentiality, no depositions. - Collaboration in facilitating information for both parties. -The mediator focuses on the needs for both parties. <p>Important points:</p> <ul style="list-style-type: none"> -When signing the mediation agreement to start the process, does not mean parties have to pay. -Mediations are multi-phased. -Target dates should be set for negotiations. -Do not start negotiations until needs are identified. -Recommend interviewing the Mediator. -Keep in mind that Lawyers and Mediators are very different 	



STAFF TRAINING REPORT

ATTENDEES NAME(S):	Delia A. Rubio
TITLE OF TRAINING/CONFERENCE/WORKSHOP/CLASS:	Contractor Licensing Issues
DATE(S) ATTENDED:	October 12, 2020
AGENCY HOSTING TRAINING/CONFERENCE/WORKSHOP/CLASS:	Lorman
LOCATION:	RMWD - Webinar
DESCRIPTION OF TOPIC(S)/LEARNING EXPERIENCE:	
<p>This webinar explained the purpose for the licensing laws are in place to promote health and safety, ensure compliance with contracting laws, provide competent contracting, and protect the public against dishonest contractors. It was pointed out that each state has its own laws governing the necessity of licensing; and that half of the states have contractor license statues that address: Competency through requirements for performance of work under the supervision of licensed master trades person and financial responsibility through insurance and bonding requirements.</p> <p>The types of licenses fall into the following categories:</p> <p>A - General Engineering Contractor B - General Building Contractor C - Specialty Contractors</p> <p>Individuals - have to pass a written exam to demonstrate the degree of knowledge ad experience necessary for the safety and protection of the public.</p> <p>Partnership - RME/RMO must have knowledge of California building , safety, health, and lien laws, exercise direct supervision and control over the licensed entity's construction operations, and must be involved in the work at least 32 hours a week or 80% engaged.</p> <p>Important points:</p> <ul style="list-style-type: none"> -The contractor can't contract without a license, which can be verified on the California State Licensing Board website. - The contractor can't contract outside its license. - Be vigilant that the contractor's qualifier for a license (RME/RMO) does not move out of the state or that the qualifier is not rented. - Ensure the contractor does not fail to pay WC or fails to pay a judgment. -It is a misdemeanor to submit a bid to a public agency without a license. 	

BOARD OF DIRECTORS

October 27, 2020

SUBJECT

Operations Report for September 2020

DESCRIPTION

Activities for Operations & Maintenance Division

CONSTRUCTION & MAINTENANCE DEPARTMENT:

	Repairs	Installations	Leaks
Mainline	3	200'	3
Service		2	1
Hydrants	1	1	
Valves		10	
Meters			
Blow-Offs	1	1	1
Air Vacs		1	

WATER OPERATIONS AND VALVE MAINTENANCE DEPARTMENT:

Water Operations:

- Collected a set of two Bac-T sample for RMWD pipeline job and Vista Valley PRV.
- Collected all tank/reservoirs nitrification samples.
- Performed all district quarterly tank inspections.
- Performed routine maintenance/rebuilding on one pump station pump control valve.
- Installed five new District warning/no trespassing signs at district facilities.
- Performed routine maintenance/rebuilding on two pressure station CLA VAL's.

- Performed an ROV underwater inspection on Morro reservoir.

Valve Maintenance:

Monthly Totals	Valves (Distribution)	Appurtenance Valves	Appurtenances
Exercised	33	29	N/A
Inoperable	4	3	0
Repaired	0	0	0
Replaced	0	0	0
Installed	0	0	0

Valve Maintenance completed and/or oversaw the following:

- 192 utility locates completed
- Assisted with (11) shutdowns
- Raised (2) fire hydrants (installed breakaway spools)
- Replaced (1) air/vacs (2) wharf heads (3) Fire hydrants
- Painted 39 appurtenances
- Worked with Construction crew on needed jobs throughout the month.

METERS DEPARTMENT:

Current Projects:

- Water Service Upgrade Project
- Concord in route 16 and continue in 27,32,49,
- 2916 (23%) meters have been replaced by Concord on track to reach 2500 by the new year.

Backflows:

- 479 tested last month and 3576 backflow inspections completed this year. 1424 remaining.

Customer Service Requests:

- 992 total resolved requests for the month of August

WASTEWATER:

Monthly, Semi Annual and Annual Reports:

California Integrated Water Quality System (CIWQS): Confirmation # 2581025 Reported "No Spill Report" for Month: September 2020

September 22,2020 California Air Pollution Control District NOV – APCD2020-NOV000633 due to preventative maintenance documentation Administrative clerical error – forwarded work orders and geoviewer check list pending review.

Lift Stations:

September 17,2020 – Rancho Viejo lift station control panel failure – replaced with temp panel ordering new panel for system operations.

Projects:

September 09,2020 – Work order # 180888 Set up 500' of 6 sewer bypass hose for sewer repair # 5.

September 15,2020 – Work order # 181104 Confined space entry full permit remove existing weir in trough creating flow restrictions.

September 16,18,19 2020 – Work order # 181132 repaired sewer easement road. Added 8 dump truck loads on roadway for future preventative maintenance an emergency response.

September 21,2020 – Work order # 181187 Set up 700' of 6" sewer bypass hose for sewer repair # 1 on North River Road.

September 21,2020 – Service address :3890 Rio Valle Bonsall manhole road hazard. Responded and removed and replaced sewer manhole frame.

September 24,2020 – Confined space entry and set concrete plug into 10" VCP sewer line I-6 # 58 for permanent slurry preparations into abandoned sewer line.

Customer service:

September 16,2020 Service Address:4290 Pala Road – Customer called in bad sewer smell. Advised Rainbow is working with an odor control company to treat raw sewage and temporary will add odor blocks and flush manhole K6 # 2.

September 21,2020 – 3890 manhole road hazard / advised and responded.

Mutual Aid:

September 18,2020 meet with USPS Bioxide odor control for Hwy 76 Odor control assessment / remove Odalog sewer monitoring devices.

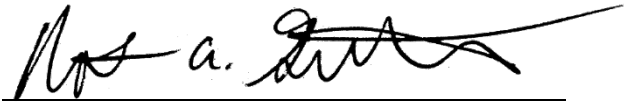
FLEET/GARAGE:

Projects:

- Shop work bench upgrade and heavy-duty vise installation
- Purchase and store chemicals in flammable cabinets
- BIT Inspections
- Additional Waste Tire Cage Rack. Build and secure
- Unit # 32 replace both curb side 30" under body toolboxes
- Unit # 33 pending Gov Deals. Closes Oct. 6th 2020

Future Projects:

- Prepare new dump truck # 72 and welder truck # 21 for service (pending delivery)
- Spec and order DEF (Diesel Exhaust Fluid) portable tank with pump & meter (waiting on quotes)
- Upfit # 3 with maximum tool storage and install center console with additional emergency radio's and safety lighting.
- Shop work bench upgrade (Pending delivery)
- Fleet emissions testing and reporting by December 31, 2020
- Rehab Portable restrooms (pending quotes)



Robert Gutierrez
Operations Manager

10/12/2020

BOARD OF DIRECTORS

October 27, 2020

SUBJECT

Engineering Report for September 2020

DESCRIPTION

CAPITAL PROJECTS:

Land Surveying Services - Record of Survey (KDM Meridian): The record of survey was submitted to the county but placed on hold. After the District Counsel completes Quiet Title action and resolves boundary issues, the record of survey will be finalized. Due to the COVID-19 restrictions, the Quiet Title action is delayed.

Quiet Title: District staff is working with Legal Counsel on this project. The attorneys have served all known decedents of the original property owners. Next step is to have an order for service by publication. After that, assuming no responses, we can provide a default judgment to the court.

North River Road Sewer Points Repair (SCW Contracting): Phase I Sewer Point Repair project was completed in September 2020. District staff will recommend project acceptance and authorization to prepare the Notice of Completion at the October 27, 2020 Board Meeting.

North River Road Sewer Pipe Lining (Southwest Corporation): The contract was executed on September 4, 2020. A pre-construction meeting was scheduled on September 23, 2020. The notice to proceed will be issued in October 2020.

Olive Hill Estates Transmission Line Reconnection Project (T.E. Roberts, Inc.): Project includes the construction of 2,550 lineal feet of 14-inch ductile iron pipe and 30 lineal feet of 12-inch ductile iron pipe in the Olive Hill Estates community. The new pipeline has been installed, all tests have been successfully completed (pressure, chlorine, and bacteria). Punchlist items to be completed in October 2020.

Phase I PRS Project (M-Rae): The contract was cancelled. District received the reimbursement request from the contractor and District staff are currently reviewing the packet. Materials for the project were purchased directly from Pacific Pipeline Supply and the materials were delivered to the District yard in September 2020; however, several items were missing at the time of delivery and will be corrected by the vendor.

Pipeline Upgrade Project (PUP): Omnis Consulting and Harris and Associates are both designing different segments of pipelines to be replaced. PUP was initially broken into PUP 1, PUP 2, PUP 3, etc.; however, for budgeting purposes, the project is now being referred to as strictly PUP. The award of a construction contract for the Nella Lane Water Main Replacement Project was expedited due to a County of San Diego project starting in the same area. The construction contract was executed on September 4, 2020 with T.E. Roberts and the pre-construction meeting was held on September 23, 2020. The notice to proceed was issued on September 23, 2020. Harris and Associates submitted 60% design drawings on September 18, 2020 for the Via Monserate Water Main Replacement Project. The consultant is working on design and CEQA documentation for the remaining pipe segments. The construction contract for

Sagewood Road Water Pipeline Improvements was executed on September 4, 2020 with T.E. Roberts and the pre-construction meeting was held on September 23, 2020. The notice to proceed will be issued in November 2020. This is being done so that the contractor can complete Nella Lane and then immediately move to Sagewood Road. The CEQA documents for Gopher Canyon Water Pipeline Improvements are under review. The Bid documents for the Gird Road Water Pipeline Improvements, Eagles Perch Water Pipeline Improvements and Via Vera Water Pipeline Improvements are complete and ready for bid. Staff is evaluating when these remaining segments will be placed on the street for public bidding.

Rainbow Heights Pump Station Replacement (Orion Construction Corp): The contractor is in the submittal phase of this project.

Rice Canyon Tank Transmission Line (Dexter Wilson Eng.): The Consultant continues to work on the design. District staff is working with consultant to resolve easement issues.

Sewer Pipe Lining (Nu-Line Tech.): Contractor did not respond to the District's request for replacement or a credit for the defective lining. Acceptance of the improvements with a change order to the contract amount reflecting the credit for defective lining will be brought to the Board for consideration at a later date.

Solar Power at Bonsall Reservoir: District staff is working with SDG&E on options.

Thoroughbred and Schoolhouse Lift Stations (Kennedy Jenks Assoc.): Staff is working with the consultant to resume the design of the facilities required for serving the Meadowood Development.

Vista Valley Country Club Villas HOA PRS Project (SCW Contracting): Project includes rock excavation into existing slope, construction of a retaining wall, installation of one EFI PRS, removing an existing pipe cross and connecting the two piping runs, and installation of two plug valves in the Vista Valley Country Club Villas HOA. The contractor completed construction of the retaining wall in September 2020 and installation of the EFI PRS. Installation of the EFI PRS to be completed in October 2020.

Weese Filtration Plant Interconnect (IEC): District coordinated a meeting with City of Oceanside staff and IEC (design engineer) to discuss project design plans for installation of proposed pump station.

MAJOR DEVELOPER PROJECTS:

Bonsall Oaks (formally Polo Club): 165 SFR / 59.9 EDUs – A second amendment to and assignment and assumption of joint agreement to improve major subdivision Tract No. 4736-1 was made and entered on December 3, 2019 between the Developer, County of San Diego and RMWD. Mylar plans were submitted to the District and are currently under review by District Staff.

Fairview-Lilac Del Cielo (Bonsall LLC): 73 Units / 77.8 Sewer EDUs - The developer paid 50% of the sewer connection fees and the agreement is effective for five years from the date of execution (12/31/24).

Golf Green Estates (Development Solutions): 94 SFR / 120.3 Sewer EDUs – Across from Bonsall Elementary School on Old River Road. Staff working with the developer on easement issues. Onsite punch list was prepared by staff. Contractor to complete items on the punch list. Water meters purchased to date - 83.

Horse Creek Ridge (D.R. Horton): 627 SFR/MF, 430 WMs (Reduced by 124 WMs) / 723.9 Sewer EDUs – On Highway 76 and Horse Ranch Creek Road. Currently inspecting meter installs, meter releases and sewer connections. All water meters have been purchased - 430.

Horse Creek Ridge Unit 6R5 Promontory (Richmond American Homes): 116 Units, 124 WMs (includes irrigation plus 3 SF meters purchased by DRH) / 169.5 Sewer EDUs - On Highway 76 and Horse Ranch Creek Road. D.R. Horton, master developer of HCR sold Unit 6-R5, 124 lots, Promontory Subdivision to Richmond American Homes. Currently the sewer EDUs are covered under an agreement with D.R. Horton. Staff inspecting meter installs, meter releases and sewer connections. All water meters have been purchased - 116.

Malabar Ranch (Davidson Communities): 31 SFR / 29 EDUs - On Via Monserate / La Canada. There are 17 out of 31 homes built. Developer needs to complete the waterline relocation and punch list items.

Meadowood (Pardee Homes): Approximately 850 Units / 501 SFR - On Pala Road/Horse Ranch Creek Road. The developer is grading the project now. The Board has entered an Out of Agency Service Agreement with the Developer.

Ocean Breeze Ranch: The District completed the review of the water and sewer system analysis reports.

Pala Mesa Highlands (Beazer Homes): 124 SFR / 160.2 Sewer EDUs – On Old Highway 395. The PRS needs to be installed. Currently inspecting meter installs, meter releases and sewer connections. Water meters purchased to date - 115.

MINOR DEVELOPER PROJECTS:

Cal-A-Vie (Spa Havens) Water Main Extension on Spa Havens Way: District staff has completed two plan checks. Staff conducting plan check 3.

Carefield Senior Living: District staff has completed one plan check. Waiting on developer response.

Helling Hill Run Water Main Extension: Construction is complete. Staff is working on closing out the project. The County of San Diego made changes to their documents and the documents which were previously signed and notarized, must be done again and re-submitted to the County. Documents were resubmitted to the County in September 2020.

Malek 350' Water Main Extension on Entrada Al Sol: Construction is complete. Staff is working on closing out the project. The County of San Diego made changes to their documents and the documents which were previously signed and notarized, must be done again and re-submitted to the County. Documents were resubmitted to the County in September 2020.

McDowell Water Main Extension on Ranger Road: Construction is complete. Staff is working on closing out the project. The County of San Diego made changes to their documents and the documents which were previously signed and notarized, must be done again and re-submitted to the County. Documents were resubmitted to the County in September 2020.

VNUIT Sewer Main Extension on Highway 76: District staff has completed five plan checks.

Wiestling 198' Water Main Extension on West Lilac Road: A 20' easement has been dedicated to the District along the westerly boundary of the property. All documentation has been approved. The contractor is on site installing the new water main. The Contractor called for a final inspection to be conducted in early October 2020.

OTHER:

ITEMS	NO#	ITEMS	NO#
Water Availability Letters	1	Water Meters Purchased	0
Sewer Availability Letters	0	Sewer EDUs Purchased	0
Water Commitment Letters	0	Developer Shutdowns	0
Sewer Commitment Letters	0	Jobs Closed: Corrosion Protection Project	1

Chad A Williams

Chad Williams
Acting District Engineer

10/27/2020

**AS-NEEDED CONTRACT EXPENDITURES REPORT
OCTOBER 2020**

CONT #	EXP DATE	TITLE	CONSULTANT	FUND SOURCE	ASSIGNMENT LETTERS	STATUS	ASSIGNMENT DATES	DESCRIPTION	AUTHORIZED AMOUNT	NOT TO EXCEED AMOUNT	INVOICED TO DATE	CURRENT BALANCE
18-16	8/29/2021	As-Needed Land Surveying Services	Johnson-Frank & Associates, Inc.	NON-CIP	2019-01	Closed	5/14/2019	Topography - Dentro De Lomas Road repair.		\$ 5,115.40	\$ 5,115.40	
				NON-CIP	2019-02	Closed	8/6/2019	Easement review - McDowell / Mead		\$ 4,100.00	\$ 1,404.25	
					2020-03	Open	9/19/2020	Survey & Reset Monument Los Alisos Lane		\$ 6,079.00	\$ -	
										\$ 50,000.00	\$ 9,215.40	\$ 6,519.65
18-14	8/29/2021	As-Needed Land Surveying Services	KDM Meridian, Inc.	NON-CIP	2018-01	Closed	9/11/2018	Stake easement on Morro Hills due to 20" watermain failure.		\$ 7,280.00	\$ 7,278.75	
				CIP	2019-02	Closed	1/9/2019	RMWD "Base Map" to perform in-house design of proposed water facilities on Via Ararat.		\$ 5,800.00	\$ 5,800.00	
				CIP	2019-03	Cancelled	---	Assignment Cancelled - 4 PTR Plottable Easements		\$ -	\$ -	
				CIP	2019-04	Closed	4/24/2019	Stake easement on Gird Road for construction project.		\$ 5,400.00	\$ 5,400.00	
				CIP	2019-05	Closed	6/18/2019	Legal and Plat for Campbell - Via Ararat		\$ 1,195.00	\$ 1,195.00	
				NON-CIP	2019-06	Closed	10/24/2019	Stake easement on Via Oeste Drive and Laketree Drive		\$ 10,900.00	\$ 7,725.00	
				CIP	2019-07	Open	11/8/2019	Easements for new PS on W. Lilac/Via Ararat		\$ 4,100.00	\$ 1,100.00	
				NON-CIP	2020-08	Closed	4/6/2020	Linda Vista Drive - Mainline Break		\$ 5,563.00	\$ 5,562.50	
				CIP	2020-09	Open	4/6/2020	Gird Road - Winery easement anlysis and exhibit		\$ 7,680.00	\$ 6,900.00	
				CIP	2020-10	Open	9/1/2020	Additional Gird Road - Winery easement analysis and new exhibit		\$ 5,320.00	\$ -	
						\$ 100,000.00	\$ 53,238.00	\$ 40,961.25	\$ 59,038.75			
18-15	8/29/2021	As-Needed Land Surveying Services	Right-of-Way Engineering, Inc.	NON-CIP	2019-00A	Closed	5/15/2019	Title Reports, Legals & Plats - Los Sicomoros		\$ 7,705.00	\$ 7,705.00	
				NON-CIP	2019-00B	Closed	6/18/2019	Adams Property Easement - Ranger Road		\$ 1,885.00	\$ 1,885.00	
				CIP	2019-00C	Closed	6/30/2019	Pardee Easement - North River		\$ 2,875.00	\$ 2,875.00	
				NON-CIP	2019-01	Closed	6/19/2019	Easement Survey - Grove View Road		\$ 4,220.00	\$ 3,285.00	
				CIP	2019-02	Closed	10/3/2019	Easement Survey - Pala Mesa/Tecalote/Fire Rd/Pala Lake		\$ 15,640.00	\$ 15,451.30	
				CIP	2019-03	Closed	11/6/2019	Easement Survey - Moosa Creek Pump Station. Restake and reconfigure easement authorized additional \$525.		\$ 5,410.00	\$ 5,675.20	
				CIP	2020-04	Open	2/19/2020	Lemonwood Easement Location		\$ 5,370.00	\$ 4,390.00	
				CIP	2020-05	Open	6/9/2020	Easement Survey - Hutton Pump Station		\$ 5,687.50	\$ 3,790.00	
				CIP	2020-06	Open	7/30/2020	Easement Survey - Rainbow Heights Rd - Calfire Camp Site		\$ 5,756.00	\$ -	
				CIP	2020-07	Open	8/26/2020	Easement Survey - RHR - Calfire Camp Site Additional Services		\$ 2,276.00	\$ -	
						\$ 100,000.00	\$ 56,824.50	\$ 45,056.50	\$ 54,943.50			
19-16	6/25/2022	As-Needed Civil Engineering Services	Dudek	Both	2019-01	Open	12/18/2019	PRS and other Schematic Design/Drafting Services		\$ 10,000.00	\$ 7,527.50	
				CIP	2020-02	Closed	8/5/2020	Design of Hutton Pump Station Site - Assignment Cancelled		\$ 1,787.50	\$ 1,787.50	
								\$ 150,000.00	\$ 11,787.50	\$ 9,315.00	\$ 140,685.00	
19-17	7/01/2022	As-Needed Civil Engineering Services	Omnis Consulting, Inc.	NON-CIP	2019-01	Closed	7/16/2019	PS&E Pavement Repair - Dentro De Lomas		\$ 8,890.00	\$ 8,890.00	
				CIP	2019-02	Closed	8/1/2019	Olive Hill Estates Transmission Water Main		\$ 73,700.00	\$ 73,700.00	
				CIP	2019-03	Closed	10/14/2019	Vista Valley Retaining Wall Design		\$ 23,495.00	\$ 23,040.67	
				CIP	2019-04	Closed	12/3/2019	Sarah Ann to Gird Road Force Main Replacement		\$ 22,790.00	\$ 22,790.00	
				CIP	2020-05	Closed	3/24/2020	Gird Road Water Main Upsize		\$ 21,120.00	\$ 21,120.00	
				CIP	2020-06	Open	8/5/2020	Caltrans Encroachment Permit Renewal		\$ 6,410.00	\$ -	
						\$ 300,000.00	\$ 156,405.00	\$ 149,540.67	\$ 150,459.33			
19-18	6/25/2022	As-Needed Civil Engineering Services	HydroScience Engineers, Inc.	CIP	2019-01	Open	12/18/2019	Live Oak Park Road Bridge Crossing		\$ 42,020.00	\$ 27,145.00	
								\$ 150,000.00	\$ 42,020.00	\$ 27,145.00	\$ 122,855.00	

**AS-NEEDED CONTRACT EXPENDITURES REPORT
OCTOBER 2020**

CONT #	EXP DATE	TITLE	CONSULTANT	FUND SOURCE	ASSIGNMENT LETTERS	STATUS	ASSIGNMENT DATES	DESCRIPTION	AUTHORIZED AMOUNT	NOT TO EXCEED AMOUNT	INVOICED TO DATE	CURRENT BALANCE
19-19	6/25/2022	As-Needed Real Estate Appraisal Services	Anderson & Brabant, Inc.	CIP	2019-01	Closed	9/19/2019	North River Rd Easement Appraisal		\$ 3,500.00	\$ 3,500.00	
				CIP	2020-02	Closed	2/19/2020	PRS Fire Road Appraisal		\$ 7,500.00	\$ 7,500.00	
										\$ 20,000.00	\$ 11,000.00	\$ 3,500.00
19-20	6/11/2022	As-Needed Real Estate Appraisal Services	ARENS Group, Inc.	NON-CIP	2019-01	Closed	7/15/2019	Bonsall Reservoir Appraisal (to include rent value)		\$ 3,050.00	\$ 3,050.00	
				CIP	2020-02	Closed	1/7/2020	Moosa Creek Pump Station Easement Appraisal		\$ 5,350.00	\$ 6,542.50	
				CIP	2020-03	Closed	1/7/2020	Hutton Pump Station Easement Appraisal		\$ 3,400.00	\$ 3,400.00	
								\$ 20,000.00	\$ 11,800.00	\$ 12,992.50	\$ 7,007.50	
19-39	11/13/2022	As-Needed Geotechnical Services	Leighton Consulting, Inc.	CIP	2020-01	Open	6/25/2020	Rainbow Heights Pump Station geotechnical exploration		\$ 8,630.00	\$ 3,797.20	
										\$ -	\$ -	
										\$ 100,000.00	\$ 8,630.00	\$ 3,797.20
19-40	11/1/2022	As-Needed Geotechnical Services	Ninyo & Moore G.E.S. Consultants	NON-CIP	2020-01	Open	3/26/2020	Dentro De Lomas geotech observation and material testing		\$ 6,518.00	\$ 1,369.00	
										\$ 10,235.00	\$ -	
										\$ 100,000.00	\$ 16,753.00	\$ 1,369.00
19-41	11/20/2022	As-Needed Geotechnical Services	ATLAS (SCST, LLC)	CIP	2020-01	Open	7/7/2020	Olive Hills Estates Trans. Main geotech observation/field test		\$ 36,619.00	\$ 17,535.00	
										\$ -	\$ -	
										\$ 100,000.00	\$ 36,619.00	\$ 17,535.00
20-01	1/28/2023	As-Needed Construction Management & Insp. Services	Harris & Associates	CIP	2020-01	Open	3/13/2020	CM Support Services for the WSUP Project		\$ 100,000.00	\$ 83,555.00	
				CIP	2020-02	Open	4/7/2020	Constructability design review of PUP-1		\$ 6,270.00	\$ 5,280.00	
				NON-CIP	2020-03	Open	4/21/2020	Sewer North River Road - Emergency Repair		\$ 11,000.00	\$ 4,059.33	
				CIP	2020-04	Open	9/21/2020	District Wide Inspection Services		\$ 20,000.00	\$ -	
										\$ 150,000.00	\$ 137,270.00	\$ 92,894.33
20-02	1/28/2023	As-Needed Construction Management & Insp. Services	Reilly Construction Mnmt.							\$ -	\$ -	
										\$ -	\$ -	
										\$ 150,000.00	\$ -	\$ -
20-03	2/25/2023	As-Needed Environmental Services	Helix Environmental	CIP	2020-01	Open	5/13/2020	Pipeline Upgrade Project - Disney Lane - Cultural/ Biological Evals		\$ 9,148.00	\$ 5,804.56	
				CIP	2020-02	Open	5/13/2020	Pipeline Upgrade Project - Via Vera - Cultural/Biological Evals		\$ 9,155.00	\$ 4,446.37	
				CIP	2020-03	Open	5/14/2020	Pipeline Upgrade Project - Hutton Pump Station - Cultural/Biological Evals		\$ 13,209.00	\$ 6,793.54	
				CIP	2020-04	Open	5/14/2020	Pipeline Upgrade Project - Turner Pump Station - Cultural/Biological Evals		\$ 13,029.00	\$ 7,683.26	
				CIP	2020-05	Open	7/16/2020	North River Road Sewer Points Repair - Biological Survey		\$ 3,900.00	\$ 3,136.05	
				CIP	2020-06	Open	9/10/2020	Gopher Canyon Water Pipeline Impv. Project - CEQA IS/MND		\$ 34,695.00	\$ 6,909.75	
							\$ 100,000.00	\$ 83,136.00	\$ 34,773.53	\$ 65,226.47		
20-04	2/25/2023	As-Needed Environmental Services	Rincon Consultants							\$ -	\$ -	
										\$ -	\$ -	
										\$ 100,000.00	\$ -	\$ -
20-05	3/24/2023	As-Needed Environmental Services	Michael Baker International							\$ -	\$ -	
										\$ -	\$ -	
										\$ 100,000.00	\$ -	\$ -
									Total Authorized	Total Encumbrance	Total Expended	
									\$ 1,790,000	\$ 634,698	\$ 445,400	



**SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT
SEPTEMBER 2020**

STATUS SUMMARY	EDUs
Total Treatment Capacity Purchased from Oceanside	8,333.33
Less 5% Contractual Allowance	416.67
EDUs Set Aside by Board for Emergencies	60.00
EDUs Connected	5,070.92 *
EDUs Unconnected/Committed	208.72
Total EDUs Available for Purchase:	2,577.03

DEVELOPMENTS WITH UNCONNECTED/COMMITTED EDUs	EDUs	CAPACITY FEES PAID
Bonsall Oaks (Polo Club) - 165 Lots	59.85	\$ 1,038,336
Golf Green Estates (Dev. Solutions) - 120.3	0.00	\$ 78,356 ***
Lilac Del Cielo (Bonsall Group) - 77.8**	38.90	\$ 549,499
Passarelle (HRC Commercial) - 96.57	96.57	\$ -
Pala Mesa Highlands (Beazer Homes) - 160.18	0.00	\$ -
Others (5 or less)	13.40	\$ 225,449
TOTAL UNCONNECTED:	208.72	\$ 1,891,640

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

**Paid initial 50% of Sewer Capacity Fee.

***Developer to be refunded balance.



BOARD INFORMATION

BOARD OF DIRECTORS OCTOBER 27, 2020

SUBJECT

HUMAN RESOURCES REPORT FOR SEPTEMBER/OCTOBER 2020

DESCRIPTION

Personnel changes, human resources activities, and safety report for SEPTEMBER/OCTOBER 2020

RECRUITMENT:

- **Customer Service Representative (Temp/Remote) -** We are excited to welcome Joshua Cruz, as our new CSR who will be supporting our Customer Service team through the continuation of the WSUP project.
- **Meters Services Supervisor:** We are pleased to welcome Mark Wilson as Meters Services Supervisor. Mark and Josh joined us on September 28.

EMPLOYEE EVENTS:

- **Benefits Open Enrollment 2021** is taking place October 12 through October 30. Two information sessions were available to our staff on Wednesday, October 14 and Wednesday, October 21 via Zoom. We are pleased with the launch of this year's Virtual Health Fair. All our employees have received a link to access our Online Virtual Health Fair. Through our partnership with ACWA JPIA, our employees have access to several vendor's information 'booth' while earning participation points towards prizes.
- **Upcoming Flu Shot Clinic on Site.** Palomar Health will be onsite on October 19 to host a flu shot clinic. The clinic will be set up outdoors and all safety guidelines will be strictly enforced. All employees **MUST** book an appointment slot to receive their shot to observe social distancing.
- **"Drive-In to Fall" Harvest Event.** We are very excited for our upcoming Drive-In Employee Event taking place here, at the District on October 24. We will be observing all safety and social distancing guidelines, while still providing a safe opportunity to enjoy time with their families.

STAFFING ANALYSIS:

The Human Resources Manager prepared an analysis of the costs, advantages, and disadvantages of using District staff or using contracted labor for the construction management and inspections for the Water Service Upgrade Project. The memo to the General Manager with related findings is attached to this information report.

SAFETY:

Incidents

There were no lost time or modified duty due to a work-related incident.

Safety Training

Target Solutions online training: 28 completions for September 2020

Future planning to increase safety awareness throughout the district to include:

Hazardous Communication
Spill Prevention Control, Countermeasures Plan rewrite

Claims in Progress

- Webb- 2320 Winterhaven Ct

Tailgate/ Office Safety Trainings



Karleen Harp, COSM Human
Resources Manager

10/27/2020



Memorandum

DATE: 10/06/2020
TO: Tom Kennedy, General Manager
FROM: Karleen Harp, Human Resources Manager
RE: Comparison of contracted vs. District staff labor for WSUP project

This memo outlines a comparison of the costs, advantages, and disadvantages of two possible approaches to acquiring the project management and inspection labor resources needed for the Water Service Upgrade Project (WSUP).

Background

The District currently contracts with Harris & Associates for construction management services related to WSUP. The nature of the work encompasses work that a Project Manager and an Inspector would do if performed by in-house District staff.

When the District had a staff Project Manager assigned to the project, they spent an average of 6 hours per week dedicated to the project, according to EAM records. That Project Manager has transferred to Engineering for an unknown period of time. If the District were to reassign these project management duties to another staff member rather than outsourcing them to Harris & Associates, the most likely assignment would be to the newly hired Meter Services Supervisor, so those costs are represented in this analysis.

The District only has one full-time Inspector on staff, and they do not have the additional bandwidth to perform the 24 hours per week (on average) of inspections for WSUP in addition to their other inspection work. Therefore, to perform this function with District staff we would need to hire an additional Inspector.

For an accurate accounting of all District costs associated with using internal staff, the burdened rate with overhead is used for comparison purposes. The fully burdened rate is the employee's rate plus taxes and benefits. The fully burdened plus overhead rate also includes indirect costs that could go up incrementally with the addition of staff count, i.e. IT services, finance, human resources, administration, etc. The Finance Department contracted with Willdan Financial Services to do a cost allocation plan to determine what percentage of indirect costs to allocate to departments and positions. We update this study annually. Using the fully burdened plus overhead rate provides a true picture of the cost of adding additional staff. Therefore, this is the rate used in this analysis.

Comparison	Harris & Associates	District Staff Labor
Hourly Rate	\$165 per hour For construction management services (project management + inspection)	Inspector: \$109.57 burdened rate w/overhead Project Manager: \$124.38 burdened rate w/overhead
Weekly Cost	\$4,950 (Average 30 hours per week billed x \$165)	Inspector: 24 hours x 109.57 = \$2,629.68 Project Manager: 6 hours x 124.37 = \$746.28 Charged to WSUP: \$3,375.96 <i>Additional cost of full-time inspector: 16 hours/week x 109.57 = \$1,753.12</i> Estimated total costs: \$5,129.08
Advantages	<ul style="list-style-type: none"> • District is only billed for hours used • Resource is already in place and working well • Does not reduce labor capacity of existing District labor resources 	<ul style="list-style-type: none"> • Maintain historical knowledge of project after completion • Additional 16 hours per week of inspection capacity
Disadvantages	<ul style="list-style-type: none"> • Higher hourly rate 	<ul style="list-style-type: none"> • Must pay for full-time Inspector when only approximately 24 hours per week are needed • Project Management time will reduce capacity of assigned staff in other areas • Inspectors are especially challenging to recruit. The last Inspector opening took six months to find the right candidate, which could be half of the remainder of the project. • The nature of a temporary job would limit the pool of interested candidates even further. • Recruitment costs would add approximately \$2,000-\$5,000 to the cost of the Inspector including advertising and labor resources required to recruit and interview

Conclusion

When evaluating only the costs that would be directly charged to WSUP, it appears that it would be more cost effective to use District staff. However, there are additional costs associated with this option that would not be charged directly to the project. These include the additional 16 hours per week that a full-time Inspector would work, as well as recruitment costs to hire a new Inspector.

Aside from the costs, there are other disadvantages to using District staff resources exclusively for this project. In particular, there would be a loss of capacity to focus on other operational needs that would impact several departments, including Meter Services, Human Resources, and Engineering. Additionally, the time to fill a temporary Inspector position, which could take as long as six months, would reduce the project cost savings and return on labor time to fill the role.

BOARD OF DIRECTORS

October 27, 2020

SUBJECT

FINANCE REPORT FOR SEPTEMBER 2020

DESCRIPTION

Summary:

FY 2020/2021 Water Sales:

Budgeted 13,500 AF

Actual AUG FYTD 20/21 3,401 AF

Actual AUG FYTD 19/20 3,308 AF

Actual AUG FYTD 18/19 4,059 AF

August FYTD 2020/2021 Budget vs Actual:

For FY 20/21, the board followed the recommendation of staff and committee to budget future sales lower and more in line with the most recent years' trends at 13,500 AF for FY 20/21, with operating expenses being budgeted within this lower operating revenue level as well.

Treasury Report:

Interest Revenue for August 2020 was \$25,424 compared to \$40,390 for the prior month. Gains from assets sales were \$0 for August 2020. Investment valuation was down \$18,422 from the prior month and \$243,796 over the prior year.

Water Purchases & Water Sales:

The Five-Year Water Purchases Demand Chart (Attachment D) reports purchases; this data is available in real time. 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. Water Loss from meter inaccuracy and breaks is also not included in the Five-Year Demand Chart since this data is from purchases. 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.

Attachments:

- A. Budget vs Actuals (AUG FYTD 20/21)
- B. Fund Balance Projections
- C. Treasury Report (AUG FY 20/21)
- D. Five-Year Water Purchases Demand Chart (through 9/30/2020)
- E. Water Sales Summary (AUG FY 19/20)
- F. Check Register (AUG FY 19/20)
- G. Directors' Expense Report (AUG FY 19/20)
- H. Credit Card Breakdown (AUG FY 19/20)

- I. Developer Projections
- J. RMWD Properties



Tracy Largent, CPA
Finance Manager

October 27, 2020

Statement of Revenues & Expenses Budget vs. Actual

Operating Funds (Water, Wastewater, & General Funds)

August 31, 2020



Positive = Over Budget

Negative = Under Budget

	FY 20/21 YTD Revenues/Expenditures	FY 20/21 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 20/21 Annual Operating Budget	Notes
41110-Water Sales-Sf Mf Cm Is	4,179,380	1,256,394	2,922,986	233%	7,538,364	
41112-Sewer Charges-Established Acct	1,036,221	532,442	503,778	95%	3,194,655	
42120-Monthly O & M Charges	2,732,980	1,398,056	1,334,924	95%	8,388,335	
42121-Monthly O&M Charges - CWA	1,640,665	859,616	781,048	91%	5,157,699	
43101-Operating Inc Turn On/Off Fees	0	833	-833	-100%	5,000	
43106-Operating Inc-Sewer Letter Fee	900	167	733	440%	1,000	
41120-Water Sales-Ag-Dom Non Cert	584,361	178,426	405,935	228%	1,070,554	
41160-Water Sales-Ag. Non Discount	1,772,485	671,912	1,100,574	164%	4,031,470	
41170-Water Sales-Construction	196,248	16,240	180,008	1108%	97,442	
41180-Water Sales - Tsawr Com	2,589,710	638,059	1,951,651	306%	3,828,353	
41190-Water Sales-Sawr Ag/Dom	1,737,546	864,954	872,592	101%	5,189,723	
42130-Readiness-To-Serve Rev Id#1	15	41,667	-41,651	-100%	250,000	
42140-Pumping Charges	282,354	101,385	180,969	178%	608,312	
-Water Sales	16,752,865	6,560,151	10,192,714	155%	39,360,905	
43100-Operating Inc Oak Crest Service Charges	7,800	3,900	3,900	100%	23,400	
43102-Operating Inc Penalty/Int Chgs	132,798	8,333	124,464	1494%	50,000	
43104-Operating Inc. R.P. Charges	82,465	40,944	41,521	101%	245,665	
43108-Operating Inc Plan Check Rev.	94,678	9,167	85,511	933%	55,000	
43110-Operating Inc Inspections	4,400	3,333	1,067	32%	20,000	
43111-Operating Inc Install Fees Hyd	1,150	333	817	245%	2,000	
43114-Operating Inc-Miscellaneous	0	1,167	-1,167	-100%	7,000	
43116-New Meter Sales/Install Parts	25,020	6,667	18,353	275%	40,000	
43117-Notice Delivery Revenue	0	833	-833	-100%	5,000	
-Other Operating Revenue	348,311	74,678	273,633	366%	448,065	
42200-Overhead Trs From Water Sewer	0	1,337,404	-1,337,404	-100%	8,024,423	
-Transfers from Water & Waste Water	0	1,337,404	-1,337,404	-100%	8,024,423	
REVENUE-Operating Revenue	17,101,176	7,972,232	9,128,943	115%	47,833,393	

Positive = Over Budget

Negative = Under Budget

	FY 20/21 YTD Revenues/Expenditures	FY 20/21 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 20/21 Annual Operating Budget	Notes
50001-Water Purchases	9,669,161	2,838,494	6,830,667	241%	17,030,963	Seasonal
50003-Water In Storage	146,150	0	146,150		0	
50005-Ready To Serve Charge	164,602	83,130	81,472	98%	498,780	
50006-Infrastructure Access Charge	214,696	115,824	98,872	85%	694,944	
50008-Ag Credit-Sawr	-699,890	-168,287	-531,603	316%	-1,009,721	
50010-Customer Service Charge	369,707	184,854	184,853	100%	1,109,124	
50011-Capacity Reservation Charge	131,964	69,989	61,975	89%	419,934	
50012-Emergency Storage Charge	558,702	267,230	291,472	109%	1,603,380	
50013-Supply Reliability Charge	310,009	162,820	147,189	90%	976,920	
-Cost of Purchased Water Sold	10,865,101	3,554,054	7,311,046	206%	21,324,324	←
56101-Regular Salaries	1,594,519	877,166	717,354	82%	5,262,995	
56103-Overtime Paid Comptime Earn.	143,994	59,167	84,827	143%	355,000	
56202-Director's Compensation	1,500	2,333	-833	-36%	14,000	
56518-Duty Pay	10,500	7,433	3,067	41%	44,600	
56520-Deferred Comp-Employer Contrib	51,845	23,414	28,431	121%	140,485	
-Salary & Labor Expenses	1,802,358	969,513	832,845	86%	5,817,080	←
56501-Employer's Share FICA SSI	82,755	50,294	32,461	65%	301,763	
56502-Employer's Share Medicare	24,810	12,753	12,058	95%	76,516	
56515-Worker's Compensation Ins	317,021	24,107	292,914	1215%	144,640	Entire Year Paid in July
56516-State Unemployment Ins E.T.T.	277	2,203	-1,926	-87%	13,217	
-Taxes	424,863	89,356	335,507	375%	536,136	
56503-Medical Ins ACWA Health Ben	310,973	154,174	156,799	102%	925,046	
56504-Dental Insurance	29,377	14,542	14,835	102%	87,252	
56505-Vision Ins ACWA	4,120	1,938	2,182	113%	11,631	
56506-Life S/T L/T Disability Ins	25,725	9,139	16,587	181%	54,832	
56507-Retirement-CalPERS	148,775	93,198	55,577	60%	559,186	
56511-Employee Uniform Allowance	4,394	4,167	227	5%	25,000	
56512-Employee Training/Tuition Reim	1,198	3,600	-2,402	-67%	21,600	
56513-Employee Relations	533	2,433	-1,900	-78%	14,600	
56524-Other Post Employment Benefits	5,044	0			0	
56530-Gasb 68 Pension	1,102,696	71,667	1,031,029	1439%	430,000	Entire Year Paid in July
-Fringe Benefits	1,632,836	354,858	1,277,978	360%	2,129,147	
52176-Overhead Transfer To Gen Fund	0	1,337,404	-1,337,404	-100%	8,024,423	
-Transfers	0	1,337,404	-1,337,404	-100%	8,024,423	
60000-Equipment	23,425	15,667	7,758	50%	94,000	

Positive = Over Budget

Negative = Under Budget

	FY 20/21 YTD Revenues/Expenditures	FY 20/21 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 20/21 Annual Operating Budget	Notes
60100-Computers	41,315	17,007	24,309	143%	102,040	
63100-Equipment Maintenance	85,455	29,100	56,355	194%	174,600	
63102-Equipment Maintenance Contract	4,576	9,704	-5,128	-53%	58,225	
63200-Equipment Rental	21,041	19,500	1,541	8%	117,000	
63400-Kitchen Supplies	2,663	2,333	329	14%	14,000	
63401-Building Maintenance	26,904	22,700	4,204	19%	136,200	
63404-Backflow Expenses	10,000	25,083	-15,083	-60%	150,500	
63421-Fuel And Oil	33,620	23,333	10,286	44%	140,000	
63422-Repair Supplies Auto	16,563	11,667	4,896	42%	70,000	
65000-Property/Liability Insurance	804,173	66,667	737,506	1106%	400,000	
65100-District Paid Insurance Claims	1,304	48,333	-47,029	-97%	290,000	
65200-Miscellaneous Expense	-1,000	0	-1,000		0	
66000-Bad Debt Exp/Billing Adjust'S	0	833	-833	-100%	5,000	
POSTAGE-Postage	8,223	7,750	473	6%	46,500	
70000-Professional Services	89,572	155,200	-65,628	-42%	931,200	
70100-Annual Audit Services	0	5,833	-5,833	-100%	35,000	
70300-Legal Services	0	75,000	-75,000	-100%	450,000	
70400-Bank Service Charges	28,364	8,333	20,031	240%	50,000	
72000-Supplies & Services	256,987	206,467	50,520	24%	1,238,800	
72001-Right Of Way Expenses	141,200	33,333	107,866	324%	200,000	
72010-Tank Maintenance	396,551	144,083	252,468	175%	864,500	
72150-Regulatory Permits	0	12,933	-12,933	-100%	77,600	
72200-Books & Resources	0	383	-383	-100%	2,300	
72400-Dues & Subscriptions	58,187	102,462	-44,275	-43%	614,773	
72500-Safety Supplies	20,241	6,917	13,325	193%	41,500	
72600-Sewer Line Cleaning	0	9,667	-9,667	-100%	58,000	
72700-Printing & Reproductions	3,071	2,333	738	32%	14,000	
72702-Public Notices & Advertising	300	367	-67	-18%	2,200	
72900-Stationary & Office Supplies	58	833	-775	-93%	5,000	
73000-Small Tools & Equipment	5,555	8,133	-2,578	-32%	48,800	
74000-Communicatons & Phone Bills	1,675	1,417	258	18%	8,500	
74100-Phone Bill	27,212	15,500	11,712	76%	93,000	
75300-Travel, Conferences & Training	-359	6,998	-7,357	-105%	41,990	
75400-Workforce Development	9,558	550	9,008	1638%	3,300	
75500-Recruitment	3,863	3,133	729	23%	18,800	

Positive = Over Budget

Negative = Under Budget

	FY 20/21 YTD Revenues/Expenditures	FY 20/21 YTD Operating Budget	YTD Variance \$	YTD Variance %	FY 20/21 Annual Operating Budget	Notes
77000-Sewage Treat.-Oceanside Plant	0	175,000	-175,000	-100%	1,050,000	
78000-Utilities - Electricity	110,451	97,083	13,368	14%	582,500	
78300-Hazardous Waster Material Disposal	0	2,000	-2,000	-100%	12,000	
78700-Utilities - Propane	927	2,583	-1,656	-64%	15,500	
78900-Trash Pick-Up	1,985	1,792	193	11%	10,750	
-Operating Expenses	2,233,658	1,378,013	855,645	62%	8,268,078	
EXPENSE-Operating Expense	16,958,815	7,683,198	9,275,617	121%	46,099,188	
49301-Property Tax Rev. - Ad Valorem	13,748	75,833	-62,085	-82%	455,000	
-Property Tax Revenue	13,748	75,833	-62,085	-82%	455,000	
49200-Interest Revenues	6,322	0	6,322			
49203-Change in Investment Valuation	-10,561	0	-10,561			
-Investment Income	-4,239	0	-4,239			
49050-Revenue Billing Adjustments	14,600	0	14,600		0	
49102-Non Oper Inc-Nsf Check Fees	0	0	0		0	
49105-Other Intergovernmental - Federal		0	0			
49106-Other Intergovernmental - State	0	500	-500	-100%	3,000	
49107-Recycling Revenue	0	1,333	-1,333	-100%	8,000	
49109-Miscellaneous Revenue	17,166	6,000	11,166	186%	36,000	
49110-Gain/Loss from Sale of Assets	1,328	0	1,328			
49114-Misc Revenue - Eng. Services	2,300	833	1,467	176%	5,000	
57050-Expense Billing Adjustments	14,671	0	14,671		0	
		0				
-Other Nonoperating Revenue/Expense	20,724	8,667	12,057	139%	52,000	
57525-Loan Costs	2,000	0	2,000			
-Interest Expense	2,000					
-Non Operating Revenue (Expenses)	28,233	84,500	-56,267	-67%	507,000	
Debt Service		395,805	-395,805	-100%	2,374,827	
Current Year Net Revenue Less Expense*	\$ 170,593				\$ (133,622)	

*Does not Include: Depreciation Expense

Operating & Debt Service Fund Balance

Current Year

FY21 Beginning Cash

\$5,917,191

Fund Balances:	Water Operating	Wastewater Operating	General Operating	Rate Stabilization	Debt Service	TOTAL
	FY 20/21	FY 20/21	FY 20/21	FY 20/21	FY 20/21	FY 20/21
Beginning Available Balance	\$286,838	\$1,489,894	\$1,122,838	\$3,603,760	\$664,639	\$7,167,969
Transfer to Water Capital				(3,603,760)		(3,603,760)
Transfer to/from Rate Stabilization						0
Budgeted Operating Surplus (Loss)	100,547	(234,170)	8,159,423		(2,447,793)	5,578,007
Transfers In/(Out)			(8,159,423)		2,447,793	(5,711,630)
Projected Ending Available Balance	\$387,385	\$1,255,724	\$1,122,838	(\$0)	\$664,639	\$3,430,586

Water Capital Fund Balance

Fund 26 & 60

'21 Beginning Cash

\$5,944,679

Fund Balances:

	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Beginning Available Balance	\$5,101,515	(\$3,312,104)	(\$5,765,151)	(\$3,880,905)
Financing		5,000,000		
Transfer from Operating Reserves		3,349,172	4,809,246	4,018,854
Capacity Fees Current Year				
Less: Capital Labor	(300,000)	(300,000)	(300,000)	(300,000)
Less: Capital Project Budgets	(8,113,619)	(10,502,219)	(2,625,000)	(7,512,000)
Projected Worst Case Ending Available Balance	(\$3,312,104)	(\$5,765,151)	(\$3,880,905)	(\$7,674,050)
Forecasted Capacity Fees	1,027,621	3,265,916	2,693,861	7,031,084
Potential Ending Available Balance	(\$2,284,483)	(\$1,471,614)	\$3,106,493	\$6,344,431

Capital Project Budgets (Water):

GL Project #	Project Description	Project Budgets				
		Actuals	Budget	Budget	Budget	Budget
		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
300007	Programatic EIR for Existing Easements	\$36,236	\$450,000			
300008	New District Headquarters	25,457	200,000	300,000	300,000	2,000,000
600001	Rainbow Heights PS (#1) Upgrades/Recon.	85,390	1,303,698	1,303,699		
600002	Gird to Monserate Hill Water Line					1,400,000
600003	San Luis Rey Imported Return Flow Recovery	15,586				600,000
600007	Pressure Reducing Stations	919,844	750,000	800,000	250,000	800,000
600008	Weese WTP Permanent Emergency Interconnect and Pressure Station	156	500,000	1,250,000		
600009	Isolation Valve Installation Program	28,433	150,000			
600013	SDCWA Shutdown Pump Stations	27,314				
	Hutton Pump Station		580,000	800,000		
	Turner Pump Station		580,000	800,000		
600014	Morro Tank Zone Permanent FPUD Interconnection				150,000	
600015	Water Condition Assessment	72,983				
600017	Pressure Reducing Station Replacement Program (Rehabilitation)	578	300,000			
600019	Water System Monitoring Program	60,981			1,000,000	
600021	Pipeline Upgrade Project 1 (PUP 1)	125,324	3,250,000	1,000,000		
600026	Camino Del Rey Waterline Reloaction	8,925		2,100,000		
600029	Via Ararat Drive Waterline Project	280,121				
600030	Corrosion Prevention Program Development and Implementation	196,774	250,000	250,000	250,000	250,000
600031	Olive Hill Estates Transmission Line Reconnection	103,295	1,500,000			
600034	Rice Canyon Tank Transmission PL to I-15/SR76 Corridor		1,000,000	3,000,000		
600035	Tank and Reservoir Mixing Upgrades		250,000	1,500,000		
600036	Pipeline Upgrade Project 2 (PUP 2)	12,277				3,000,000
600037	Live Oak Park Road Bridge Replacement	18,891		600,000		
600038	Blue Breton Water System Looping Project		370,000	400,000		
600039	Sarah Ann Gird SS Forcemain	11,583				
600040	Vallecitos PS Relocation		530,000	500,000		
600046	Sampling Ports for testing		25,000			
600047	Generator at Sumac				250,000	
600048	Northside Zone Supply Redundancy					500,000
600049	Gomez PS Building		250,000	750,000		
600050	Lookout Mountain Electrical Upgrade. The Complete electrical upgrade w/emerg. generator				250,000	750,000
600051	North Feeder and Rainbow Hills Water Line Replacements			150,000	1,850,000	
600052	76 & Gird Permanent Emergency Pump Station				75,000	725,000
610032	Beck Dam Inundation Map	27,959				
610036	Dentro de Lomas Repair	84,665				
N/A	Department Level Capital Expenses		559,000			
	Mission Road / FPUD Interconnect					70,000
	Northside Permanent FPUD Emergency Interconnection					150,000

Capital Project Budgets Water (Continued):

GL Project

#	Project Description	Project Budgets				
		Actuals	Budget	Budget	Budget	Budget
		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
	Pala Mesa Fairways 383 A and C		250,000			
	Sarah Ann Drive Line 400 A		375,000			
	Wilt Road (1331)			500,000		
	Katie Lendre Drive Line			250,000		
	Gird Road 1,600' upsize from 12" to 18" or larger		100,000	1,000,000		
	Katie Lendre Drive Line			250,000		
	Del Rio Estates Line Ext 503					250,000
	East Heights Line 147L					500,000
	Los Alisos South 243					500,000
	East Heights Line 147A					250,000
	Via Zara					125,000
	Roy Line Ext					250,000
	Spanish Oaks					400,000
Total		\$2,142,773	\$13,522,698	\$17,503,699	\$4,375,000	\$12,520,000
		@60%	\$8,113,619	\$10,502,219	\$2,625,000	\$7,512,000

Water Service Upgrade Project Fund Balance

FY21 Beginning Cash

\$ 7,168,951

Fund Balances:

	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Beginning Available Balance	\$7,168,951	\$3,068,951	\$ (131,049)	\$ (131,049)
Less: Meter Replacement/Upgrade Project	(4,100,000)	(3,200,000)	0	0
Projected Fund Balance	\$3,068,951	\$ (131,049)	\$ (131,049)	\$ (131,049)

Capital Project Budgets:

GL Project #	Project Description
600027	Service Meter Replacement
600028	Water Service Upgrade
Total	

Project Budgets				
Actuals FY 19/20	Budget FY 20/21	Budget FY 21/22	Budget FY 22/23	Budget FY 23/24
\$3,403,236	\$1,300,000	\$1,400,000		
497,891	2,800,000	1,800,000		
\$3,901,128	\$4,100,000	\$3,200,000	\$ -	\$ -

Wastewater Capital Fund Balance
 Fund 52 & 53 FY21 Beginning Cash
\$13,486,918

Fund Balances:	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Beginning Available Balance	13,696,383.91	\$8,196,384	(\$1,103,616)	(\$1,528,616)
Restricted CFD Funds*	2,750,000			
Financing				
Sewer Connections Current Year				
Less: Capital Project Budgets	(8,250,000)	(9,300,000)	(425,000)	(850,000)
Projected Worst Case Ending Available Balance	\$8,196,384	(\$1,103,616)	(\$1,528,616)	(\$2,378,616)
Forecasted Sewer Connections	7,421,800	6,003,550	42,378	8,958,709
Potential Ending Available Balance	\$15,618,184	\$12,321,734	\$11,939,112	\$20,047,822

*Restricted Cash amounts are available for drawdown throughout the specified Capital Project process.

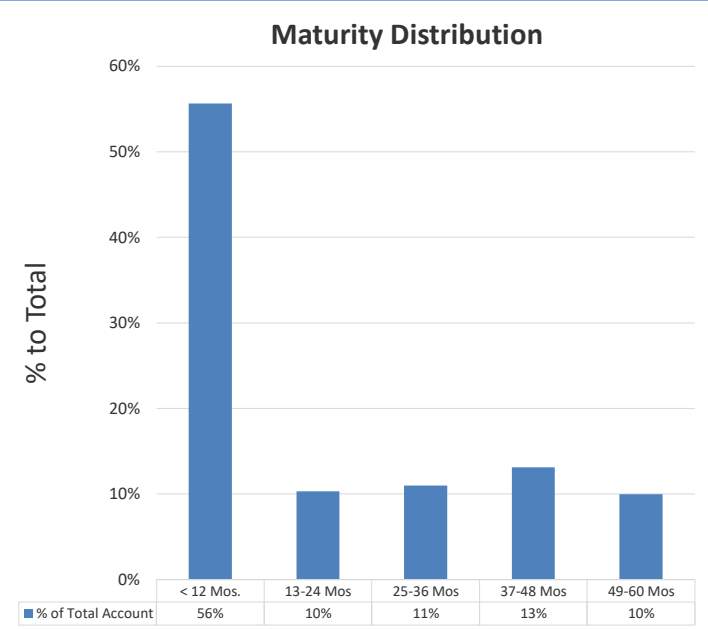
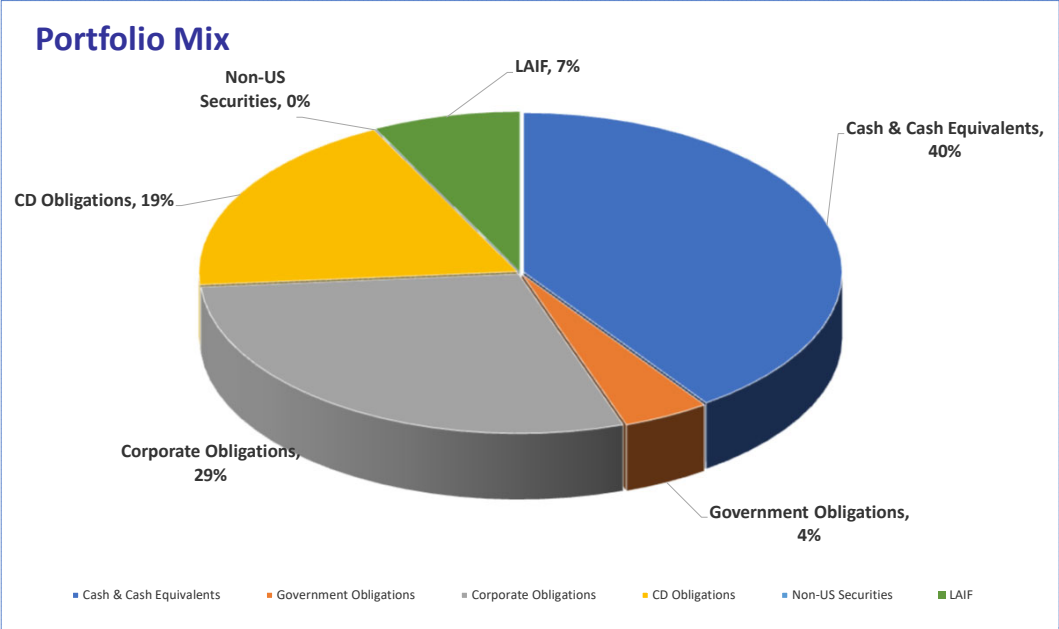
Capital Project Budgets (Wastewater):

GL Project #	Project Description	Project Budgets				
		Actuals	Budget	Budget	Budget	Budget
		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
530001	School House Lift Station (#1) Replacement, San Luis Rey Interceptor from Mission to Thoroghbred LSEQ, and San Luis Rey Interceptor/Main From School House LS to Old River LS & Throughbred LS/EQ	\$ 37,849	\$ 3,000,000	\$ 6,000,000		
N/A	Department Level Capital Expenses		310,000			
530017	N River Road Land Outfall Rehabilitation (Operations Project)		2,500,000			
NA	City of Oceanside WW Plant		200,000	200,000	200,000	200,000
530018	Fallbrook Oaks Forcemain and Manhole Replacement		300,000			
530016	2019 Sewer Lining Project	27,925				
530019	CIPP 500' of line 8" VCP line near Pala Mesa/Palomar					
530006	Sewer System Rehabilitation Program		100,000	100,000	100,000	100,000
530020	Rancho Viejo LS Wet Well Expansion					150,000
530021	Almendra Court, I-15 Crossing Sewer Rehabilitation		40,000			
530022	Fallbrook Oaks LS Rehabilitation					400,000
530023	Replace Rancho Monserate LS Emergency Generator				125,000	
530015	Sewer System Condition Assessment Program		300,000			
530024	Old River Road LS Equalization Basin		1,000,000	2,500,000		
530025	Old River Road LS to Stallion Outfall Repair		500,000	500,000		
800016	North River Road Sewer Line Replacement	129,709				
Total		\$ 195,484	\$ 8,250,000	\$ 9,300,000	\$ 425,000	\$ 850,000

RAINBOW MUNICIPAL WATER DISTRICT
 TREASURER'S MONTHLY REPORT OF INVESTMENTS
 PORTFOLIO SUMMARY
 8/31/2020



TYPE	ISSUER	CUSIP	Bond Rating	Date of Maturity	Par Value	Cost Basis	Market Value*	Interest Rate	Yield to Maturity	Semi-Annual Interest	Days to Maturity	Object
Money Market Funds	JP MORGAN MONEY MARKET	48125C068S	N/A			\$ 326,192	\$ 326,192				0	11508
Trust	Willimington Trust	CSCDA 2017-01				\$ 2,750,000	\$ 2,750,000				0	10301
Money Market Funds	Zions Bank	7326251D				\$ 629,092	\$ 629,092	2.090%			0	10310
Money Market Funds	Zions Bank	7326250				\$ 5,666,537	\$ 5,666,537	2.060%			0	10311
Money Market Funds	Zions Bank	7326251E				\$ 2,012,054	\$ 2,012,054	2.090%			0	10309
Total Cash & Cash Equivalents					\$ -	\$ 11,383,874	\$ 11,383,874					
Non-Callable	FEDERAL HOME LOAN BANK BONDS	3130AD4X7	Aaa	12/11/20	\$ 500,000	\$ 494,905	\$ 502,550	2.000%	2.400%	\$ 4,949	102	11508
Non-Callable	FEDERAL FARM CR BKS	3133EHRU9	Aaa	07/19/22	\$ 200,000	\$ 200,938	\$ 206,440	1.900%	1.800%	\$ 1,909	687	11508
Non-Callable	FEDERAL HOME LOAN BANKS	3130ADRG9	Aaa	03/10/23	\$ 500,000	\$ 501,990	\$ 532,020	2.670%	2.660%	\$ 6,702	921	11508
Total Government Obligations					\$ 1,200,000	\$ 1,197,832	\$ 1,241,010					
Make Whole	CITIBANK NA	17325FAQ1	Aa3	07/23/21	\$ 475,000	\$ 486,623	\$ 487,141	3.400%	2.150%	\$ 8,075	326	11508
Callable 3/1/22	UNION BK CALIF N A MEDIUM TERM	90520EAH4	A2	04/01/22	\$ 308,000	\$ 315,377	\$ 321,232	3.150%	1.900%	\$ 13,860	578	11508
Callable 3/1/22	UNION BK CALIF N A MEDIUM TERM	90520EAH4	A2	04/01/22	\$ 290,400	\$ 297,355	\$ 302,876	3.150%	1.900%	\$ 13,860	578	11508
Callable 3/1/22	UNION BK CALIF N A MEDIUM TERM	90520EAH4	A2	04/01/22	\$ 281,600	\$ 288,344	\$ 293,698	3.150%	1.900%	\$ 13,860	578	11508
Non-Callable	WELLS FARGO	95000U2B8	A2	07/22/22	\$ 980,000	\$ 989,232	\$ 1,019,533	2.610%	2.410%	\$ 12,909	690	11508
Callable 10/1/22	PNC BK N A PITTSBURG PA	69349LAG3	A3	11/01/22	\$ 980,000	\$ 999,179	\$ 1,025,962	2.700%	2.065%	\$ 13,489	792	11508
Bullet	BANK OF AMERICA CORP	06051GEU9	A2	01/11/23	\$ 475,000	\$ 490,794	\$ 506,768	3.300%	2.300%	\$ 7,838	863	11508
Bullet	TOYOTA MOTOR CREDIT CORP	89236TDW2	A1	04/17/24	\$ 500,000	\$ 532,175	\$ 538,390	2.900%	1.200%	\$ 7,250	1325	11508
Bullet	JP MORGAN CHASE AND CC	46625HJX98	A2	05/13/24	\$ 930,000	\$ 981,522	\$ 1,028,227	3.625%	2.400%	\$ 16,856	1351	11508
Callable 7/1/24	BB&T CORPORATION %	05531FBH5	A2	08/01/24	\$ 1,000,000	\$ 1,020,170	\$ 1,068,590	2.500%	2.057%	\$ 12,500	1431	11508
Stepped/CBLE 9/18/2024	BANK OF AMERICA CORP SR GLBL	06048WC99	A2	09/18/24	\$ 500,000	\$ 500,000	\$ 492,150	2.250%	2.346%	\$ 5,625	1479	11508
Stepped/CBLE 2/28/25	WELLS FARGO & CC	95001D5X4	A2	02/28/25	\$ 850,000	\$ 858,075	\$ 847,833	2.050%	2.060%	\$ 8,713	1642	11508
Callable 4/12/25	US BANCORP	91159HHZ6	Aae	05/12/25	\$ 250,000	\$ 251,780	\$ 259,155	1.450%	1.300%	\$ 13,365	1715	11508
Total Corporate Obligations					\$ 7,820,000	\$ 8,010,625	\$ 8,191,553					
FDIC Ins. CD	BARCLAYS BK DEL	06740KJK4	Aaa	09/16/20	\$ 245,000	\$ 245,000	\$ 245,240	2.200%	2.200%	\$ 2,695	16	11508
FDIC Ins. CD	AMERICAN EXPRESS CENTRN	02587DB64	Aaa	09/23/20	\$ 250,000	\$ 250,000	\$ 250,353	2.300%	2.300%	\$ 2,875	23	11508
FDIC Ins. CD	ALLY BK MIDVAL UTAH	02007GFD0	N/A	09/28/20	\$ 245,000	\$ 245,000	\$ 245,524	2.780%	2.800%	\$ 3,406	28	11508
FDIC Ins. CD	DISCOVER BANK	254672F29	N/A	08/10/21	\$ 248,000	\$ 248,000	\$ 251,303	1.520%	1.500%	\$ 1,885	344	11508
FDIC Ins. CD	WELLS FARGO BANK NATL ASSN	949763AF3	N/A	08/17/21	\$ 98,000	\$ 98,000	\$ 99,366	1.570%	1.550%	\$ 769	351	11508
FDIC Ins. CD	WELLS FARGO BANK NATL ASSN	949763AF3	N/A	08/17/21	\$ 150,000	\$ 150,000	\$ 152,091	1.570%	1.550%	\$ 1,178	351	11508
FDIC Ins. CD	MB FINL BK NA CHIC IL	55266CZJ8	N/A	11/18/21	\$ 247,000	\$ 247,000	\$ 255,205	2.810%	2.850%	\$ 3,470	444	11508
FDIC Ins. CD	FLAGSTAR BK FSB TROY MICH	33847E2K2	N/A	06/13/22	\$ 245,000	\$ 246,749	\$ 255,094	2.440%	2.200%	\$ 3,010	651	11508
FDIC Ins. CD	GOLDMAN SACHS BK USA NY	38148PKT3	N/A	06/14/22	\$ 245,000	\$ 245,000	\$ 254,670	2.340%	2.350%	\$ 2,867	652	11508
FDIC Ins. CD	CAPITAL ONE NATL ASSN VA	14042RKL4	N/A	11/22/22	\$ 250,000	\$ 250,000	\$ 262,428	2.400%	2.400%	\$ 3,000	813	11508
FDIC Ins. CD	MORGAN STANLEY	61747MF63	N/A	01/11/23	\$ 246,000	\$ 246,000	\$ 260,393	2.630%	2.650%	\$ 3,235	863	11508
FDIC Ins. CD	BMW BANK NORTH AMER	05580AMB7	N/A	03/29/23	\$ 240,000	\$ 240,000	\$ 256,754	2.860%	2.900%	\$ 3,432	940	11508
FDIC Ins. CD	SALLIE MAE BK SLT LAKE CITY	795450M44	Aaa	04/11/23	\$ 240,000	\$ 240,000	\$ 257,270	2.900%	2.950%	\$ 3,480	953	11508
FDIC Ins. CD	CAPITAL ONE BANK (USA) NAT	1402TAW7	N/A	06/19/24	\$ 245,000	\$ 245,000	\$ 265,526	2.520%	2.500%	\$ 3,087	1388	11508
FDIC Ins. CD	MORGAN STANLEY PVT BK PURCHA	61760AL49	N/A	06/24/24	\$ 245,000	\$ 245,000	\$ 263,297	2.290%	2.250%	\$ 2,805	1393	11508
FDIC Ins. CD	FIRST NATL BK MCGREGOR TEX	32112UDA6	N/A	06/28/24	\$ 249,000	\$ 250,743	\$ 270,653	2.300%	2.150%	\$ 2,884	1397	11508
FDIC Ins. CD	MERRICK BK SOUTH JORDAN UTAH	59013KBV7	N/A	07/31/24	\$ 249,000	\$ 249,000	\$ 267,481	2.200%	2.200%	\$ 2,739	1430	11508
FDIC Ins. CD	HSBC BK USA NATIONAL ASSN	44329MBF9	NA	11/04/24	\$ 247,000	\$ 247,000	\$ 247,855	2.125%	2.125%	\$ 2,624	1526	11508
FDIC Ins. CD	SYCHRONY BK RETAIL	87165FZD9	NA	04/17/25	\$ 248,000	\$ 252,712	\$ 260,358	1.450%	1.050%	\$ 1,832	1690	11508
FDIC Ins. CD	BMO HARRIS BY NATL CHIC	05581W7S8	NA	05/28/25	\$ 210,000	\$ 210,000	\$ 210,092	0.750%	0.750%	\$ 788	1731	11508
FDIC Ins. CD	STATE BK INDIA CHICAGO ILL	856283N69	NA	06/26/25	\$ 248,000	\$ 252,166	\$ 251,618	0.950%	0.940%	\$ 1,198	1760	11508
FDIC Ins. CD	JPMORGAN CHASE BK NA COLUMBU	48128UHS1	NA	07/31/25	\$ 249,000	\$ 249,000	\$ 249,496	0.550%	0.550%	\$ 685	1795	11508
Total CD Obligations					\$ 5,139,000	\$ 5,151,371	\$ 5,332,068					
Total Non-US Securities					\$ -	\$ -	\$ -					
Subtotal Long Term Pooled Investment	Local Agency Investment Fund (LAIF)**	1.004954596			\$ 14,159,000	\$ 25,743,702	\$ 26,148,504					
Portfolio Totals					\$ 27,836,130	\$ 28,251,300				\$ -		13103



This monthly report accurately reflects all District pooled investments. It is in conformity with the Investment Administrative code section 5.03.080. The District has sufficient cash flow to meet six months of obligations. This is in effect in compliance with the current Investment Policy.

Tracy Largent

10/5/2020

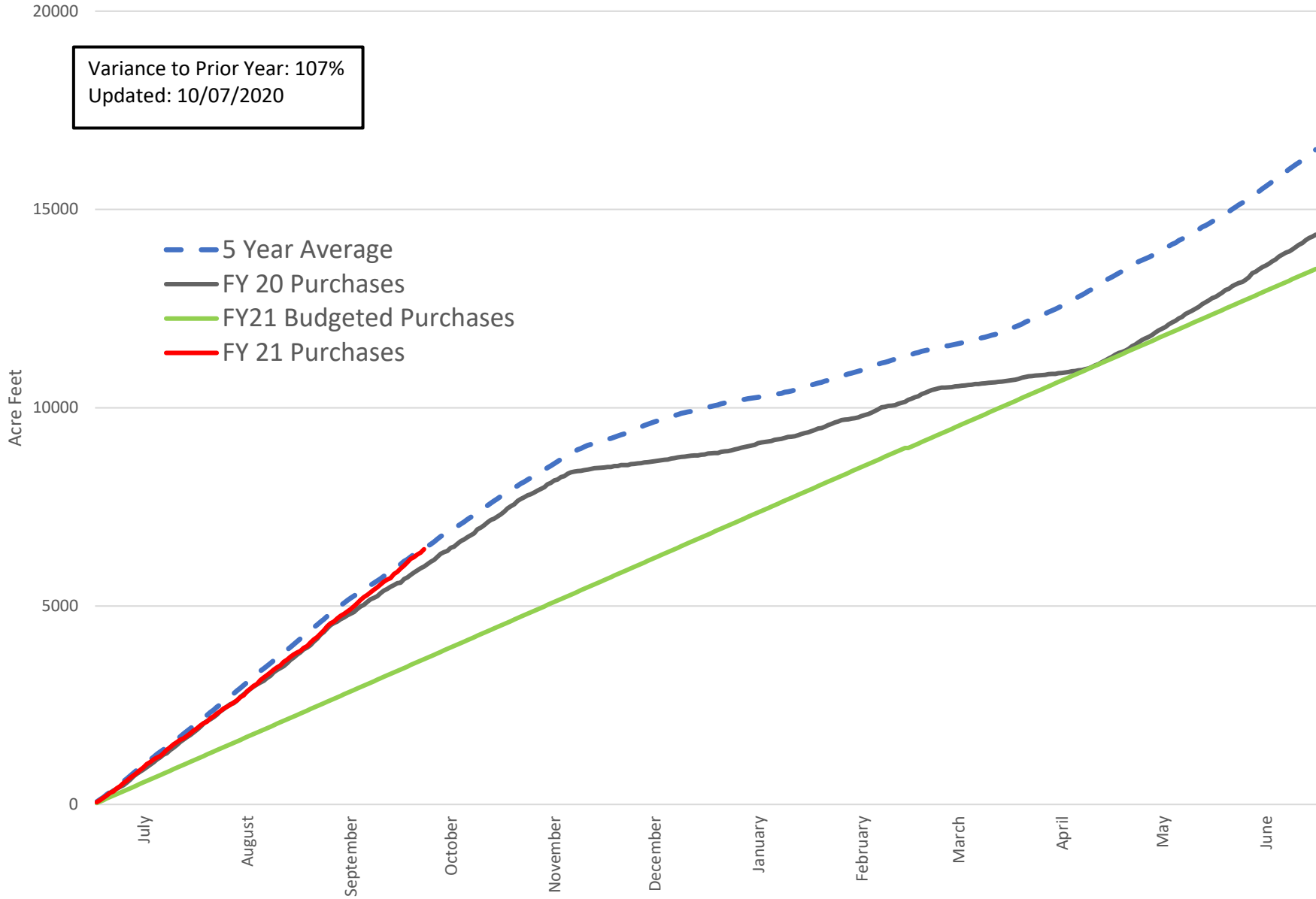
Tracy Largent, Treasurer

*Source of Market Value - MUFG monthly statements

**Source of LAIF FMV - CA State Treasurer Pooled Money Investment Account @ <https://www.treasurer.ca.gov/pmia-laif/reports/valuation.asp>

System Demands Comparison Chart

Variance to Prior Year: 107%
Updated: 10/07/2020



Comparative Water Sales YTD from Prior Years

FISCAL YEAR 2020-2021

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
553	AD	34,763	39,406											170
400	AG	109,886	131,840											555
267	CM	43,615	49,777											214
19	CN	6,330	12,547											43
21	IS	2,513	2,972											13
114	MF	14,151	14,484											66
323	SC	137,945	133,502											623
1021	SD	186,337	204,966											898
5536	SF	169,793	186,711											818
8254	Total	705,333	776,205	-	-	-	-	-	-	-	-	-	-	3,401

FISCAL YEAR 2019-2020

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
553	AD	28,018	36,530											148
400	AG	113,285	139,802											581
267	CM	35,561	46,750											189
19	CN	1,484	1,549											7
21	IS	3,060	1,799											11
114	MF	11,910	11,187											53
323	SC	135,069	157,307											671
1021	SD	164,817	213,262											868
5536	SF	150,907	188,769											780
8254	Total	644,111	796,955	-	-	-	-	-	-	-	-	-	-	3,308

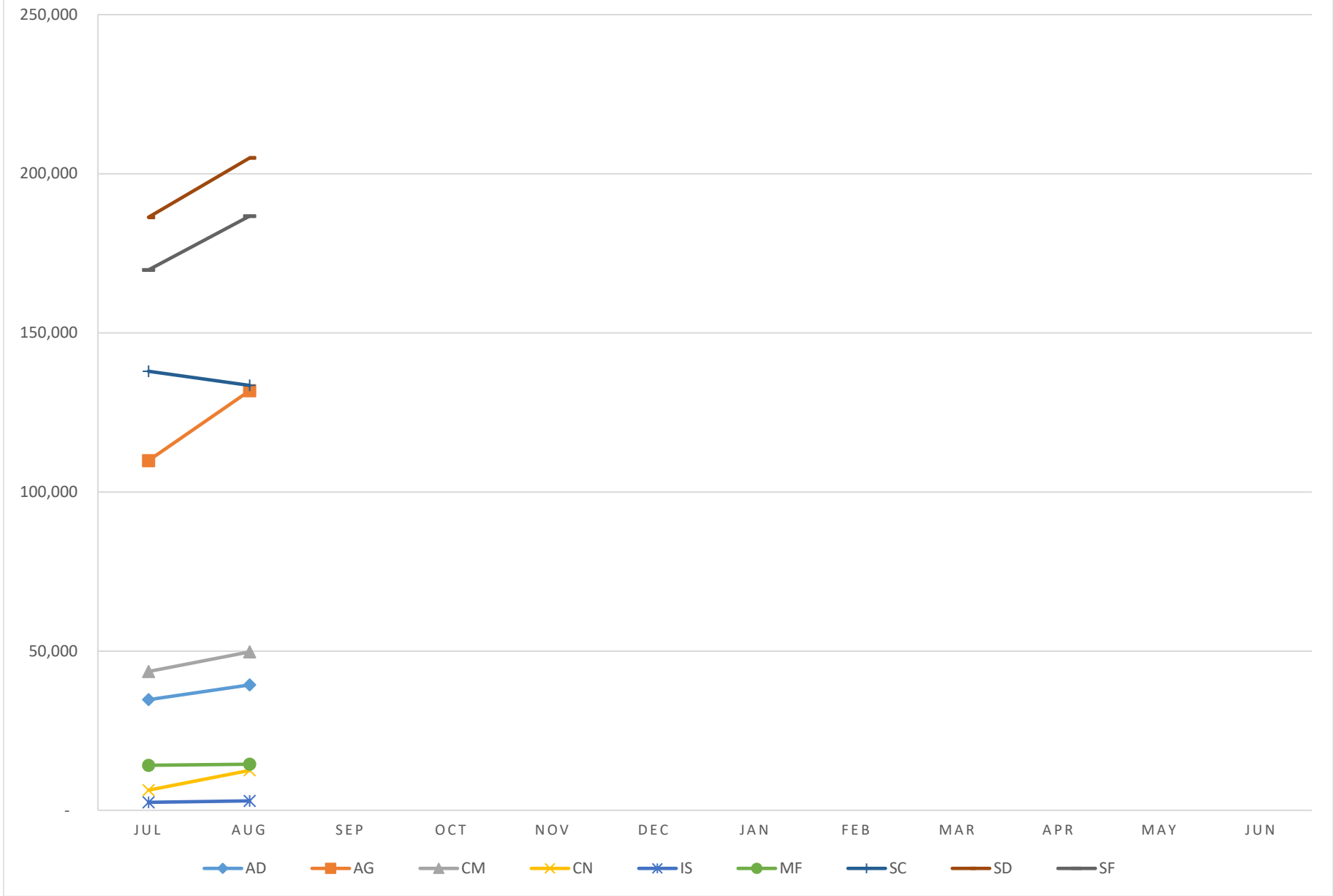
FISCAL YEAR 2018-2019

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
562	AD	34,648	47,312											188
402	AG	129,946	149,080											641
264	CM	51,483	67,254											273
23	CN	3,982	27,189											72
21	IS	4,964	3,824											20
112	MF	11,653	12,856											56
323	SC	165,088	203,887											847
1024	SD	230,264	264,247											1,135
5468	SF	168,323	192,173											828
8199	Total	800,351	967,822	-	-	-	-	-	-	-	-	-	-	4,059

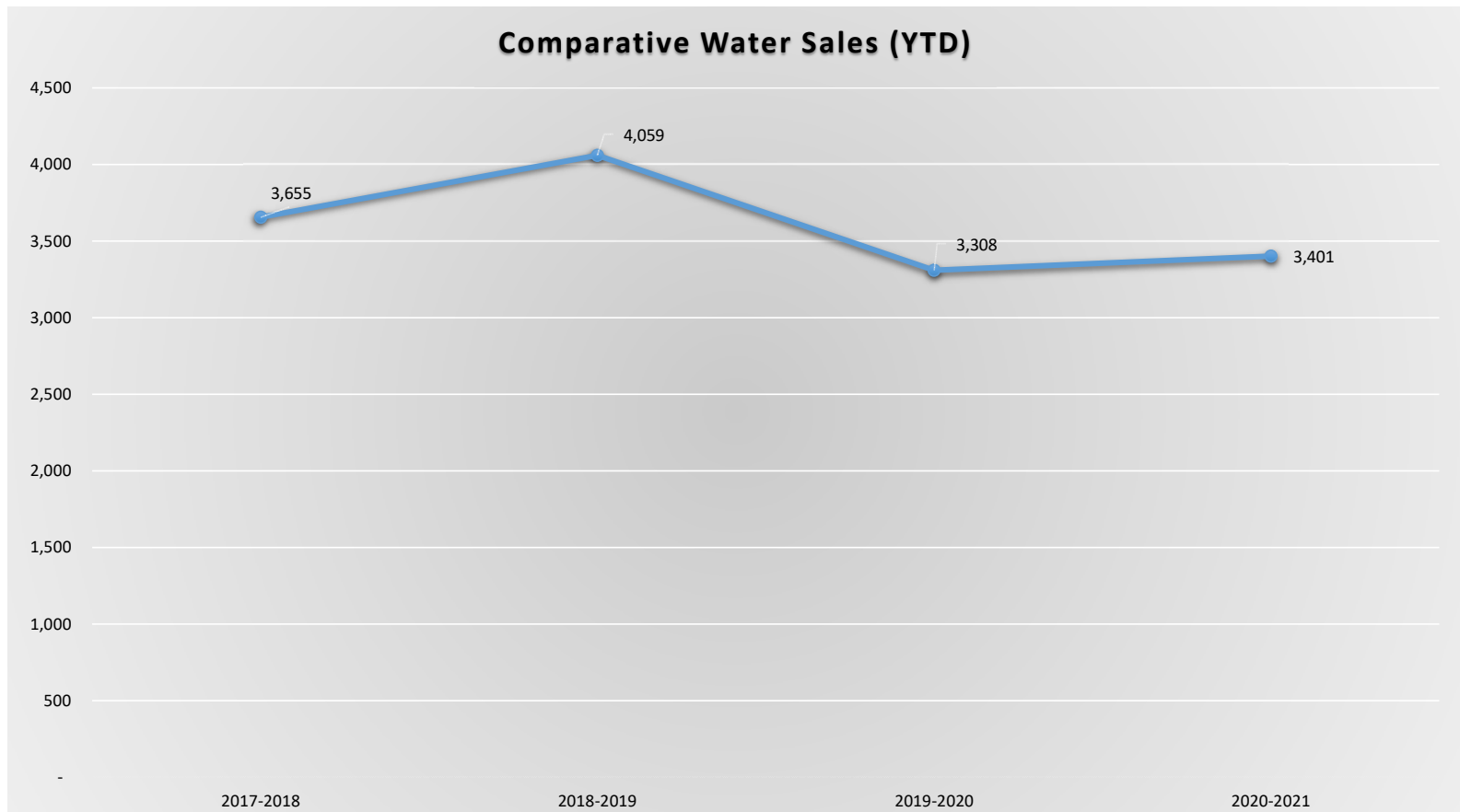
FISCAL YEAR 2017-2018

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
563	AD	33,310	29,712											145
395	AG	144,066	131,474											633
247	CM	33,715	42,488											175
32	CN	2,447	3,983											15
20	IS	2,320	2,440											11
96	MF	11,472	10,002											49
323	SC	179,822	156,120											771
1024	SD	244,799	223,157											1,074
5196	SF	174,946	165,760											782
7896	Total	826,897	765,136	-	-	-	-	-	-	-	-	-	-	3,655

USAGE BY CUSTOMER CLASS FY 20-21



Comparative Water Sales YTD from Prior Years





Check Register

August 2020

Description	Bank Transaction Code	Issue Date	Amount
ACTIVE AUTO COLLISION	CHECK	08/21/2020	1,424.32
ACWA-JPIA	ACH	08/06/2020	82,616.06
AIRGAS USA, LLC	ACH	08/21/2020	1,411.95
AMERICAN EXPRESS - TK (JULY STATEMENT)	WIRE	08/13/2020	22,854.73
ANTHONY WREN	CHECK	08/06/2020	2,350.00
ARAMARK UNIFORM SERVICES	CHECK	08/06/2020	366.53
ARAMARK UNIFORM SERVICES	CHECK	08/21/2020	1,202.60
ASTRA INDUSTRIAL SERV.INC	ACH	08/06/2020	8,193.90
AT&T	CHECK	08/21/2020	166.28
AT&T	CHECK	08/21/2020	527.69
AT&T MOBILITY	CHECK	08/06/2020	1,685.32
AZUGA, INC.	CHECK	08/21/2020	2,273.90
BABCOCK LABORATORIES, INC	ACH	08/06/2020	990.00
BARRY MEADOW	CHECK	08/21/2020	627.18
BONSALL PEST CONTROL	CHECK	08/21/2020	200.00
BOOT BARN INC	CHECK	08/21/2020	295.14
BOOT WORLD, INC	ACH	08/06/2020	200.00
BOOT WORLD, INC	ACH	8/21/2020	155.14
BP BATTERY INC.	ACH	8/21/2020	128.29
BRAX COMPANY, INC	CHECK	08/21/2020	1,400.00
CDW GOVERNMENT, INC.	CHECK	08/06/2020	1,008.15
CDW GOVERNMENT, INC.	CHECK	08/21/2020	2,248.63
CHANDLER AGGREGATES, INC.	CHECK	08/06/2020	375.57
CHARLES FAUST	CHECK	08/21/2020	90.00
CHICAGO TITLE COMPANY	CHECK	08/21/2020	500.00

Description	Bank Transaction Code	Issue Date	Amount
CHRIS BROWN	ACH	08/06/2020	15,000.00
CHRIS WAITE	CHECK	08/21/2020	172.09
CITY OF OCEANSIDE-INV 240098	WIRE	08/05/2020	443,655.77
COLONIAL LIFE & ACCIDENT INS.	CHECK	08/21/2020	121.42
CONCORD ENVIRONMENTAL ENERGY, INC.	ACH	08/06/2020	42,858.68
CONCORD ENVIRONMENTAL ENERGY, INC.	ACH	8/21/2020	29,447.57
CORE & MAIN LP	CHECK	08/21/2020	4,003.55
COUNTY OF SAN DIEGO CLERK	CHECK	08/06/2020	100.00
COUNTY OF SAN DIEGO DEPT OF PUBLIC WORKS	CHECK	08/21/2020	724.00
CPC SYSTEMS INC.	CHECK	08/21/2020	2,000.00
CRAIG SHOBE	CHECK	08/21/2020	845.00
DARYL SUZUKAWA	CHECK	08/06/2020	597.08
DAVID SEYMOUR	CHECK	08/21/2020	1,089.00
DELL MARKETING L.P.	CHECK	08/06/2020	4,740.34
DESIGN SPACE MODULAR BUILDINGS	ACH	08/06/2020	2,864.09
DESIGN SPACE MODULAR BUILDINGS	ACH	8/21/2020	635.19
DIAMOND ENVIRONMENTAL SERVICES	CHECK	08/06/2020	923.71
DIAMOND ENVIRONMENTAL SERVICES	CHECK	08/21/2020	221.90
DUDEK	ACH	8/21/2020	2,557.50
ESCONDIDO METAL SUPPLY, INC.	CHECK	08/21/2020	38.75
FALLBROOK AUTO PARTS	CHECK	08/06/2020	2,107.63
FALLBROOK AUTO PARTS	CHECK	08/21/2020	1,539.17
FALLBROOK EQUIPMENT RENTAL	ACH	08/06/2020	991.23
FALLBROOK PROPANE GAS CO.	CHECK	08/21/2020	463.43
FALLBROOK WASTE AND RECYCLING	CHECK	08/06/2020	446.85
FALLBROOK WASTE AND RECYCLING	CHECK	08/21/2020	545.60
FEDEX	CHECK	08/21/2020	398.28
FERGUSON WATERWORKS #1083	CHECK	08/21/2020	10,461.77
FLUME TECH	CHECK	08/06/2020	4,200.21
FLYERS ENERGY LLC	ACH	08/06/2020	6,273.43
FLYERS ENERGY LLC	ACH	8/21/2020	4,017.24
FREEWAY TRAILER SALES	CHECK	08/21/2020	55.87
GOLDEN STATE INDUSTRIAL COATINGS, INC.	CHECK	08/06/2020	3,750.00

Description	Bank Transaction Code	Issue Date	Amount
HACH	CHECK	08/06/2020	4,004.04
HADRONEX, INC.	ACH	08/06/2020	24,047.15
HADRONEX, INC.	ACH	08/21/2020	23,307.58
HARRIS & ASSOCIATES, INC.	ACH	08/21/2020	20,625.00
HARRISON'S EQUIPMENT	CHECK	08/06/2020	40.00
HAWTHORNE EQUIPMENT	CHECK	08/21/2020	3,325.60
HELIX ENVIRONMENTAL PLANNING INC	CHECK	8/21/2020	2,125.41
HOME DEPOT CC - ALL (JULY STATEMENT)	EFT	08/04/2020	2,636.51
ICONIX WATERWORKS (US) INC	ACH	08/06/2020	11,783.59
ICONIX WATERWORKS (US) INC	ACH	8/21/2020	6,888.42
IMPACT DESIGN	CHECK	08/06/2020	125.01
INFOR (US), INC.	ACH	08/21/2020	600.00
INFOSEND, INC.	CHECK	08/21/2020	12,916.49
INFRASTRUCTURE ENGINEERING CORPORATION	ACH	08/21/2020	1,092.50
INNOVYZE, INC.	CHECK	08/06/2020	4,235.50
INTEGRA CHEMICAL	CHECK	08/06/2020	1,681.03
INTER-BLOCK RETAINING SYSTEMS INC.	CHECK	08/21/2020	30,064.89
JOE'S HARDWARE	CHECK	08/21/2020	87.49
JOHNSON EQUIPMENT CO.	CHECK	08/21/2020	8,190.27
KENNEDY/JENKS CONSULTANTS INC	ACH	08/21/2020	7,026.70
KEVIN MILLER	ACH	08/06/2020	363.00
KNIGHT SECURITY & FIRE SYSTEMS	ACH	08/21/2020	2,288.00
KNOWBE4, INC.	CHECK	08/21/2020	1,095.00
LIEBERT CASSIDY WHITMORE	CHECK	08/21/2020	3,350.00
LILY VO THUYEN LE	CHECK	08/06/2020	113.05
LINCOLN NATIONAL LIFE INSURANCE COMPANY	CHECK	08/06/2020	4,373.52
LINCOLN NATIONAL LIFE INSURANCE COMPANY	CHECK	08/21/2020	4,373.52
LISA LIBERMAN	CHECK	08/06/2020	128.53
MALLORY SAFETY AND SUPPLY, LLC	CHECK	08/06/2020	155.16
MALLORY SAFETY AND SUPPLY, LLC	CHECK	08/21/2020	407.95
MHC SOFTWARE, LLC	CHECK	08/06/2020	2,790.00
MICHAEL MACK	CHECK	08/21/2020	52.90
MISSION RESOURCE CONSERVATION DISTRICT	ACH	08/06/2020	44.50

Description	Bank Transaction Code	Issue Date	Amount
MISSION RESOURCE CONSERVATION DISTRICT	ACH	08/21/2020	69.50
MOBILE MINI, INC	CHECK	08/06/2020	1,025.49
MODULAR BUILDING CONCEPTS, INC	CHECK	08/21/2020	1,315.63
NATIONAL SAFETY COMPLIANCE, INC	CHECK	08/06/2020	266.35
NICK KEFALLINOS	CHECK	08/06/2020	504.21
NINYO & MOORE GEOTECHNICAL & ENVIRONMENTAL SCIENCES	CHECK	08/06/2020	1,369.00
NORTH COUNTY WELDING SUPPLY	CHECK	08/21/2020	40.75
ONESOURCE DISTRIBUTORS, LLC	CHECK	08/06/2020	2,469.73
O'REILLY AUTO PARTS	CHECK	08/21/2020	180.28
PACIFIC PIPELINE SUPPLY	CHECK	08/06/2020	521.30
PACIFIC PIPELINE SUPPLY	CHECK	08/21/2020	1,323.18
PARKHOUSE TIRE, INC.	ACH	08/06/2020	1,441.63
PARKHOUSE TIRE, INC.	ACH	08/21/2020	3,297.61
PATRIOT PORTABLE RESTROOMS-SD	ACH	08/21/2020	151.37
PERRAULT CORPORATION	CHECK	08/21/2020	5,162.96
PETERS PAVING & GRADING, INC	ACH	08/06/2020	6,275.00
PETERS PAVING & GRADING, INC	ACH	08/21/2020	2,995.00
PRECISION BRAKE & ALIGNMENT	CHECK	08/21/2020	150.00
PRINCIPAL LIFE INSURANCE COMPANY	ACH	08/21/2020	6,891.06
QUALITY CHEVROLET	ACH	08/06/2020	69.91
QUALITY CHEVROLET	ACH	08/21/2020	970.37
QUINN COMPANY	CHECK	08/06/2020	540.33
RAIN FOR RENT RIVERSIDE	CHECK	08/06/2020	2,548.52
RAMON FRANCISCO COTE	CHECK	08/06/2020	602.50
RAMON FRANCISCO COTE	CHECK	08/21/2020	298.50
RDO EQUIPMENT CO.	CHECK	08/06/2020	30.91
REM MECHANICAL, INC	ACH	08/21/2020	465.00
RHO MONSERATE C.C.H.A.	CHECK	08/06/2020	380.65
RICHARD C. MICHAUD	ACH	8/21/2020	70.98
RICHARD D. MARKS	CHECK	08/06/2020	4,540.00
RIGHT-OF-WAY ENGINEERING SERV	CHECK	08/21/2020	3,790.00
RT LAWRENCE CORPORATION	ACH	08/21/2020	2,260.15
SAFETY-KLEEN	ACH	08/21/2020	420.00

Description	Bank Transaction Code	Issue Date	Amount
SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK	CHECK	08/06/2020	20.00
SAN DIEGO FRICTION PRODUCTS, INC.	CHECK	08/06/2020	54.09
SAN DIEGO GAS & ELECTRIC	CHECK	08/21/2020	5,264.38
SCW CONTRACTING CORPORATION	ACH	08/21/2020	5,700.00
SDCWA WATER PURCHASE- JUN 2020	WIRE	08/13/2020	2,215,541.28
SHRED-IT USA LLC	CHECK	08/21/2020	81.72
SLR FARM	CHECK	08/06/2020	7,626.76
SOUTHWEST ANSWERING SERVICE, INC.	CHECK	08/21/2020	822.48
SPECIALTY MOWING SERVICES, INC - W9	ACH	08/06/2020	18,458.00
STREAMLINE	ACH	08/06/2020	300.00
STREAMLINE	ACH	08/21/2020	300.00
SUPERIOR READY MIX	CHECK	08/21/2020	645.66
T S INDUSTRIAL SUPPLY	CHECK	08/06/2020	1,100.67
T S INDUSTRIAL SUPPLY	CHECK	08/21/2020	3,070.10
TCN, INC	CHECK	08/06/2020	13.51
TEMECULA VALLEY PAINT, INC.	CHECK	08/21/2020	345.77
THE WELD SHOP, INC	ACH	08/06/2020	1,237.97
TIAA COMMERCIAL FINANCE, INC.	CHECK	08/21/2020	3,285.94
TNG SECURITY INC. DBA CALIFORNIA COMMERCIAL SECURITY	CHECK	08/06/2020	368.04
TRAFFIC SAFETY SOLUTIONS, LLC	ACH	08/06/2020	4,362.50
ULINE	CHECK	08/06/2020	733.24
ULINE	CHECK	8/21/2020	723.69
UNDERGROUND SERVICE ALERT	ACH	08/06/2020	231.22
UNION BANK CC - DAUGHERTY (JULY STATEMENT)	EFT	08/13/2020	444.72
UNION BANK CC - GUTIERREZ (JULY STATEMENT)	EFT	08/13/2020	754.48
UNION BANK CC - HARP (JULY STATEMENT)	EFT	08/13/2020	248.95
UNION BANK CC - LAGUNAS (JULY STATEMENT)	EFT	08/13/2020	9.69
UNION BANK CC - NAULT (JULY STATEMENT)	EFT	08/13/2020	39.57
UNION BANK CC - ROSE (JULY STATEMENT)	EFT	08/13/2020	59.84
UTILITY SERVICE CO.	ACH	08/21/2020	198,275.58
VERIZON WIRELESS	CHECK	08/06/2020	7,306.74
WATER QUALITY SPECIALISTS	ACH	08/06/2020	1,950.00
WATERLINE TECHNOLOGIES INC.	CHECK	08/06/2020	4,510.41

Description	Bank Transaction Code	Issue Date	Amount
WATERLINE TECHNOLOGIES INC.	CHECK	8/21/2020	2,512.95
WAYNE NAULT	CHECK	8/21/2020	60.00
WELLS FARGO BANK	CHECK	08/06/2020	2,000.00
WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	ACH	08/06/2020	507.15
WHITE CAP CONSTRUCTION SUPPLY	CHECK	08/06/2020	1,621.58
WINZER CORP	CHECK	8/21/2020	314.02
		Total:	3,448,816.61

**Director's Expenses
FY 2020-2021**

Disbursement Date	Description	Helene Brazier	Miguel Gasca	Claude Hamilton	Michael Mack	Carl Rindfleisch
07/31/20	CAL PERS - HEALTH INS. WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
	TRAVEL EXPENSES MILEAGE EXPENSE				\$ 102.35	
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	<u>\$ 150.00</u>	<u>\$ 150.00</u>	<u>\$ 150.00</u>	<u>\$ 252.35</u>	<u>\$ 150.00</u>
08/31/20	CAL PERS - HEALTH INS. WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
	TRAVEL EXPENSES MILEAGE EXPENSE					
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	<u>\$ 150.00</u>	<u>\$ 150.00</u>	<u>\$ 150.00</u>	<u>\$ 150.00</u>	<u>\$ 150.00</u>
REPORT TOTAL:		\$ 300.00	\$ 300.00	\$ 300.00	\$ 402.35	\$ 300.00



AMERICAN EXPRESS

August 2020

GL Finance Code	GL Transaction Amount	Description
GL 03 36 73000	678.89	1-800-BUY-RACK #000023049
GL 01 35 63404	5,000.00	1ST CHOICE #5991
GL 03 44 60100	326.17	AMAZON # 114-0796944-7795430
GL 03 43 72500	109.88	AMAZON #112-0023859-7740261/PO# 10796
GL 03 43 72500	58.14	AMAZON #112-1252581-3377007
GL 03 36 63422	711.16	AMAZON #112-2005905-7661846/PO# 10835
GL 03 36 73000	24.77	AMAZON #112-2071253-7461048/PO# 10859
GL 03 43 72500	60.29	AMAZON #112-2545930-1466614/PO# 10822
GL 03 43 72500	177.55	AMAZON #112-2965292-3341849/PO# 10796
GL 01 32 73000	322.92	AMAZON #112-3239882-0052239/PO# 10861
GL 03 41 63400	26.39	AMAZON #112-3565281-1815463
GL 03 43 72500	868.92	AMAZON #112-4620616-9489869/PO# 10796
GL 03 36 63422	24.77	AMAZON #112-5776366-1431421
GL 03 36 73000	81.91	AMAZON #112-8301376-4289865/PO# 10859
GL 03 43 72500	110.97	AMAZON #112-8411891-7153869/PO# 10796
GL 03 43 72500	160.50	AMAZON #112-8621961-4721829/PO# 10822
GL 03 43 72500	145.54	AMAZON #112-8621961-4721829/PO# 10822
GL 03 43 72500	138.63	AMAZON #112-8621961-4721829/PO# 10822
GL 03 44 60100	60.33	AMAZON #114-3032408-1457845
GL 03 44 60100	326.12	AMAZON #114-3152880-1000245
GL 03 44 60100	96.90	AMAZON #114-7613571-4800241
GL 03 44 60100	86.18	AMAZON #114-8637222-0453864
GL 03 44 60100	51.69	AMAZON #114-9947136-8198637
GL 03 44 60100	0.22	AMAZON WEB SERVICES
GL 03 43 72000	2.99	APPLE.COM #MK9XMVL6L0
GL 03 44 60100	10.00	ATLISSIAN #AT-109274715
GL 03 44 60100	248.10	AUTHORIZE.NET, 9-1-20

GL Finance Code	GL Transaction Amount	Description
GL 03 44 60100	236.05	AZURE #E0300BV19F
GL 03 44 60100	192.50	CORELOGIC #82033713
GL 03 43 72500	125.00	COVID CLINIC TESTING
GL 03 43 72500	150.00	COVID CLINIC TESTING
GL 03 41 63401	82.04	CULLIGAN #083120
GL 03 44 60100	359.99	DIGITAL RIVER #669068083
GL 03 44 60100	39.99	DIRECTTV #37687290187
GL 03 43 75300	25.15	EXXON MOBILE
GL 03 41 63400	38.25	FRUIT GUYS #5528858
GL 03 41 63400	76.50	FRUIT GUYS #5530056
GL 03 41 63400	38.25	FRUIT GUYS #5530970
GL 03 41 63400	76.50	FRUIT GUYS #5532523
GL 03 41 63400	76.50	FRUITGUYS #5527656
GL 03 44 72400	870.00	GOTOMYPC ANNUAL SUBCRPTION
GL 01 32 72000	64.41	GRAINGER #9569645931/PO# 10726
GL 03 41 63401	20.31	GRAINGER #9569645931/PO# 10726
GL 01 34 72000	43.59	GRAINGER #9569645931/PO# 10726
GL 03 43 72500	96.21	GRAINGER #9570087651/PO# 10732
GL 03 43 72500	432.89	GRAINGER #9570087669/PO# 10732
GL 03 43 72500	53.76	GRAINGER #9570087677/PO# 10732
GL 03 43 72500	2,251.76	GRAINGER #9570763798/PO# 10727
GL 03 43 72500	2,243.03	GRAINGER #9570763806/PO# 10727
GL 03 43 72500	253.10	GRAINGER #9572163302/PO# 10732
GL 02 61 72000	402.77	GRAINGER #9574674629/PO# 10740
GL 60 99 15566 600028	341.35	GRAINGER #9575171633/PO# 10744
GL 03 43 72500	366.60	GRAINGER #9578387392/PO# 10750
GL 03 43 72500	417.19	GRAINGER #9578616899/PO# 10750
GL 03 43 72500 	677.27	GRAINGER #9580811041/PO# 10750
GL 03 41 63401	650.81	GRAINGER #9581821387/PO# 10766
GL 01 32 72000	93.75	GRAINGER #9581821387/PO# 10766
GL 03 43 72500	91.16	GRAINGER #9583719191/PO# 10769
GL 03 43 72500	356.95	GRAINGER #9584430046/PO# 10769
GL 03 43 72500	65.02	GRAINGER #9585894646/PO# 10769
GL 01 32 72000	93.75	GRAINGER #9590744828/PO# 10781

GL Finance Code	GL Transaction Amount	Description
GL 01 32 72000	29.48	GRAINGER #9590961083/PO# 10781
GL 03 43 72500	91.16	GRAINGER #9591066155/PO# 10769
GL 03 43 72500	87.38	GRAINGER #9592243530/PO# 10769
GL 01 32 72000	190.07	GRAINGER #9592243548/PO# 10781
GL 03 43 72500	646.04	GRAINGER #9592243555/PO# 10768
GL 03 43 72500	2,615.10	GRAINGER #9594036635/PO# 10750
GL 01 32 72000	456.36	GRAINGER #9596242173/PO# 10781
GL 03 43 72500	91.04	GRAINGER #9596852344/PO# 10769
GL 03 43 72500	13.00	GRAINGER #9597027649/PO# 10769
GL 01 99 15260	82.93	GRAINGER #9597498824/PO# 10806
GL 03 43 72500	171.82	GRAINGER #9598413871/PO# 10769
GL 01 32 72000	34.75	GRAINGER #9603439408/PO# 10804
GL 01 32 72000	901.88	GRAINGER #9603492340/PO# 10804
GL 02 61 72000	75.08	GRAINGER #9606131838/PO# 10820
GL 03 41 74100	946.38	JIVE #IN6000856416
GL 03 41 63400	750.00	NATUREBOX #10709
GL 03 41 70300	11,999.00	NOSSAMAN #511359
GL 60 99 70300 600034	426.00	NOSSAMAN #511359
GL 03 41 70300	3,510.00	NOSSAMAN #511360
GL 03 41 70300	8,499.40	NOSSAMAN #511362
GL 03 41 70300	235.00	NOSSAMAN #511364
GL 03 41 70300 300008	540.00	NOSSAMAN #511365
GL 03 41 70300	765.00	NOSSAMAN #511367
GL 60 99 70300 600013	2,348.68	NOSSAMAN #511368
GL 03 41 70300	5,990.30	NOSSAMAN #511370
GL 03 41 70300	15,025.50	NOSSAMAN #511371
GL 60 99 70300 600007	3,477.50	NOSSAMAN #511371
GL 60 99 70300 600001	650.00	NOSSAMAN #511371
GL 03 41 72900	60.22	OFFICE DEPOT #100144834001
GL 03 41 72900	15.21	OFFICE DEPOT #100147066001
GL 03 41 72900	124.64	OFFICE DEPOT #100948276001
GL 03 41 72900	53.44	OFFICE DEPOT #101296025001
GL 03 41 72900	23.69	OFFICE DEPOT #101297344001
GL 03 41 72900	24.34	OFFICE DEPOT #104795983001

GL Finance Code	GL Transaction Amount	Description
GL 03 41 72900	77.47	OFFICE DEPOT #108120044001
GL 03 41 72900	60.33	OFFICE DEPOT #109038457001
GL 03 41 72900	154.94	OFFICE DEPOT #110548173001
GL 03 43 72000	45.03	OFFICE DEPOT #81700306953
GL 01 35 63404	5,000.00	PALOMAR BACKFLOW #6838
GL 03 41 75300	17.65	PREPASS #0303526M200731
GL 03 43 72000	54.27	RALPHS
GL 03 44 60100	10.00	RING
GL 03 43 72500	453.74	SAFETY DEPOT #8770
GL 03 91 72000	33.54	SD COUNTY TREASURER PARCEL #126-072-25-00
GL 03 91 72000	0.73	SD COUNTY TREASURER PROCESSING FEE
GL 01 34 72000	9,063.77	STAMPEDE DISTRIBUTION - UNKNOWN CHARGE
GL 03 36 73000	1,290.00	STRICTLY TOOLBOXES #069345/PO# 10856
GL 03 43 56512	(795.00)	UCSD EXTENSION (REFUND)
GL 60 99 15566 600028	91.36	VISTA PRINT #G5TFD-Z5A35-3U8
GL 03 44 60100	13.00	WASABI #405302
GL 03 41 63401	127.87	WAXIE #793608251
GL 01 35 72000	35.00	ZOHO #66209938
GL 03 41 60100	18.86	ZOOM #INV34608247
GL 03 44 60100	144.93	ZOOM #INV36521430
	98,160.21	American Express (August Statement)

Rainbow MWD Developer Projections - Water

Installations

Development Name (Active) (Inactive)	Purchased	Anticipated Sales (Connections)							Water LF	PRS	Timing
		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24+	Total			
Horse Ridge Creek	274.8		23.8					23.8	34407	1	In Progress
Horse Ridge Creek (RAH)	113							0			In Progress
Campus Park West								9			
Lilac Del Cielo			20	56				76	2247	1	Recent Activity
Golf Green Estates	77		20					20	5475		In Progress
Pala Mesa Highlands	104		27					27	10089	1	In Progress
Bonsall Oaks/Polo							154	154	21531	3	
Ocean Breeze (Vessels)							396	396			
								0			
Rancho Viejo Phase 3							47	47			
Campus Park							53	53			
Meadowood*				250	251			501		1	In Progress
Single Service Laterals		6	5	5	5	5	5	31			See Notes**
TOTAL WATER METERS	568.8	6	96	311	256	5	664	1,338			

Revenue Projections

Meter Size (in)	Revenue Per Meter (Existing)	Purchased	Anticipated Sales						Total
			FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24+	
5/8	6,241								-
3/4	10,401	531.8		91	306	251		644	1,292
1	16,642	0	5	5	5	5	5	20	45
1 1/2	27,043	34	1						1
2	62,406	3							-
3	124,812								-
4	208,020								-
Total		568.8	6	95.8	311	256	5	664	1,338
Total Revenue			\$110,253	\$1,027,621	\$3,265,916	\$2,693,861	\$83,210	\$7,031,084	\$14,211,945

Notes:

*Actual amount will vary depending on final agreements.

**Average from last 10 years.

Rainbow MWD Developer Projections - Sewer

Installations

Development Name (Active) (Inactive)	Purchased (EDUs)	Anticipated Sales (EDUs)							Sewer LF	LS	Timing
		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24+	Total			
Horse Ridge Creek	723							0	29916	1	In Progress
Horse Ridge Creek (RAH)	169.5							0			
Campus Park West								9			
Lilac Del Cielo	38.9		38.9					39	1382		Recent
Golf Green Estates	94.5		25.8					26	4318		In Progress
Pala Mesa Highlands	126.88		35.7					36	11501		In Progress
Bonsall Oaks/Polo	59.85							96.2	21027		Recent
Ocean Breeze (Vessels)								479			Recent
Rancho Viejo Phase 3								47			Recent
								0	2251		
Campus Park								0			
Meadowood*			422	422				844			
Misc. SFR			3	3	3	3	3	15			
TOTAL EDUs		-	525	425	3	3	634	1591			

Revenue Projections

		Purchased (EDUs)	Anticipated Sales						
			FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24+	Total
Existing Fee	\$ 14,126	281.23		525	425	3	3	634	1,591
Meadowwood		883							
Total			-	525	425	3	3	634	1,591
Total Revenue			\$0	\$7,421,800	\$6,003,550	\$42,378	\$42,378	\$8,958,709	\$22,468,816 **

Notes:

*Actual amount will vary depending on final agreements.

** Actual amounts will vary depending on final exchange agreements.

Rainbow Municipal Water District
Property spreadsheet

APN	Description of Use	Acreage
1023000800	North Reservoir	4.8
1023001100	U-1 Pump Station	0.14
1023005000	Rainbow Creek Crossing near North Reservoir	0.89
1023005300	Connection 9	0.01
1024300900	Pump Station across PS1 (not in use)	0.12
1025702000	U-1 Tanks	1.08
1026305400	Pump Station #1	0.33
1026602000	Booster Pump Station #4	0.03
1027001600	Pump Station #3	0.67
1071702800	Connection 7	1.60
1071702900	Pala Mesa Tank	10.35
1080206900	Northside Reservoir	9.23
1082210600	Beck Reservoir	27.25
1082210900	Near Beck Reservoir	4.82
1082211000	Near Beck Reservoir	6.23
1082211800	Near Beck Reservoir - Excess Property (not in use)	4.68
1084210600	Rice Canyon Tank	1.00
1084410300	Canonita Tank	2.41
1091410700	Gomez Creek Tank	1.00
1092310900	Rainbow Heights Tank	0.35
1092330300	Rainbow Heights Tank	0.99
1092341000	Rainbow Heights Concrete Tank - used for SCADA	1.74
1093101800	Vallecitos Tank	0.55
1093822800	Magee Tank	1.03
1093912400	Magee Pump Station	0.3
1100721000	Huntley Road Pump Station	0.52
1102203700	Huntley Chlorination Station (not in use)	0.2
1212011000	Morro Tank	0.31
1212011100	Morro Tank	4.85
1212011200	Morro Reservoir	13.01
1213300900	Morro Reservoir	6.79
1250703200	Sumac Reservoir (Not in Use)	1.72
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

