



AGENDA

REGULAR BOARD MEETING

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

**Tuesday, February 27, 2024
1:00 PM**

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

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

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

- 7. EMPLOYEE RECOGNITIONS**
 - A. Claudia Ramirez – Five years
- 8. COMMITTEE MEETING SUMMARIES**
 - A. Budget and Finance Committee
 - B. Engineering and Operations Committee
 - C. Communications and Customer Service Committee

- 9. CONSENT CALENDAR**

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

 - A. Approval of January 23, 2024 Meeting Minutes

- B. Fiscal Year 2023-24 Mid-Year Operating and Capital Budget Review and Adjustments
- C. Adoption of Resolution No. 2024-02 Fixing the Time and Place of Public Hearing on Proposed Water Availability Charges for Improvement District No. 1

10. ACTION ITEMS

- A. Discussion and Possible Selection of Division Three Director and Adoption of Resolution No. 2024-01, a Resolution Appointing a Director of Division Three of the Rainbow Municipal Water District
- B. Discussion and Possible Appointment of Board Officers and Representatives and Adoption of Ordinance No. 24-05 Amending Administrative Code Section 2.03.010.02, Compensation
- C. Consider Authorizing the General Manager to Execute a Memorandum of Understanding Between Rancho California Water District, Rainbow Municipal Water District, Fallbrook Public Utilities District, City of Oceanside, and Valley Center Municipal Water District for Participation in the Regional CropSWAP Program
- D. Consider Approval of an Out of Agency Service Agreement to Transfer Water and Wastewater Services for APNS: 124-201-65, 124-201-68, 124-201-69, and 124-201-70 from Rainbow Municipal Water District to Fallbrook Public Utilities District
- E. Discussion and Possible Formation of an Ad Hoc Committee for Revitalization of District Headquarters Facilities
- F. Consider Adoption of Ordinance No. 24-04 for Revision to Administrative Code Chapter 5.03, Investment Policy, Sections 5.03.010 Through 5.03.210
- G. Consider Adoption of Resolution No. 2024-04 Adding Access to the California Asset Management Program (CAMP) as an Authorized Investment
- H. Consider Adoption of Ordinance No. 24-06 Revision to Administrative Code Section 5.01.020, Accounts Payable Signers
- I. Consider Adoption of Resolution No. 2024-03 Establishing Individuals with Check Signing Authority
- J. Discussion and Possible Action Regarding CSDA Board of Directors Call for Nominations, Seat A
- K. Discussion and Possible Appointment of Miguel Gasca to Serve as a Public Member and Appointment of Rick Aragon as the Alternate Member of the Engineering and Operations Committee
- L. Consider the Appointment of Pete Hensley as a Member of the Budget and Finance Committee

11. INFORMATION ITEMS

- A. Operations Report
- B. Engineering Report

- C. Administrative Services Report
- D. Finance Report

12. REPORTS & COMMENTS

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

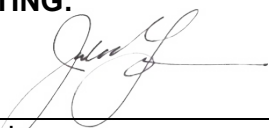
- A. Legal Counsel's Report
- B. General Manager's Report
- C. Board Reports
 - 1. SDCWA
 - 2. CSDA
 - 3. LAFCO
 - 4. Santa Margarita River Watershed Watermaster Steering Committee
 - 5. ACWA
 - 6. Committees, Workshops, Seminars, Training

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

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

15. ADJOURNMENT - To Tuesday, March 26, 2024 at 1:00 p.m.

ATTEST TO POSTING:



Julie Johnson
Secretary of the Board

2/22/2024 12:50 P.M.

Date and Time of Posting
Outside Display Cases

Rainbow Municipal Water District (RMWD) provides remote attendance options solely as a matter of convenience to the public. RMWD will not stop or suspend its in-person public meeting should a technological interruption occur with respect to the zoom or call-in line listed on the agenda. We encourage members of the public to attend meetings in-person at 3703 Old Highway 395, Fallbrook, CA 92028, or remotely utilizing the options below:

For Online Participation:

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

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

For Call-in Only:

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

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

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

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

BOARD INFORMATION

Item No. 7

BOARD OF DIRECTORS

SUBJECT

EMPLOYEE RECOGNITIONS

DESCRIPTION

The opportunity to recognize staff for achieving employment milestones or accomplishments will be provided at the meeting.



Jake Wiley, General Manager

BOARD INFORMATION

Item No. 8

BOARD OF DIRECTORS

SUBJECT

COMMITTEE MEETING SUMMARIES

DESCRIPTION

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

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



Jake Wiley, General Manager

DRAFT

DRAFT

DRAFT

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
JANUARY 23, 2024**

1. **CALL TO ORDER** - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on January 23, 2024, was called to order by President Hamilton at 12:32 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Hamilton presiding.

2. **ROLL CALL**

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

Also Present: General Manager Wiley, Legal Counsel Smith, Administrative Services Manager Harp, Safety and Risk Management Officer Johnson, Information Technology Manager Khattab, Engineering and CIP Manager Williams, Finance Manager/CFO Aragon, District Secretary Quintanar

No members of the public were present in person, via teleconference or video conference before Closed Session.

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

There were no amendments to the agenda.

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

There were no members of the public in attendance via teleconference or video conference; therefore, the instructions were not read aloud.

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 12:32 p.m.

6. **CLOSED SESSION**

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

The meeting was reconvened at 1:02 p.m.

(*) - Asterisk indicates a report is attached.

7. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This 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 January 23, 2024, was called to order by President Hamilton at 1:03 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Hamilton presiding.

9. PLEDGE OF ALLEGIANCE

10. REPEAT ROLL CALL

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

Also Present: General Manager Wiley, Legal Counsel Smith, Administrative Services Manager Harp, Information Technology Manager Khattab, Engineering and CIP Manager Williams, Finance Manager/CFO Aragon, District Secretary Quintanar, Crew Leader Nunez, Mr. Nelson, Division 3 Board candidates Sanscartier, Price, Olson, Dale, Herman, Irvine, and O’Leary

Also Present Via Teleconference or Video Conference:

Operations Manager/CFO Gutierrez, Wastewater Superintendent Zuniga, Senior Project Manager Parra, Safety and Risk Officer Johnson, Senior Project Manager Tamimi, Construction and Meters Supervisor Lagunas, Mochel, Administrative Assistant Montano, Administrative Analyst II Barrow, Valley Construction associate Paul Mochel

Several members of the public were present for Open Session in person, via teleconference or video conference.

11. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported that the Board met in Closed Session to discuss two matters listed on the agenda as Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2)). Regarding one case, the District was presented with a claim for damages regarding an alleged water main break from Kendall Farms. The Board directed that that claim be submitted to the District’s insurance provider, the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA).

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

There were no amendments to the agenda.

(*) - Asterisk indicates a report is attached.

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

President Hamilton read aloud the instructions for those attending the 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).

Dorothea Flanagan of 3224 Gopher Canyon Road Vista stated that she and her husband attended the last meeting and have been communicating with Mr. Wiley regarding three items in the Administrative Code but have not heard of the Board addressing this matter. She explained that a pipe runs alongside their driveway, and a 1” pipe goes under the driveway. The Rainbow Municipal Water District (RMWD) believes a lease, or rent can be charged for up to ten years. She stated she has lost \$21,000 stopping progress on their concrete driveway, which has been stripped and will now have to be regraded. She opined that this is unacceptable, and extortion. Mrs. Flanagan provided information on her professional background and recommended transparency to staff. She also asked the Board about consideration to amend the Administrative Code regarding easement and encroachment areas. She continued to state that RMWD is out of compliance with CalFire’s code requiring six-inch thick with rebar. She relayed that she was agreeable to installing that to support large trucks. She shared photos of the damaged driveway and described it as 529 feet long, with turnarounds for the fire department. She referenced one of her neighbors who was also disappointed in the RMWD Administrative Code Policy.

Gerald Flanagan spoke of his service in the Air Force and a situation in the 1980s that motivated his evangelistic work. He stated that the pipe under his driveway may be dilapidated and suggested installing a shut-off valve.

Director Townsend-Smith stated that the District is working transparently on this matter. Mrs. Flanagan opined that the Administrative Code is bad and she shouldn’t be required to get an encroachment permit.

15. EMPLOYEE RECOGNITIONS

Staff joined the Board Room, and Mr. Wiley recognized Sr. Project Manager Malik Tamimi for completing PEIR Training by Helix Environmental; NPDES Stormwater Training-DMAX Engineering; American Water Works Association (AWWA) Training - Water and Wastewater Operations. He recognized several staff members continuing their education and obtaining treatment and distribution certifications. Bernardo Nunez acquired his D4 and D5 certifications for treatment and distribution. Brian Ortriz acquired his D4, Dennis Mendez and Alex Dagondon obtained their D3, Francisco Fernandez and David Patten also obtained their D3, and Emanuel Olivas earned his D3 and T2 certifications. Mr. Wiley

(*) - Asterisk indicates a report is attached.

DRAFT

DRAFT

DRAFT

explained the process of earning treatment and distribution certifications, the time, field service, and the efforts needed to achieve these certifications.

Director Johnson commended staff for this achievement, reflecting commitment and professionalism.

Mr. Wiley recognized Ahmed Khattab for earning his Master of Science in Cybersecurity and Certifications from Texas A&M in Demystifying Cyber Attacks and Cybersecurity Resiliency in Industrial Control Systems. He also recognized Freddy Espino, who received his Certification from Texas A&M in Demystifying Cyber Attacks and Cybersecurity Resiliency in Industrial Control Systems. Renee Poole completed the Leadership Essentials program through ACWA JPIA. All of these accomplishments add tremendous value to the District.

***16. APPROVAL OF MINUTES**

- A. December 5, 2023 - Regular Board Meeting
- B. December 19, 2023 – Special Board Meeting

Director Townsend-Smith noted a correction needed to the minutes of December 5, 2023, to reflect that she was in attendance at that meeting.

Motion:

To approve the minutes as amended.

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

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

Ayes: Director Hamilton, Director Johnson, Director Mack, Director Townsend-Smith.

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

- A. President's Report (Director Hamilton)

There was no report.

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

Mr. Wiley reported that there was no meeting in December but a special meeting was held on January 11, 2024, to discuss two items. One was a policy on legislative priorities. They removed the item related to the Regional Conveyance System from their list of priorities. The second discussion point was the voting structure, which was collaborative, and expected to continue.

- 2. CSDA

Director Mack that a quarterly meeting will be held in February.

(*) - Asterisk indicates a report is attached.

3. LAFCO

Mr. Wiley reported that there was no meeting in December, and they meet again on February 5, 2024.

4. Santa Margarita River Watershed Watermaster Steering Committee

President Hamilton reported that efforts continue regarding settlement agreements and conjunctive use projects.

5. ACWA

Director Mack reported attending the ACWA Region 10 Board Meeting at the Rancho Santa Fe Irrigation District instead of Director Gasga. They reported that lower water sales spurred discussions of lost revenue and cutting costs. They have partnered with the Fire Department to purchase fuel at a reduced rate. They are also discussing utilizing solar. The next meeting will be held July 11, 2024, at 9:30 a.m. Additional discussion focused on increasing participation on committees, and Director Mack reported that he volunteered for the Agriculture Committee and will be the alternate to the Speaker of that Committee.

C. Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
1. Board Seminar/Conference/Workshop Training Attendance Reports

Director Johnson announced that she is on the Board of the Finance Corporation for the California Special Districts Association, which will meet in Sacramento on February 8, 2024, to discuss funding available for Special Districts.

D. Directors Comments

There were no comments.

E. Legal Counsel Comments
1. Attorney Report: Attorney Report: CEQA Notice Requirements

Legal Counsel summarized the information contained in the written report.

18. COMMITTEE REPORTS

A. Budget and Finance Committee

Mr. Nelson reported on items the Budget and Finance Committee discussed on January 9, 2024. The Mid-Year Budget update and information on the zero usage meter issue were provided. The Committee was supportive of the position of staff. Briefings were also provided on two contracts approved by the Board, one with Softchoice and another with Kyocera.

B. Engineering and Operations Committee

Mr. Nelson reported the committee did not meet in January. However, due to a time constraint with the construction management item on today's agenda, he attended a

(*) - Asterisk indicates a report is attached.

DRAFT

DRAFT

DRAFT

meeting with staff to review proposals and agreed with the staff's recommendation for Board action.

C. Communications and Customer Service Committee

Ms. Harp reported the committee met on January 4, 2024, during which time the members discussed the long-range plan, and plans to update the Strategic Plan, master plans, and the headquarters building plan. Our rate model will also be updated to include the wholesale rate, considering our competing priorities for rebuilding capital reserve targets and capital improvements. A report on the Flume Program was provided. Only 49 percent of those sold are installed and only 26 percent are operating, so staff is working with the vendor to reach out to customers to provide resources and assistance. The Customer Service Survey was also discussed, and an updated survey will be proposed next month. We also discussed updating our Strategic Communications Plan and the half-day workshop on February 15, 2024, for which she extended an invitation for the participation of an additional board member. She invited the Board for a Director's participation in the half-day workshop. At that meeting, staff also provided an update on events, a grant from MWD for facilities tours, and newsletter content.

BOARD ACTION ITEMS

***19. DISCUSSION AND POSSIBLE SELECTION OF DIVISION THREE DIRECTOR AND ADOPTION OF RESOLUTION NO. 24-03, A RESOLUTION APPOINTING A DIRECTOR OF DIVISION THREE OF THE RAINBOW MUNICIPAL WATER DISTRICT**

Mr. Wiley explained the planned process for candidates to join the meeting one at a time, utilizing five minutes to answer the questions previously provided to each candidate. If an appointment is not done today, we can make the appointment on February 27, 2024, instead.

Mr. Gregory Irvine was the first to address the Board to relay his qualifications. He relayed his interest in serving on the Board to make good use of his retirement time, and that he has a lot of experience and would be a good addition to the Board. He provided information on his qualifications, education, and previous public service. He stated that he ran for the last election and had a chance to talk to many residents of Division 3 about their issues of concern. He concluded that he was skeptical about the detachment from the San Diego County Water Authority but respected that the community voted favorably. He opined that he is uniquely qualified for the position, as shown by the time dedicated and the level of interest.

Ms. Lisa Herman was next to address the Board. She shared her experience in the water industry, spanning over thirty years, and her understanding of the various complex operations, legal responsibilities, rapport with neighboring agencies, and knowledge about agencies such as the Local Agency Formation Commission (LAFCO) and the San Diego Water Authority (SDCWA). She expressed the importance of completing the detachment from the SDCWA efficiently. She expressed the desire to get involved and her readiness to make difficult decisions to balance the community's and the organization's needs.

(*) - Asterisk indicates a report is attached.

DRAFT

DRAFT

DRAFT

Mr. Tim O'Leary next addressed the Board to share that he is experienced, knowledgeable, and capable. He opined he would bring a wealth of institutional knowledge about water, business, and agriculture, due to his many decades of writing professionally. He shared that he participated on the Fallbrook Historical Society and Senior Center Boards and two terms with RMWD's Communications & Customer Service Committee. He shared topics he's written about and, tours of facilities he'd attended, and what he knows of RCWD, and familiarity with the Brown Act, and Conflict of Interest forms.

Ms. Cari Dale addressed the Board to provide information on her background, including technical experience and management of various water-related systems and services. Her education includes a Public Administration degree, with an emphasis on water resources management, which enables her to understand public policy and the management of public agencies. She also shared about rapport with local and state representatives. She pointed out that her experience with things such as developing rates and managing budgets is important, especially with the detachment from SDCWA, rates, and the cost of water. She added that investment in infrastructure is important. She added that she participated on RMWD Committees and has dedicated her career to the water and wastewater industry. In response to an inquiry from Director Mack on potential conflicts of interest with the consulting firm in which she is employed, Ms. Dale deferred to legal counsel. Mr. Smith responded that existing contracts are not an issue and that future contracts to be awarded by the Board should be analyzed case-by-case for potential conflicts of interest. In cases where potential conflict exists, she would recuse herself when those instances apply.

Mr. J. Mark Price expressed appreciation for meeting members of the board and staff. He relayed his past interest in running for the Board and his ability to serve now, to make a difference. He shared his broad experience and education and that he worked for a utility for 35 years. He relayed that although he has no water district experience, he has experience in board rooms and his observation of RCWD is a family atmosphere. He continued to describe his ability to help people exceed will help the District work through current and future challenges. He applauded the work and time expended to detach from the SDCWA to save customers money and appreciated the Board's recognition of staff for their achievements.

Mr. Paul Sanscartier relayed life events leading up to what brought him to Fallbrook and expressed his love for the community and desire to get involved. He added that his background is in information technology and his experience includes outsourcing solutions, financial analysis, and working with partners and consultants. President Hamilton asked Mr. Sanscartier what he believed to be the most significant challenges for the District. Mr. Sanscartier responded that water is most important and that he was encouraged by the vote to detach from the SDCWA. Moving forward, it's important for the District to manage the costs, help customers conserve, and remain cost-conscious and fiscally responsible.

Mr. Olson provided background on his family. He explained his background, including experience as a Bonsall School District and Fire Protection Board member. He explained

DRAFT

DRAFT

DRAFT

the importance of hiring the right people, that he has a legal and corporate background, and that a board member has much to learn. He also explained that he has the time to dedicate, is a team player, and lives nearby. President Hamilton asked for Mr. Olson's thoughts on the most significant challenges to RMWD. Mr. Olson responded that the public should know more about our actions and why. Communication with the community is extremely important. He concluded that he is familiar with being a board member and appreciates being part of a committee, listening, and coming to a consensus.

President Hamilton called for a break at 2:40 p.m.

The meeting was reconvened at 2:52 p.m.

The candidates were asked to rejoin the meeting.

President Hamilton thanked the candidates for their time and interest in serving with the District. He offered and encouraged participation on our three Standing Committees for those candidates not selected to fill the vacancy. He then asked each Board member to convey their nomination for the top two candidates to be asked to attend the February 27, 2024, meeting for follow-up interviews.

Lisa Herman and Cari Dale received nominations from Directors Hamilton, Johnson, and Mack. Gregory Irvine and Lisa Herman received the nomination from Director Townsend-Smith. Lisa Herman and Cari Hale had the highest instances of favor and were asked to return to the February 27th Board Meeting for a second interview.

Director Johnson addressed the candidates to relay that she had gone through this same process several months ago and opined that this decision was difficult due to the candidates' phenomenal qualifications and experience to share with the District and community. She also encouraged participation on the Communication and Customer Service Committee, the Engineering and Operations Committee, and the Budget and Finance Committee, as the District constantly seeks feedback and guidance from ratepayers.

Director Mack shared that he also interviewed to fill a vacancy eight years ago. He wasn't chosen, but ran in the next election and was elected. He encouraged the candidates to run for the Board and expressed gratitude for the time and effort in attending today's meeting.

***20. DISCUSSION AND POSSIBLE APPOINTMENT OF BOARD OFFICERS AND REPRESENTATIVES**

President Hamilton requested postponement of action on this item and appointment to the Standing Committees until the appointment is made to fill the vacancy in Division 3.

Mr. Wiley referenced the Administrative Code policy establishing the need to appoint at the staff level, to fill the Board Secretary and Treasurer roles.

(*) - Asterisk indicates a report is attached.

DRAFT

DRAFT

DRAFT

Motion:

To appoint Richard Aragon as Treasurer and Terese Quintanar as Board Secretary.

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

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

Ayes: Director Hamilton, Director Mack, Director Townsend-Smith, Director Johnson

***21. CONSIDER AWARD OF A PROFESSIONAL SERVICES AGREEMENT WITH VALLEY CONSTRUCTION MANAGEMENT FOR CONSTRUCTION MANAGEMENT SERVICES ON THE WEST LILAC, RANCHO AMIGOS, AND DENTRO DE LOMAS PUMP STATIONS PROJECT (DIVISION 1)**

Mr. Williams displayed a map of the three pump station locations and an example of what the pump stations will resemble. The Rancho Amigos pump station will twice as long than the others, to house an emergency generator. The Board previously approved \$6M for this project in the budget for Fiscal Year 2023/24; mid-year budget updates will be brought for future fiscal years. Seven firms submitted proposals and were ranked and reviewed by staff and Mr. Nelson. One proposer, the Engineer of Record for the Project, was found to have a conflict of interest. Bids varied quite a bit. Mr. Wiley explained that the proposals vary based on the firm's perspective. For instance, Arcadis included their inspectors or other resources, increasing the price. Based on the quality of the proposals and the fee, the reviewing team had a unanimous consensus for the recommended vendor. Staff utilized an established ranking system, and Valley Construction Management has experience with these types of projects and the decision came down to the attention to detail that the District is seeking. Responding to Director Johnson, the not-to-exceed amount approved cannot be increased without a Board-approved change order. The preconstruction meeting has been scheduled, and the contractor is ambitious and eager to start. The contract calls for 180 working days to complete, which would be October 2024. However, with an incentive to complete the Project ahead of schedule, it could be completed sooner.

Director Mack recalled a question that arose at the Rainbow Community meeting regarding the comfort level with running the pumps in August. Mr. Wiley shared that the working days take the completion date to October. We incentivized the contract for early completion of forty days, and if they can meet that, the project would be completed in August. The staff is anticipating completion in mid-to-late 2024. Mr. Williams reported that the website information has been updated, showing all active Capital Improvement Projects and their estimated completion dates.

Motion:

To Approve Award Of A Professional Services Agreement With Valley Construction Management

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

(*) - Asterisk indicates a report is attached.

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

Ayes: Director Hamilton, Director Mack, Director Townsend-Smith, Director Johnson

***22. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 24-01 AMENDING AND UPDATING ADMINISTRATIVE CODE CHAPTER 2.06 – COMMITTEES AND SECTION 2.06.010 – COMMITTEES POLICY**

Mr. Wiley reported that to enhance the opportunity for all ratepayers to participate on Standing Committees, staff is proposing an amendment to the Administrative Code. Being a resident and ratepayer is a requirement for the Board but it is not a requirement for participation on a Standing Committee. He recommended removing that requirement in the policy to allow all ratepayers within the District to participate on the committees. In addition, the wording has been added to establish that the board has oversight in deciding participation.

Motion:

To Adopt Ordinance No. 24-01 Amending And Updating Administrative Code Chapter 2.06 – Committees And Section 2.06.010 – Committees Policy

Action: Approve, Moved by Director Hamilton, Seconded by Director Townsend-Smith.

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

Ayes: Director Hamilton, Director Mack, Director Townsend-Smith, Director Johnson

***23. DISCUSSION AND POSSIBLE FORMATION OF AN AD HOC COMMITTEE FOR REVITALIZATION OF DISTRICT HEADQUARTERS FACILITIES**

Mr. Wiley reported that the Board and District staff have been evaluating options for this for a while. The building was completed in 1976 and is fifty years old. The District owns 32.24 acres and 12-14 of those are developable. Constraints are critical habitat, protected species, flood boundaries, wetlands, and setbacks. Land zoning could also be a setback and requirements of the County on proposed developments could also be hurdles.

Recent rainstorms caused significant damage to a couple of our buildings. One building is a significant electrical room, and the warehouse, where our server room and supplies are stored, sustained damage. To protect critical buildings, we expended \$102,000 to seal the roof. Over the past years, we’ve spent nearly \$500,000 for repairs and are still experiencing continued damage. In 2016, an architect was hired to look at needs and options and two options were developed. One was a complete rebuild on the lower yard, and the other was rehabilitation of the existing building, adding some capacity. Estimated costs for those conceptual options were \$16M for option 1 and \$7.2M for the rehabilitation option.

(*) - Asterisk indicates a report is attached.

DRAFT

DRAFT

DRAFT

In 2020-2021, a market study showed the highest value of the site would be to develop it as residential, single-family housing. A condominium project or single-family development would increase the value of the property. At one point, we considered partnering with the Sheriff's Department safety center across the street, and North County Fire was also involved. The idea was to utilize shared facilities. The Sheriff's Department later decided to utilize the entire site for its needs.

In regard to rezoning, staff discovered it posed too many challenges. Development planned in the area was stalled, but there are multiple options with this site and existing facilities. Several options can be considered for this site, such as relocating staff to temporary modular trailers or a build-in-place rehabilitation. The lower yard could be utilized and a solution on-site would avoid having to wait for another agency. We could offset some of the costs by utilizing the existing property.

Director Mack recalled a large developer interested in this property, in years past. The estimate was \$15.9M for this property, with the intent to obtain an alternate site at almost no cost to ratepayers. The thought was that the facilities on this site would be demolished at the same time, and the outlook for that was promising.

President Hamilton recommended reconstituting the ad hoc committee to continue discussions and revisit the options. Mr. Wiley acknowledged it is one of the challenges we know we have to address and will need to have a good plan. Discussion ensued regarding committee membership. Mr. Wiley suggested adding this matter to the February Board agenda, to select the committee membership at that time.

Mr. Nelson clarified that Mig Gasga will continue as a member of the Engineering and Operations Committee, and Mick Ratican has now resigned from all committees.

***24 MID-YEAR BUDGET REPORT**

Ms. Poole reported that this item is being provided as an informational item rather than an action item. The key change for the Operating Budget is the recommended reduction in projected water sales, from 12,700 acre feet (AF) to 10,000 AF. Due to lower sales, our Operating Revenue decreased by \$1.5M, Purchased Water costs declined, and we overestimated the fixed fees. Department Operating Expenses were cut by \$300,000, and a majority of that was the travel and conference budget. Information Technology also cut some items and a vacant engineering position will be left unfilled. Regarding the Capital Budget, for water capital, the increase is \$741,000 and the Wholesale Water Efficiency Project results in a \$3.5M increase, and the pump stations costs increased by \$3.5M and a majority of the invoices were paid this fiscal year, totaling \$6.3M will be paid in this fiscal year. In addition, the construction costs came in higher than the Engineer's Estimate. The Wastewater rollover amount from \$3.6M in Fiscal Year 2023, which was budgeted last year but not expensed. This rollover changes the previous line item from \$5M to \$8.6M The decrease in water revenue of \$1.5M and the decreased expenses of \$3.2M have resulted in a savings of \$1.6M. However, with Capital Improvements increasing by \$4.3, the water net increase is \$2.7M, and Wastewater Capital is expected to increase to \$3.6M.

(*) - Asterisk indicates a report is attached.

Mr. Wiley reported that we overbudgeted on some items. However, the Pump Station Project came in \$1.2M over the estimate and we are also starting construction Sooner er than we thought, so we are pulling funds from the 2024-25 budget into this fiscal year because the project is starting now. By getting that project done ahead of schedule, we'll realize significant savings. The numbers will be finalized and presented for consideration of approval in February. Rick Aragon and Lauren Warrem will be working on that. Mr. Wiley stated that we have about eight months to establish the funding plan and Rick Aragon will be taking a look at our options.

25. REVIEW OF METER REPLACEMENTS WITH UNDER REGISTERING ACCOUNTS

Mr. Wiley reported that this information had been discussed by the Budget and Finance Committee. The Meter Replacement Program was done in 2019-2021, and in late 2022, we noticed issues with higher-use meters decoupling due to high flow rates. A program was started to fix the issues and experienced supply chain delays. As repairs are being made, normal use patterns start to register. Per policy, when we have a malfunctioning meter, we back bill for three months. Staff will start back-billing in February, and will offer payment plans to customers.

Director Mack recalled findings of undersized meters and staff was working to address the issue. Mr. Wiley acknowledged that and reported that the matter had been discussed at the Budget and Finance Committee meeting. Staff will work with legal counsel to review the meter policy, as we've been accommodating, but might need to amend the policy to ensure revenue recovery.

26. CONSIDER APPROVAL OF NOTICE OF COMPLETION AND ACCEPTANCE OF MINOR FACILITIES CONSTRUCTED BY CUSTOMERS (DISTRICTWIDE)

Mr. Williams explained that any time a facility or water service is complete, the District needs to record the project as complete and the one-year warranty begins. Staff recommended approval.

Motion:

Action: Approve Option 1, Moved by Director Mack, Seconded by Director Hamilton.

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

Ayes: Director Hamilton, Director Mack, Director Townsend-Smith, Director Johnson

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

Directors Mack, Johnson, and Townsend-Smith relayed that they are planning to attend the ACWA Spring Conference, in Sacramento.

(*) - Asterisk indicates a report is attached.

DRAFT

DRAFT

DRAFT

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

Ms. Harp notified the Board of invitations for the annual Awards Banquet on February 24, 2024. Director Johnson relayed satisfaction with the report presented.

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

Items 19, 20, and 23 of this agenda will be addressed again in February. Mr. Wiley added that staff is reviewing the Administrative Code Policy to ensure that it meets all of the requirements of the Construction Cost Accounting Act, and that item will be presented in February.

30. ADJOURNMENT

The meeting was adjourned at 3:54 p.m., by President Hamilton to a regular meeting on February 27, 2024, at 1:00 p.m.

Hayden Hamilton, Board President

Attest:

Terese Quintanar, District Secretary

(*) - Asterisk indicates a report is attached.



BOARD OF DIRECTORS

February 27, 2024

SUBJECT

FISCAL YEAR 2023-24 MID-YEAR OPERATING AND CAPITAL BUDGET REVIEW AND ADJUSTMENTS

BACKGROUND

Mid-year is customarily a suitable time to compare budget estimates with the first half of actual data and make appropriate adjustments where deemed necessary for the balance of the Fiscal Year.

DESCRIPTION

Operating:

Sales were budgeted at 12,700 acre-feet (AF) for Fiscal Year 2023-24 (FY24). Sales year to date are below to FY 2023 YTD through January. FY23 was unseasonably wet and resulting in sales of 11,835 AF. If this January-June continues the current above average rainfall, we expect to come in around 10,000 AF.

Staff is recommending a budget reduction to water revenues for mid-year totaling \$1,597,152. The corresponding decrease to the cost of water for FY 24 is \$2,889,113. The Cost of Water correlating decrease should only be about 60% of the amount of revenue reduction. However, revenue went down due to the quantity of expected water sales, then up due to the District rate increases adopted in June that were not factored in at the time the budget was drafted. The overall net change between water revenue and cost of water is a positive \$1,291,961.

It is important to have up-to-date budget data with sound projections to ensure financial stability of the District. Therefore, Finance staff has met with Department Managers to do a mid-year review of the line items in each department's operating expense budgets. These discussions are also happening monthly now that Finance is able to provide prior month budget versus actual reports within 10 days of month end.

To accurately budget expenditures, adjustments are being recommended based on changing conditions and unanticipated expenses. Expenditures tend to be steady and fixed throughout the year as opposed to revenues which fluctuate with climate and water usage changes. The most significant mid-year expense adjustments are to Travel/Training/Conference, Contractor/Consultants, and leaving the unfilled engineering position unfilled. The items cut in the operating budget were done with a collaborative approach with the management team starting in September to bring down expenditures to help cover reduced sales and unanticipated capital expenditures.

The net decrease to the Operating Budget expenses, not including the cost of water, is \$323,953.

Operating Budget Adjustments

Department	Account Description	FY 24 Proposed Budget Adjustments		Justification
Operating Revenue:				
Water	Water Sales-SF, MF, CM, IS	\$ (1,824,682)	Decrease	Decreased Quantity of Sales
Water	Water Sales-Ag. Domestic	(829,073)	Decrease	Decreased Quantity of Sales
Water	Water Sales- Agriculture	(1,052,134)	Decrease	Decreased Quantity of Sales
Water	Water Sales-Construction	21,645	Increase	Increased Quantity of Sales
Water	Water Sales - TSAWR Com	(545,939)	Decrease	Decreased Quantity of Sales
Water	Water Sales- TSAWR Dom	(368,533)	Decrease	Decreased Quantity of Sales
Water	O&M Charges-RMWD	3,766,861	Increase	Updated Meter Counts and District Fixed Rate Rate
Water	O&M Charges-CWA	(765,296)	Decrease	SDCWA Fees were not final at budget time
Total Revenue Increase (Decrease):		(1,597,152)		
Cost of Water:				
Water	Water Purchases	\$ (2,975,224)	Decrease	Decreased Quantity of Sales
Water	Ready to Serve Charge	(18,725)	Decrease	SDCWA Fees were not final at budget time
Water	Infrastructure Access Charge	(19,585)	Decrease	SDCWA Fees were not final at budget time
Water	Ag Credit-TSAWR	153,449	Increase	SDCWA Fees were not final at budget time
Water	Customer Service Charge	(8,706)	Decrease	SDCWA Fees were not final at budget time
Water	Capacity Reservation Charge	(53,957)	Decrease	SDCWA Fees were not final at budget time
Water	Emergency Storage Charge	6,262	Increase	SDCWA Fees were not final at budget time
Water	Supply Reliability Charge	27,373	Increase	SDCWA Fees were not final at budget time
Total Purchased Water Budget Increase (Decrease):		(2,889,113)		
Expenses:				
Operations	Travel/Conferences/Training	\$ (500)	Decrease	Cut Travel/Training 50%
Construction	Travel/Conferences/Training	(2,500)	Decrease	Cut Travel/Training 50%
Meters	Travel/Conferences/Training	(1,500)	Decrease	Cut Travel/Training 50%
Board of Directors	Travel/Conferences/Training	(17,455)	Decrease	Cut Travel/Training 50%
Garage	Travel/Conferences/Training	(250)	Decrease	Cut Travel/Training 50%
Admin	Travel/Conferences/Training	(8,275)	Decrease	Cut Travel/Training 50%
Human Resources	Travel/Conferences/Training	(2,250)	Decrease	Cut Travel/Training 50%
Risk	Travel/Conferences/Training	(1,000)	Decrease	Cut Travel/Training 50%
Information Technology	Computers	(50,000)	Decrease	Department Level Identified Savings
Information Technology	Professional Services	(50,000)	Decrease	Department Level Identified Savings
Information Technology	Dues & Subscriptions	(47,000)	Decrease	Department Level Identified Savings
Information Technology	Travel/Conferences/Training	(3,000)	Decrease	Cut Travel/Training 50%
Public Relations	Professional Services	(20,000)	Decrease	Department Level Identified Savings
Public Relations	Supplies & Services	(15,000)	Decrease	Department Level Identified Savings
Public Relations	Travel/Conferences/Training	(500)	Decrease	Cut Travel/Training 50%
Finance	Travel/Conferences/Training	(7,500)	Decrease	Cut Travel/Training 50%
Customer Service	Travel/Conferences/Training	(500)	Decrease	Cut Travel/Training 50%
Engineering	Regular Salaries	(94,223)	Decrease	Unfilled Engineer Position
Engineering	Travel/Conferences/Training	(2,500)	Decrease	Cut Travel/Training 50%
Total Operating Budget Expense Increase (Decrease):		(323,953)		

Capital:

The tables below include only Capital Projects that have a requested mid-year budget adjustment. The full CIP 5-year plan will be presented with the FY 2023-24 budget review. As of December 31, 2023, a total of \$7,606,993 has been paid out on Water and Sewer CIP. With the budget adjustments we are proposing here, the total FY24 CIP budget will be \$22,224,959.

Staff is working together to ensure that projects are identified, ranked, able to be staffed, and funding is available. This District wide effort to rank each Capital Project during the budget review process ensures that the highest priority projects are addressed first and have both funding and personnel available to bring each of them from the design process and through the construction process.

Capital Budget Adjustments

Project #	Project Name	(Proposed) Year		Increase or (Decrease)
		Year 1 Approved Budget FY 23/24	1 Adjusted Budget FY 23/24	
300007	Programatic EIR for Existing Easements	\$ -	\$ 6,000	\$ 6,000
300032	New Roof	-	150,000	150,000
600003	San Luis Rey Imported Return Flow Recovery	600,000	225,000	(375,000)
600007	Pressure Reducing Stations	-	25,000	25,000
600009	Isolation Valve Installation Program	-	80,000	80,000
600013	Hutton/Rancho Amigos (Turner)/Dentro Pump Stations	6,000,000	9,577,891	3,577,891
600019	Water System Monitoring Program	25,000	67,403	42,403
600026	Camino Del Rey Waterline Reloaction	25,000	45,000	20,000
600030	Corrosion Prevention Program Development and Implementation	100,000	162,861	62,861
600034	Rice Canyon Tank Transmission PL to I-15/SR76 Corridor	1,500,000	1,487,415	(12,585)
600037	Live Oak Park Road Bridge Replacement	200,000	478,288	278,288
600047	Communitty Power Resiliency Generator Grant (Generator at Sumac, McGee, Gomex)	375,000	738,314	363,314
600058	Electrical Panel Switches	130,000	6,000	(124,000)
600077	Rainbow Water Quality Improvement	-	275,000	275,000
600085	Gird to West Lilac Pipeline Rehabilitation	50,000	-	(50,000)
Total		\$ 9,005,000	\$ 13,324,172	\$ 4,319,172

In conjunction with the Mid-Year budget review, staff is beginning work on the Fiscal Year 2024-25 Budget. Joint Board and Committee sessions will be held in March, April, and May with the Management Team.

Attachments:

None

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

The Fiscal Analysis is included in the Background section above. The adjustments noted above are the same as was presented for the Board’s information and review at the January 23rd, 2024 Board meeting.

RECOMMENDATION

The Budget and Finance Committee met on February 23, 2024, reviewed this item and recommended the Board adopt the proposed mid-year budget adjustments noted above.



Richard R. Aragon
Chief Financial Officer

02/27/2024

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

ADOPT RESOLUTION NO. 2024-02 FIXING THE TIME AND PLACE OF HEARING AND MEETING ON PROPOSED WATER AVAILABILITY CHARGES FOR IMPROVEMENT DISTRICT NO. 1

BACKGROUND

As part of the annual process for setting the water availability charges for Improvement District No. 1, it is necessary to hold a public hearing on the proposed charges.

DESCRIPTION

The Board will take this opportunity to set a public hearing on the entry of charges and fees for Improvement District No. 1. Upon approval of Resolution No. 2024-02, the public hearing will be set for June 25, 2024, at 1:00 p.m. at the District Headquarters.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Government Code Section 54954.6; Water Code Sections 71630, 71631.5, and 71632

Strategic Plan Focus Area Four: Fiscal Responsibility; Fiscally responsible, transparent and sustainable approaches to managing and forecasting the District's finances.

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 Assessment provides approximately \$480,000 of revenue to the District. Failure to set the hearing will impact tax revenue.

RECOMMENDATION

Staff recommends the Board of Directors adopt Resolution No. 2024-02, Fixing the Time and Place of the Public Hearing and Meeting on Proposed Water Availability Charges for Improvement District No. 1.



Richard R. Aragon
Chief Financial Officer

February 27, 2024

RESOLUTION NO. 2024-02

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE RAINBOW MUNICIPAL WATER DISTRICT
FIXING THE TIME AND PLACE OF HEARING
AND MEETING ON PROPOSED WATER AVAILABILITY CHARGES
FOR IMPROVEMENT DISTRICT NO. 1

WHEREAS, Sections 54954.6 of the Government Code provides for public hearings prior to adoption of new or increased taxes or assessments; and

WHEREAS, Section 71630 of the Water Code authorizes the Board of Rainbow Municipal Water District to establish in each fiscal year water standby assessments or water availability charges in any portion of the District to which water is made available by the District, whether water is actually used or not; and

WHEREAS, Section 71631.5 of the Water Code provides that the standby assessment of availability charge for an improvement district shall not exceed \$30 per acre per year for each acre of land on which the charge is levied or \$30 per year for a parcel less than one acre; and

WHEREAS, Section 71632 of the Water Code provides that the ordinance fixing a standby assessment or availability charge may be adopted by the Board only after adoption of a resolution setting forth the particular schedule or schedules of charges or assessments proposed to be established by the ordinance and after hearing on said resolution; and

WHEREAS, information and matters have been presented to, and considered by, the Board of Directors regarding the existence, location and financial requirements of the system making water available to lands within Improvement District No. 1; and

WHEREAS, it is deemed necessary and desirable by the Board of Directors that water availability charges be levied on lands within Improvement District No. 1, and that said water availability charges shall be uniform through said areas;

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED, by the Board of Directors of the Rainbow Municipal Water District as follows:

1. That the schedule of water availability charges proposed to be established for all areas within Improvement District No. 1 for the fiscal year 2024-2025 shall be as follows:

For each separately assessed parcel of land of one acre or more in size: \$10.54 for each acre and for each fractional part of an acre.

For each separately assessed parcel of land less than one acre in size: \$10.54.

2. That the Charges shall be fixed in said amounts for parcels of land as shown on the last equalized assessment roll of the County of San Diego, State of California. Said charges shall be collected in the same form and manner as county taxes are collected for the fiscal year 2024-2025. Said charges shall be a lien upon the property and shall be of the same force and effect as other liens for taxes and their collection, may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

3. That a public hearing before the Board of Directors of Rainbow Municipal Water District shall be held at 1:00 p.m. on Tuesday, June 27, 2024 at the office of the District, 3707 Old Highway 395, Fallbrook California, 92028 for the purpose of considering the adoption of an Ordinance which will fix and establish said water availability charges.
4. That the Secretary shall cause a notice of the time and place of the hearing to be given by publishing a notice in a newspaper of general circulation, printed, and published within the county, once a week for two successive weeks. Such publication shall occur once a week or oftener, with at least five days intervening between the respective publication dates not counting such publication dates. The period of notice commences upon the first day of publication and terminates at the end of the fourteenth day, including therein the first day.
5. That the Secretary has caused written notice of the hearing to be mailed, as required by law, to each person to whom a parcel of real property described in the proposed charge is assessed on the last equalized assessment roll. Such notice shall be mailed to the address shown on the last equalized assessment roll or such other address known to the Secretary.
6. That at the time stated in the notice, the Board of Directors shall hear and consider all objections or protests, if any, to this Resolution and may continue the hearing from time to time. Upon the conclusion of the hearing, the Board of Directors may adopt, revise, change, reduce, or modify an assessment or charge, or overrule any or all objections.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 27th day of February 2024 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Terese Quintanar, Board Secretary

This Resolution supersedes Resolution No. 23-04 passed and adopted on February 28, 2023.

BOARD ACTION Item No. 10.A

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

DISCUSSION AND POSSIBLE SELECTION OF DIVISION THREE DIRECTOR AND ADOPTION OF RESOLUTION NO. 2024-01, A RESOLUTION APPOINTING A DIRECTOR OF DIVISION THREE OF THE RAINBOW MUNICIPAL WATER DISTRICT

BACKGROUND

Occasionally circumstances arise resulting in Board Members no longer able to serve on the Rainbow Municipal Water District Board of Directors. Upon receipt of formal notification that a current Board Member is unable to continue serving, the District is required to follow specific regulatory requirements in accordance with California Government Code Section 1780.

DESCRIPTION

On December 5, 2023, Director Miguel Gasca gave notice of his intent to resign from the Board of Directors effective December 31, 2023, thereby leaving the Board seat for Division Three vacant. Staff advised the Registrar of Voters office of the vacancy and posted the notice of upcoming vacancy in the Division Three area.

The person appointed to fill this vacancy will hold the seat until the next election, which will be November 2024 at which they may run for reelection for a partial term that will end in 2026.

In accordance with Government Code Section 1780, the Board has three options:

1. Appoint a qualifying resident of Division Three to serve the remainder of the term.
2. Call for a special election to fill the vacancy.
3. If neither an appointment of a replacement nor a call for an election is completed within 60 days, the County Board of Supervisors may appoint the person of their choice to serve the remainder of the term.

At the December 5, 2023, Board meeting staff was directed to proceed with the solicitation of interested persons for the Board to consider for appointment. Individuals who submitted letters of interest. The District received 12 letters of interest from residents of Division 3 and at the January 23, 2024, regular Board of Directors Meeting all were invited to interview in open session. Two individuals, Cari Dale and Lisa Herman were selected to proceed in the selection process and were asked to attend the February 27, 2024 meeting for consideration for appointment to fill the vacancy. Letters of interest and background information submitted by the two candidates are attached for reference. In order to avoid the need for a special election or appointment by the

County Board of Supervisors the Rainbow Board will need to appoint a Director for Division 3 on or before February 29, 2024.

**Attachments: Resolution
Candidate Letters of Interest/Qualifications**

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Government Code 1780

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 Resolution No. 2024-01 appointing a successor for Director Miguel Gasca.
- 2) Call for a special election to allow voters to elect a successor.
- 3) Allow the County Board of Supervisors to make the appointment.

STAFF RECOMMENDATION

Staff supports Board direction.



Jake Wiley, General Manager

February 27, 2024

RESOLUTION NO. 2024-01

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE RAINBOW MUNICIPAL WATER DISTRICT
APPOINTING _____ AS DIRECTOR OF
DIVISION THREE OF THE RAINBOW MUNICIPAL WATER DISTRICT

WHEREAS, the Board of Directors of the Rainbow Municipal Water District has selected _____ at the Regular Board meeting of February 27, 2024, to serve as the representative for Division three of the Rainbow Municipal Water District; and

WHEREAS, _____ has agreed to serve as the appointed Director of Division Three of the Rainbow Municipal Water District;

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED by the Board of Directors of Rainbow Municipal Water District to appoint _____ for service as the Director of Division Three of the Rainbow Municipal Water District beginning on February 27, 2024, until the next general election in November, 2024 and;

BE IT FURTHER RESOLVED that the District is hereby directed to execute the Oath of Office and swear in _____ as soon as practical.

PASSED, APPROVED AND ADOPTED at a Regular meeting of the Board of Directors of the Rainbow Municipal Water District held on the 27th day of February 2024 by the following vote, to wit:

AYES:

Hayden Hamilton, Board President

ATTEST:

Terese Quintanar, Board Secretary

Statement of Interest for Lisa D. Herman
4265 Citrus Drive
Fallbrook, CA 92028



By: _____



This statement of interest is submitted for consideration to be appointed as a Director of Rainbow Municipal Water District Division 3.

Background:

I have lived in Fallbrook for 3.5 years. My husband and I moved here from Temecula where we lived for 35 years. Our move resulted in part because the Temecula area had become quite busy and congested and we preferred a more rural environment. We are not farmers but we do have 75 Reed avocado trees to which we devote considerable time and energy. I even do my own picking at age 71!

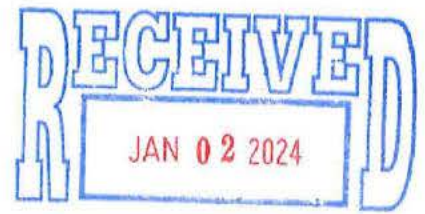
Experience:

I am a retired real estate attorney with many years of experience dealing with water issues. I served on the Board of Directors for Rancho California Water District from 1991-2020. In those years, I served not only as President multiple times but also on every standing committee several times. I was active in outreach committees with adjoining water agencies such as Eastern Municipal Water District and Western Municipal Water District, with whom I developed valuable relationships. I served through times of drought and flood, periods of growth and no growth, contentious years filled with litigation and years of working for consensus on common needs. Projects involving groundwater, recycled water, and rate structure are some of the areas I found most interesting. I am familiar with the legal procedures of public agencies, such as the Brown act, and I appreciate the need to work together as a Board in a legal and transparent manner. Some of the current challenges of RMWD, such as the detachment, involve issues and agencies with which I am familiar in at least a general sense and I believe I could "hit the ground running" to work on these.

However, I admit to unfamiliarity of the inner workings of RMWD. Learning about the specific objectives of RMWD and its approach for achieving same is something I would hope to learn quickly so as to be a useful and thoughtful board member.

Goal:

Being involved and giving back to one's community is something I believe in strongly. I would appreciate your consideration for appointment to the Board of Directors so that I can capitalize on my previous water experience to serve RMWD customers and the Fallbrook community. I have no bias towards residential, agriculture or commercial customers and I would strive to consider the needs of all and to work efficiently with staff and all Board members.



January 2, 2024

By: _____

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

Attention: Dawn Washburn, District Secretary

Subject: RMWD Division 3 Board Position – Letter of Interest

Dear Ms. Washburn,

I am writing to express my strong interest in being appointed to the vacant Division 3 Board position. This letter and attached resume are respectfully submitted in response to the vacancy. I am passionate about contributing to my local community and believe that my background and knowledge make me a valuable candidate for the Board. I am committed to ensuring the efficient and sustainable management of our water and wastewater resources, and I believe that my expertise can greatly contribute to the Board's decision-making process.

I have lived in the Fallbrook community since 2001 and bring over 30 years of specific experience in the management of water and wastewater utilities. Most recently, I served as the City of Oceanside's Water Utilities Director. In the past, I have had the opportunity to volunteer at Fallbrook Youth Baseball and with Pop Warner programs and had previously made an unsuccessful attempt to join the Rainbow Board in 2005.

I would be honored to have the opportunity to serve on the Board and work alongside other dedicated individuals to address the challenges and opportunities facing our district.

I look forward to discussing this vacancy with you and the Board; my contact information may be found below.

Thank you for considering my application.

Cari Dale

Cari Dale


3790 Larkspur Lane
Fallbrook, CA 92028

CARI DALE

3790 Larkspur Lane, Fallbrook, CA 92028

PROFESSIONAL EXPERIENCE

Hoch Consulting, Oceanside, CA

2022-present

DIRECTOR OF WATER RESOURCES

Consultant Executive for a small local engineering firm in North San Diego County. Responsible for the water resources and funding business line including business development and fostering positive business relationships with water agency clients. Provide leadership, coaching, mentoring and supervision of three subordinate staff.

City of Oceanside, Oceanside, CA

2010-2014, 2016-2022

WATER UTILITIES DIRECTOR

Department Head which lead 151 professionals who provided full-service water, wastewater, recycled water and green programs in the Oceanside coastal community. Managed an annual operating budget of \$114 Million and a capital budget of \$91 Million. Oversaw all aspects of the Department finances including setting utility rates, buy-in fees and cost recovery fees.

- Identified and pursued strategies, studies, programs and funding to further local water supply development in support of City Council's goal of 50% local supplies by 2030. Major program efforts included an Indirect Potable Reuse Project (Pure Water Oceanside), backbone pipelines for recycled water distribution as well as exploration of ocean desalination.
- Worked with City Councilmembers and Utilities Commissioners to further their understanding of issues under consideration. Presented issues for Commission and Council consideration in staff reports, during one-on-one briefings and at Commission and City Council meetings. Responded to questions, referrals and inquiries via email, phone, memo or in person and brought to resolution.
- Oversaw the development and administration of operations and capital budgets, which included revenue and expenditure recommendations, ongoing monitoring of personnel and internal service charges, managing appropriations within budgetary limitations, and ensuring fiscal health for the enterprises.
- Participated in Federal appropriations visits to Washington, D.C., which included traveling with City Councilmembers and Oceanside executives, interfacing with Federal Legislative officials and staff as well as with executives within the Department of the Interior and the Executive Branch. Established a rapport with Federal staff at regional offices to further positive exchange and progress on the City's projects.
- Participated in strategies to preserve, protect and expand the City's groundwater rights and withdrawals.
- Authored staff reports, resolutions, ordinances, water use planning estimates, contracts, water purchase agreements and reports of Department progress related to annual goals. Participated in the development of the Water and Sewer Master Plans, the Conservation Master Plan, Urban Water Management Plan, and other critical studies for the utility. Reviewed and scored RFPs as well as conducted interviews for consultant team selection.
- Maintained a positive rapport with City Departments, Elected Officials within the City and externally, with peers, Regional Organizations and Federal Agencies and problem solved on common issues. Supported open communication between Southern CA General Managers and those in San Diego.

CARI DALE

- Interfaced, corresponded and represented the city to the public and with civic organizations, resolved complaints and concerns, fostered communication between Departments and removed barriers.
- Engaged with State and Local coalitions to closely follow California bills and as necessary, provide correspondence to Legislative Offices in accordance with the City's legislative guidelines.
- Selected staff and took an active role in their training and development. Supervised and counseled subordinates on work assignments, performance evaluations, promotion, hiring, employee recognition, disciplinary action, complaint resolution and disciplinary appeals.
- Nurtured the development and growth of Green Oceanside, which is the branded name for sustainable programs within the utility. The program has grown to involve the Oceanside business community, local culinary talent, Oceanside schools as well as non-profit organizations. This program was active in providing creative and environmentally focused programming to the community and is a model in the State.
- Improved the City of Oceanside's sewer utility financial profile of "credit watch with negative implications" by Standard & Poor's to a "dramatically improved" financial profile. As a result, Standard & Poor's raised the credit rating two notches, from a "A+" rating to a "AA" rating, saving Oceanside \$3.4M over 15 years. The rating has since increased to AA+.

Olivenhain Municipal Water District, Encinitas, CA

2015

OPERATIONS MANAGER

Managed personnel within water and wastewater treatment, information technology, water distribution, reclamation, and water construction at a small Municipal Water District in North San Diego County. Negotiated and administered contracts, processed claims, directed workflow, met with vendors, provided Board presentations and developed metrics to track the progress of maintenance goals as well as studies and reports on treatment processes. Worked with the public to resolve complaints, provided leadership and guidance on District-wide goals and policies, recommended, and resolved employee relations issues and made policy recommendations regarding programs and procedures.

Carlsbad Municipal Water District/City of Carlsbad, Carlsbad, CA

2007 – 2010

ASSISTANT GENERAL MANAGER

Set the direction and ensured the successful implementation of the day-to-day operations and maintenance of water, recycled water, and sewer utilities, which included water metering, water construction, water distribution, sewer collections and SCADA within this subsidiary District of the City of Carlsbad. Provided leadership, worked in teams, and developed subordinate staff. Ensured the division met performance measures by pursuing actions that focused on continual improvement, responsible fiscal discipline and control, and long-term sustainability of utility assets and services.

- Fostered teamwork among customer billing, information technology and water operations staff to ensure the seamless implementation of the new utility rate structure. Made the business case for the district-wide implementation of automated metering.
- Participated in the Encina Wastewater Authority MAM.
- Audited revenue sources and fees. Updated the capital inventory and replacement model to ensure adequate utility fund replacement transfers were available for future capital projects. Corrected fees to provide for utility service cost recovery.

CARI DALE

City of Ontario, Ontario, CA

1999-2007

ASSISTANT UTILITIES DIRECTOR/OPERATIONS

(Other positions held: Environmental Programs Manager/Environmental Specialist)

Managed, directed, and prioritized the operations and maintenance activities for groundwater wells, water treatment, and environmental compliance. Kept the Utilities Director apprised of work occurring within the Department, identified and presented trends, evaluated impacts of proposed legislation on the Utility, and prepared a variety of public outreach materials.

- Supported the Coordinator of the Chino Basin Desalter Authority to ensure efficient operations of the Chino I and Chino II Desalting facilities.
- Quantified Chino Basin water rights for the City, tracked water extractions, water replenishment volumes, associated Watermaster costs as they related to groundwater pumping and replenishment in the Chino Basin and recommended water rights purchasing and trading opportunities.
- Participated in regional committees and partnerships with IEUA and Chino Basin agencies and ensured compliance with the Regional Pretreatment Agreement.
- Prepared City Council Agenda reports, sewer assessment fee calculations, resolutions, ordinances, water use planning estimates, contracts, water purchase agreements, and reports of work progress and activities.

OTHER QUALIFICATIONS

Conference Presentations, Panels and Video:

2020 – "Leadership's Perspective on Advancing Potable Reuse" WaterReuse California

2019 – Panelist, California Association of Sanitation Agencies

2019 – "Women in WaterReuse; Diversity for the Future," WaterReuse California

2019 – General Manager's panel discussion, Women in Water Symposium

2018 – Panelist, Water Symposium, San Diego North Economic Development Council

2016 – Interview on Technology Use, Startup Show San Diego BlueTech (YouTube)

2015 – "Which direction do you choose?" California Resource and Recovery Association

2015 – "The Water Nexus," California Resource and Recovery Association

2014 – "Tap into Solutions," Community Associations Institute

2012 – "The Pros & Cons of Multi-Year Rates," Association of California Water Agencies

2012 – "Financial Optimization in the City of Oceanside," WEFTEC

2011 – "New Wave of General Managers take charge in California water," Association of California Water Agencies

2010 – 2020: various guest interviews on KOCT, Oceanside's public television station

2010 - 2020: various presentations at Kiwanis, Rotary, Chamber of Commerce, and Citizen's Academy

2008 – "Sustainability for Dummies: A Model Framework for Decision making," Transforming Local Government Conference

2006 – "State of the Water System and the Financial Impacts to Make it Right," Tri-State Seminar

2006 – "Asset Management – Plans for Investment," Tri-State Seminar

2006 – "Closing the Confidence Gap with Consumers," Cal/NV American Water Works Association

2004 – "Contract Administration," Tri-State Seminar

2003 – "Proactive Well Maintenance," Tri-State Seminar

CARI DALE

Awards/Special Recognition:

2022 – Recycled Water Advocate of the Year – WaterReuse California
2021 - Recycled Water Outreach/Education Program – WaterReuse California
2020 – Utility of the Future – Water Environment Federation
2020 – Recycled Water Agency of the Year (small) – WaterReuse California
2020 – Plant of the Year (medium), San Diego Section of CWEA
2019 – Plant of the Year, Southwest Membrane Operator's Association
2018 – Beacon Spotlight Award, Platinum, Institute of Local Government
2017 – Agency of the Year, Water Reliability Coalition
2016 – Pathogen Study, included in the Obama White House Water Summit as well as the "Commitments to Action on Building a Sustainable Water Future" released by the Executive Office of the President
2016 – Beacon Spotlight Award, Gold, Institute of Local Government
2015- Plant of the Year (medium), San Diego Section of CWEA
2014 – Plant of the Year (medium), San Diego Section of CWEA
2005 – Outstanding Graduate Project, "Achieving Effective Asset Management for Water and Wastewater Utilities," California State University San Bernardino

EDUCATION

CA STATE UNIVERSITY, SAN BERNARDINO, **M.P.A. – Water Resources Management emphasis**
MACALESTER COLLEGE, **B.A. - Biology**

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

ADOPTION OF ORDINANCE NO. 24-03, AMENDING ADMINISTRATIVE CODE SECTION 2.03.010.02- BOARD COMPENSATION

BACKGROUND

Members of the Board of Directors are regularly appointed to represent the District for local agencies and organizations. They are compensated of \$150 per day of attendance of those meetings as listed in Section 2.03.010.02 of the Administrative Code. The San Luis Rey Watershed Council is listed as a compensable meeting. However, the Council appears to be inactive, and has had it's exempt status revoked by the IRS.

DESCRIPTION

The purpose of this Ordinance is to update the list of organizations represented by members of the Board.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Administrative Code Chapter 2.03.010.02- Compensation

Strategic Focus Area Four: Fiscal Responsibility

Strategic Focus Area Six: Communication

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

Option 1: Adopt attached Ordinance No. 24-03.

Option 2: Adopt attached Ordinance No. 24-03 with Board recommended revisions.

STAFF RECOMMENDATION

Staff recommends Option 1



Jake Wiley, General Manager

2/27/24

Ordinance No. 24-03

Ordinance of the Board of Directors of the Rainbow Municipal Water District
Amending and Updating Administrative Code
Section 2.03.010.02 Compensation

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

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

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

NOW, THEREFORE,

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

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

Section 2.03.010.02: Compensation

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 February 2024.

AYES:
NOES:
ABSTAIN:
ABSENT:

Hayden Hamilton, Board President

ATTEST:

Terese Quintanar, District Secretary

Section 2.03.010

Remuneration and Reimbursement Policy

Members of the Board of Directors are encouraged to attend in participate in professional meetings, educational conferences, or seminars when the purpose of such activities is to improve District operation. Board Members are also required to complete all local, state, and federal regulatory training.

2.03.010.01 Compensable Meetings

State Law limits Board member compensation to ten (10) compensable meetings per month (Water Code Section 20202). The RMWD Board shall not be eligible for compensation for more than six (6) compensable days per month.

2.03.010.02 Compensation

Members of the Board of Directors are eligible to receive compensation of \$150 for each day's attendance at the following:

- Rainbow Municipal Water District Meetings
 - Up to Two Board Meetings Per Month
 - Standing Committee Meetings as Board Appointed Member
 - Ad-Hoc Committee Meetings as Board Appointed Member
 - One Monthly In-Person Meeting with General Manager (To qualify for this, the meeting must be scheduled in advance, be related to a specific topic regarding the Board's oversight of the District and have a duration of at least one hour.)
- Regularly Scheduled Local Organization Meetings
 - Council of Water Utilities Monthly Meeting
 - San Diego Chapter of CSDA Quarterly Meeting
- Training and Conferences
 - Required Local, State and Federal Regulatory Training
 - ACWA Annual Spring and Fall Conferences
 - CSDA Annual Conference

Members of the Board of Directors will be appointed as the District's representative for local agencies and organizations. Board Members appointed to the following organizations are eligible to receive compensation of \$150 per day of attendance at meetings of the following organizations:

- ~~San Luis Rey Watershed Council~~
- Santa Margarita River Watershed Watermaster Steering Committee

M:\Administration\Confidential\Administrative Code Current Policies\Title 2\Remuneration and Reimbursement Policy 2.03.010.docx\Approved 8-3-05 by Ordinance No. 05-07\Amended and Updated 7-21-06 by Ordinance No. 06-02\Amended and Updated 06-26-07 by Ordinance No. 07-08\Amended and Updated 2-24-09 by Ordinance No. 09-05\Amended and Updated 8-28-12 by Ordinance No. 12-03\Amended and Updated 10-24-17 by Ordinance No. 17-13\Amended and Updated 8-25-20 by Ordinance No. 20-08\Amended and Updated 12-08-20 by Ordinance No. 20-14\Amended and Updated 4-27-21 by Ordinance No. 21-01\Amended and Updated 8-24-21 by Ordinance No. 21-06\Amended and Updated 12-7-21 by Ordinance No. 21-08\Amended and Updated 1-25-22 by Ordinance No. 22-01

- Association of California Water Agencies (ACWA)
- California Special Districts Association (CSDA)

Should two compensable meetings occur in a single day, the Board Member(s) in attendance shall be eligible for compensation of only \$150 for the entire day. In the event duplicate compensable meetings occur in the same month, the Board Member(s) in attendance shall be eligible, for more than one meeting in the same month without exceeding the number of meeting limitations provided herein under 2.03.010.01.

2.03.010.03 Training, Seminars and Conferences

In the event a Member of the Board of Directors wishes to attend any non-regulatory required training, seminars, and conferences and receive compensation for the event and travel/registration expenses, the Board member must present a written request for attendance in advance of the event start date during a regularly scheduled open session Board meeting for Board consideration during the standing agenda item for this practice included in each Board meeting agenda. The Board member requesting compensation and travel/registration expenses shall indicate the nature of the event and the benefits their attendance will bring to the District and its ratepayers. The full Board shall consider this information and take action to approve or disapprove the compensation and travel/registration expenses by a majority vote. Upon approval, the Board Member will be eligible for compensation of \$150 for each day at a non-required training, conference, or seminar after a written or verbal report is provided at the Board meeting immediately following the conclusion of the event.

Advance written requests and/or Board approval is not required for participation in online local, state, or federal regulatory training. In the event regulatory training is completed as part of a seminar or conference attended by a Board Member, the provisions provided herein under 2.03.010.03 will apply and the Board Member will be required to provide the District with a Certificate of Completion within fifteen (days) of completion.

2.03.010.04 Legitimate Expenses

Members of the Board of Directors shall be eligible for reimbursement for all legitimate expenses incurred in attending any meetings, seminars, conferences, or training as well as in making any trips on official business of the Board, when so authorized in accordance with the provisions provided in 2.03.010.03 and the following:

- Receipts for all expenses (hotel, food, beverages, parking fees, etc.) are remitted.
 - The following categories are excluded from reimbursement:
 1. Expenses incurred for other persons except those who have a direct bearing on conducting District business
 2. Personal Entertainment expenses
 3. Clothing and personal hygiene items
 4. Alcoholic beverages
 5. Items remaining the personal property of the individual

6. Any expenses not related to District business

- Expenses to the District for training, education and conferences should be kept to a minimum by:
 1. Utilizing hotel(s) recommended by the event sponsor in order to obtain discount rates.
 2. Hotel accommodations will be made for the night before the event and expire on the day the event ends.
 3. Requesting reservations sufficiently in advance, when possible, to obtain discounted airfares and hotel rates.
- If available, refundable airfares will be purchased for District travel so that in the event a trip is cancelled due to unforeseen circumstances, the District will be directly refunded any applicable funds to avoid being issued travel funds assigned to individual travelers for future use. Should refundable airfares not be available for purchase for District travel for a trip cancelled due to unforeseen circumstances, any travel funds reverted back to an individual traveler that is used by the traveler for non-District travel will be reimbursed to the District in full by the individual traveler no later than thirty (30) days following the use of these funds.
- Expenses for meals, including non-alcoholic beverages and tips ordinarily associated with normal eating customs, shall be reimbursable. The reasonableness of meal expense reimbursement requests shall be based on the published IRS locally calculated meal and incidental guidelines located on the GSA website <http://www.gsa.gov/portal/category/100120> and the reimbursable amount shall be limited to the daily Meal and Incidental Expenses Total in the region during the course of travel and while attending the authorized activity. Exceptions to these limitations shall be made in situations where participation in the authorized activity makes it necessary to eat at a specific place or to attend special meal functions.
- Expenses for meals purchased for the purpose of attending a District Board of Directors meeting and unforeseen circumstances prohibit the District from providing such shall be reimbursable. Reimbursements requested under this section shall comply with meal expense reimbursement requirements outlined above.
- Reimbursement for the cost of the use of a Director's vehicle shall be on the basis of total miles driven and at the current rate specified by the Internal Revenue Service.

2.03.010.05 Limitations for Submitting Compensation and Reimbursement Requests

To receive compensation or reimbursement for legitimate expenses Board Members are required to remit requests for compensation or reimbursement no later than sixty (60) days from the conclusion of the event or purchase is made.

Requests for compensation for completion of required regulatory training must be accompanied with the appropriate Certificate of Completion only if such certificate has not been provided to the District in advance of the request for compensation.

M:\Administration\Confidential\Administrative Code Current Policies\Title 2\Remuneration and Reimbursement Policy 2.03.010.docx\Approved 8-3-05 by Ordinance No. 05-07\Amended and Updated 7-21-06 by Ordinance No. 06-02\Amended and Updated 06-26-07 by Ordinance No. 07-08\Amended and Updated 2-24-09 by Ordinance No. 09-05\Amended and Updated 8-28-12 by Ordinance No. 12-03\Amended and Updated 10-24-17 by Ordinance No. 17-13\Amended and Updated 8-25-20 by Ordinance No. 20-08\Amended and Updated 12-08-20 by Ordinance No. 20-14\Amended and Updated 4-27-21 by Ordinance No. 21-01\Amended and Updated 8-24-21 by Ordinance No. 21-06\Amended and Updated 12-7-21 by Ordinance No. 21-08\Amended and Updated 1-25-22 by Ordinance No. 22-01

Any legitimate expense incurred prior to April 27, 2021 for which Board Members have not already received reimbursement will be retroactive to January 1, 2021 upon submittal of a request for reimbursement with the appropriate receipts attached.

2.03.010.06 Eligibility

Members of the Board of Directors are eligible for compensation and reimbursement for legitimate expenses as provided herein at their sole discretion.

RAINBOW MUNICIPAL WATER DISTRICT

OFFICERS & COMMITTEES

2024

Board President	Hayden Hamilton
Board Vice President	
Secretary of the Board	Julie Johnson
Treasurer	Richard Aragon
Board Secretary	Terese Quintanar

SDCWA Representative	Jake Wiley
CSDA Representative	Michael Mack
LAFCO Representative	Jake Wiley
San Luis Rey Watershed Council (Inactive)	Representative: Vacant Alternate Representative: Vacant
Santa Margarita River Watershed Watermaster Steering Committee	Hayden Hamilton
ACWA	Representative: Vacant Alternate Representative: Michael Mack

STANDING COMMITTEES:

Communications & Customer Service	Hayden Hamilton
Budget & Finance	Patti Townsend-Smith
Engineering & Operations Committee	Vacant

AD HOC COMMITTEES: As needed

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

CONSIDER AUTHORIZING THE GENERAL MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN RANCHO CALIFORNIA WATER DISTRICT, RAINBOW MUNICIPAL WATER DISTRICT, FALLBROOK PUBLIC UTILITIES DISTRICT, CITY OF OCEANSIDE, AND VALLEY CENTER MUNICIPAL WATER DISTRICT FOR PARTICIPATION IN THE REGIONAL CROPSWAP PROGRAM

BACKGROUND

Rancho California Water District was awarded \$5 million from the California Department of Water Resources (DWR) for implementation of a regional Agricultural Drought Response Program, resulting in an expansion to its existing “CropSWAP” program.

DESCRIPTION

The CropSWAP program is designed to provide financial incentives, through grant funding sources, to agricultural water users throughout the agricultural growing regions of Riverside and San Diego counties. The program is designed to increase water use efficiencies primarily by providing funding assistance to replace high water use crops with lower use varieties and fund other activities such as implementing horticultural best management practices to improving irrigation efficiency. The program’s intent is to maximize beneficial water use and preserve limited water resources throughout the region.

Rancho Water has worked with the proposed regional partners to develop a framework for the Program which is provided in the attached memorandum of understanding (MOU). The MOU includes how the grant funding will be split between counties/agencies, how the grant match requirement will be met, additional resources that will be required for managing a regional program, the mechanics of the partnerships between the participating agencies, general Program rules that will ensure funding is distributed equitably, activities eligible for financial incentives, approved incentive amounts, and the general legal requirements.

There is an initial \$2.25 million in grant funding that is available for use by the regional participants (Rainbow, FPUD, Oceanside, and Valley Center). \$2.0M will be reserved for Rancho Water customers and \$750k reserved for administration costs. Per the terms of the MOU, Rainbow’s responsibility would be an upfront participation fee of \$25,000 that will cover initial program setup and administration activities and financial participation of 15% of all grant funds utilized by Rainbow customers to cover on-site inspections and other site specific requirements for the grant funded activities. Funding for the program will be provided by non-Prop 218/26 governed funds or a subsequent grant funding program.

The program will be administered through a limited term staff member provided by Rancho Water limiting the impact to Rainbow staff and ensuring consistent procedures and reporting are followed per the DWR grant guidelines.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area One: Water Resources – Developing and promoting programs that increase water use efficiency is crucial to long term drought resilience in the region.

Strategic Focus Area Four: Fiscal Responsibility – Sustaining agriculture through innovative programs such as CropSWAP assists the District as a whole in its objective of developing sustainable water rates for all District customer classes.

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. Authorize the General Manager to sign the MOU without substantive changes and participate in the program.
2. Authorize the General Manager to sign the MOU with Board requested modifications and participate in the program.
3. Do not participate in the Regional CropSWAP Program.

STAFF RECOMMENDATION

Staff recommends Option 1



Jake Wiley
General Manager

2/27/2024

Memorandum of Understanding (MOU) for Regional CropSWAP Program

I. Introduction

A. Purpose of the MOU

The purpose of this MOU is to establish a framework for the implementation of Rancho California Water District's (Rancho Water/District) Regional CropSWAP Program (Regional Program). To date, Rancho Water's existing CropSWAP initiative has demonstrated success in enhancing the efficiency of farming operations and optimizing water use within the District's service area. Building upon this success, the Regional Program seeks to extend these benefits to western Riverside and Northern San Diego Counties in order to conserve the region's valuable water resources while helping to preserve the region's agricultural economy. To support this regional expansion, Rancho Water has successfully secured a \$5 million grant from the Department of Water Resources (DWR) through its 2022 Urban Community Drought Relief Program ("Grant"). The Parties to this MOU, collectively referred to as the "Regional Partners," include both Rancho Water as the "Lead Agency" and the remaining parties as "Partner Agencies." These Regional Partners are entering into this MOU to formalize their mutual intent and understanding of the implementation of the Regional CropSWAP program, utilizing the existing Grant funding and collaboratively pursuing opportunities to secure additional financial support.

B. Parties to the MOU

This MOU is entered into on [Date] by and between the following Regional Partners:

1. Rancho California Water District (Lead Agency)
Address:**
[Address of Water Agency 1]
Contact Person:** [Name of Contact Person 1]
Title:** [Title of Contact Person 1]
Phone:** [Phone Number of Contact Person 1]
Email:** [Email Address of Contact Person 1]
2. City of Oceanside (Partner Agency)
Address:** [Address of Water Agency 1]
Contact Person:** [Name of Contact Person 1]
Title:** [Title of Contact Person 1]
Phone:** [Phone Number of Contact Person 1]
Email:** [Email Address of Contact Person 1]
3. Fallbrook Public Utilities District (Partner Agency)
Address:** [Address of Water Agency 1]
Contact Person:** [Name of Contact Person 1]
Title:** [Title of Contact Person 1]
Phone:** [Phone Number of Contact Person 1]
Email:** [Email Address of Contact Person 1]

4. Rainbow Municipal Water District (Partner Agency)
Address:** [Address of Water Agency 1]
Contact Person:** [Name of Contact Person 1]
Title:** [Title of Contact Person 1]
Phone:** [Phone Number of Contact Person 1]
Email:** [Email Address of Contact Person 1]

5. Valley Center Municipal Water District (Partner Agency)
Address:** [Address of Water Agency 1]
Contact Person:** [Name of Contact Person 1]
Title:** [Title of Contact Person 1]
Phone:** [Phone Number of Contact Person 1]
Email:** [Email Address of Contact Person 1]

II. Background

A. Water resource challenges for regional agriculture & potential solutions

A variety of water resource challenges significantly impact the sustainability of agriculture within the service areas of the Regional Partners ("Project Area"). In particular, water scarcity and competing demands for water are critical issues that ultimately lead to higher water costs for all water users and increase operational expenses for and decrease the profitability of agriculture. To navigate these challenges, farmers sometimes invest in Best Management Practices (BMPs), including water-efficient technologies, innovative crop strategies, and water management programs, that may enhance farming profitability while conserving valuable water resources for other public uses. The Regional CropSWAP Program is designed to help farmers overcome technical and financial obstacles that prevent them from making these investments, which have many public benefits including helping to conserve valuable water resources, support the continued operation of agriculture, maintain system water quality, and ensure more efficient water system operations.

III. Program Description

I. Explanation of the financial incentive program

1. Brief Description

The Regional CropSWAP Program will provide financial incentives to agricultural water users within the Project Area to implement specific Best Management Practices (BMPs) that have been selected for their many public benefits, described in Table 1.1. These BMPs will include, but are not limited to, on-farm efficiency activities, such as 1) replacing high water use crops with lower water use varieties, 2) implementing horticultural best management practices that improve water use efficiency, and 3) implementing activities that enhance agricultural productivity.

2. Eligibility criteria for agricultural water users

Agricultural water users eligible for participation in the Program must be customers of one of the Regional Partners, located within the Project Area, and must be considered by the applicable Regional Partner to use water for agricultural purposes. Each Regional Partner will determine and approve customers within its respective service area for eligibility to participate in the Program.

3. Eligible BMPs and incentive amounts

To determine the types of BMPs that will be eligible for financial incentives, the Regional Partners solicited input from stakeholders including farm management companies and individual agricultural producers. The following Table 1.1 identifies BMPs that will be eligible for financial incentives through the Regional CropSWAP Program and identifies the corresponding incentive amounts.

Table 1.1

Category	Practice	Description	Incentive Amount
Comprehensive Property Upgrades*	Crop Conversion	Switch to lower water use crop	Varies. See Table 1.2
	Avocado Rootstock Upgrade	Switch to drought and disease resistant rootstock	\$9,000 per acre
	Crop Rejuvenation	Avocado tree stumping; Crop revival	\$4,500 per acre
Irrigation Efficiency Upgrades	Uniformity Improvements	Pipes, sprinklers, pressure regulators	\$550 per acre up to \$5,000 per property
	Soil Moisture Sensors	Sensors - either manual or automated	Up to \$250 per sensor; not to exceed 50% of project cost
	Scheduling Automation	Remote valve control based on real time data	Up to \$5,000 per property; not to exceed 50% of project cost
Other BMPs	Nutrient Management	Installing direct fertigation system	Up to \$3,500 per property; not to exceed 50% of project cost
	Mulching	Apply to 4" depth	Up to \$2,000 per acre; not to exceed 50% of project cost

	Cover Crops	For nutrient fixation and/or weed abatement	Up to \$100 per acre; not to exceed 50% of project cost
--	-------------	---	---

Incentives for Crop Conversion projects will be paid based on projected water savings. The following table is intended to show the maximum incentive amounts for the types of crop conversion projects anticipated by the Regional Parties. Crop conversion projects other than those listed here will be considered on a case-by-case basis.

Table 1.2

Conversion Type	Incentive Amount
Avocado to Winegrape	Up to \$22,500
Citrus to Winegrape	Up to \$15,000
Avocado to Citrus	Up to \$7,500

II. Funding and resources

In addition to the Grant, financial contributions made by the Partner Agencies will be used for Program implementation. As condition precedent to participating in the Program, Partner Agencies shall pay the Lead Agency a Program Initiation Fee and a Program Administration Fee.

III. Program Initiation Fees

The Partner Agencies shall each provide an initial payment of \$25,000 to the Lead Agency (“Program Initiation Fee”) upon executing the MOU that will be used to offset up front administrative costs of the Program. The Regional Partners will seek additional funding that might be able to be used to help refund some of the initial payment.

IV. Program Administration Fees

Each Partner Agency shall pay a Program Administration Fee to the Lead Agency in addition to the Program Initiation Fee, in an amount equal to 15% of value of the financial incentives provided to customers in the Partner Agencies' respective service area. Within 30 days of providing the customer incentive, the Lead Agency shall provide each Partner Agency with an invoice indicating the total value of incentives provided to the Partner Agency’s customers, as well as an itemized list of the value of incentives provided to each individual customer of the Partner Agency. Each Partner Agency shall transmit its Program Administration Fee to the Lead Agency within sixty (60) days of receipt of invoice from the Lead Agency.

V. Grant funding allocation and fees

Existing grant funding in the amount of \$5 million will be used to help pay for Program administration and to provide financial incentives to agricultural water users for implementing BMPs on their properties. Of the \$5 million grant, \$750,000 will be reserved for Program administration, and \$2 million will be reserved for providing financial incentives to Rancho Water’s customers, leaving \$2.25 million for financial incentives to be distributed among eligible customers served by the Partner Agencies. This remaining \$2.25 million will be available to agricultural water users on a first come-first served basis. Table 4.1 illustrates the allocation of the initial grant money secured by Rancho Water.

Table 4.1 – Grant Funding Allocation

Program Cost	Grant Funding Allocation
Program Administration	\$750,000
Financial Incentives – Rancho Water	\$2,000,000
Financial Incentives –All Regional Agencies & Unfunded Administrative Costs	\$2,250,000
TOTAL	\$5,000,000

Funds designated for Program Administration are anticipated to cover administrative and inspection costs. Grant funds shall be used to fund program administration costs in excess of the designated \$750,000 only if expenditures exceed this amount.

The Regional Partners agree to jointly pursue additional grant funding to support the Program. Any funding obtained in this manner and for this purpose shall be shared among all Regional Partners unless the Parties agree to a different allocation at the time of application.

VI. Timeline for Program implementation

The Program shall be implemented for as long as funding is available to support the Program. However, based on the requirements of DWR's 2022 Urban Community Drought Relief Grant Program, which is funding the initial phase of the Regional Program, work for the grant must be complete by September 2026 to be eligible to receive financial incentives, and none of the \$5 million grant award may be requested after December 31, 2026. Therefore, the term of this MOU is from the date of its execution by all parties to December 31, 2026. It is understood that as new funding sources are identified, the term of the MOU may be extended by mutual written agreement of the Parties.

VII. Roles and responsibilities of each participating agency

1. Identification of lead agency

The Lead Agency for the Regional CropSWAP Program is the Rancho California Water District.

2. Responsibilities related to Program management, monitoring, and reporting

i. Lead Agency

Grant Administration

The Lead Agency will be responsible for interacting with DWR and for all progress reporting and invoicing required for administration of grant awards.

Procure & Manage Program Administrator

Program Administration staff and/or consultants (Program Administrator) will be hired by the Lead Agency to assist with Program management, monitoring, and reporting. This Program Administrator will be responsible for

completing all Program administration work not otherwise performed by the Lead Agency, which shall include, at a minimum:

1. Setting up a webpage through which all participating agricultural water users can submit Program application materials and required backup documentation.
2. Determining participant eligibility, in concert with and designated by the Regional Partners.
3. Processing application materials and obtaining signatures on participation agreements.
4. Communicating approval and/or denials to potential Program participants.
5. Reaching out to Program participants to communicate necessary Program information and fielding telephone and email inquiries from Program participants.
6. Scheduling and performing necessary inspection and verification activities both prior to and following BMP implementation.
7. Verifying completion of BMP implementation as per the CropSWAP Program Framework (Attachment B).
8. Providing reports to the Regional Agencies as needed and as directed by the Lead Agency.
9. Providing the Lead Agency with all required backup information for supporting payment of financial incentives.

Marketing

The Lead Agency will provide public informational materials to the Regional Agencies who will distribute the materials to their eligible customers using means available to them.

Provision of Financial Incentives & Grant Reimbursement

The Lead Agency will be solely responsible for distributing the financial incentives to Program participants, and for requesting reimbursement for any eligible payments made from the grantor.

ii. Partner Agencies

Marketing Assistance

The Partner Agencies will advertise the Regional CropSWAP Program on their webpage and through other available public information channels using only materials made available by the Lead Agency.

Field Occasional customer inquiries

Although the Program Administrator and the Lead Agency will be responsible for interacting with the Partner Agencies' agricultural customers regarding the Program, it is inevitable that each Partner Agency will need to field occasional customer inquiries regarding the Program, and each Partner Agency shall use its best efforts to receive and respond to such customer inquiries or direct such inquiries, when necessary, to the Program Administrator or Lead Agency.

Provide data

Partner Agencies will provide data to the Program Administrator indicating customer eligibility, and other necessary information for Program implementation and administration.

Approve projects and sign contracts

Following a Program participants' completion of the application process, and before beginning BMP implementation, the Lead Agency will require the Program Administrator to provide the applicable Partner Agency with a draft Participation Agreement, which will be reviewed, revised if needed, approved, and signed by the authorized representative of the Partner Agency. In the event a Participation Agreement, conflicts with the terms of this MOU, the terms of this MOU shall control.

Pay Program Initiation and Administration Fees

Partner Agencies shall pay the \$25,000 Program Initiation Fee and the 15% Program Administration Fee to the Lead Agency in the manner and at the times described in Sections III and IV..

VIII. Legal and regulatory compliance

All Regional Partners will individually adhere to all applicable laws, regulations, and standards, including but not limited to those specified in the Grant Agreement, attached hereto and incorporated herein by reference (Attachment A), which provides funding to the Regional CropSWAP Program. To the maximum extent permitted by law, each Party agrees to hold harmless and indemnify the other Parties against any claims, liabilities, losses, damages, costs, and expenses, including legal fees, arising out of or related to the acts or omissions of the indemnifying Party, its officers, officials, contractors, employees, agents and authorized volunteers, in connection with the Program, except to the extent the injury or damage has been caused by the negligence or willful of another Party or its representatives. This paragraph VIII shall survive the termination of this MOU. Each Party shall individually assume responsibility for ensuring its own compliance with applicable legal and regulatory requirements.

IX. Termination and Amendment

The Regional Partners recognize that, in exceptional circumstances, it may be necessary for a Party to terminate its involvement in this MOU. Termination shall occur out as follows:

- A. Notice of Termination: A Partner Agency wishing to terminate its involvement in this MOU shall provide at least six (6) months prior written notice to all other Regional Partners. The notice shall specify the reasons for termination, the intended termination date, and any proposed steps for consultation and resolution of any current or anticipated disputes related to the Program or termination, if applicable. Termination shall become final upon expiration of the consultation period (see below) unless otherwise agreed by the Parties.
- B. Consultation Period: Upon receipt of the termination notice, all Regional Partners shall meet and confer during the consultation period to discuss the reasons for termination and explore potential resolutions of any current or anticipated disputes and alternatives to termination,

including but not limited to amendment of this MOU. The duration of the consultation period shall be six (6) months unless otherwise mutually agreed upon by all the Parties

- C. Amendment or Termination Agreement: If all Regional Partners unanimously agree to terminate the MOU during the consultation period, they shall jointly execute a termination agreement setting forth the agreed-upon terms and conditions of termination. In cases where unanimous agreement is not reached, the Parties may terminate their participation in the MOU as described in paragraphs A and B above, and non-terminating Parties may execute an amendment to the MOU or execute a new MOU that better aligns with their current needs and circumstances.
- D. Legal and Regulatory Compliance: The termination process shall be carried out in compliance with all applicable laws, regulations, and contractual obligations. Any required notifications to regulatory authorities or stakeholders shall be made in accordance with legal requirements.
- E. Administrative Fee & Other Contributions: The terminating Partner Agency is not entitled to any reimbursement of the Program Initiation Fee, Program Administration Fees or other funds contributed by the Partner Agency for the Program. Post-termination, the terminating Partner Agency shall remain obligated to pay any surviving financial obligations, including Program Administration Fees, committed towards the completion of projects currently approved and underway.

X. Confidentiality

A. Protection of Personally Identifiable Information (PII)

Definition of PII:

For the purposes of this MOU, "Personally Identifiable Information" or "PII" refers to any information that can be used to identify an individual, including, but not limited to, names, addresses, Social Security numbers, driver's license numbers, passport numbers, financial account numbers, and any other information protected by applicable privacy laws and regulations.

Compliance with Data Protection Laws

All Regional Partners and their contractors shall comply with applicable data protection laws and regulations regarding the processing, storage, and protection of PII. The Lead Agency shall require the Program Administrator to comply with applicable data protection laws and regulations regarding the processing, storage, and protection of PII.

XI. Miscellaneous.

1. Entire Agreement; Amendment. This MOU, together with all exhibits attached hereto, contains all representations and the entire understanding between the parties with respect to the subject matter of this MOU. The Parties each warrant that there are no agreements, arrangements, or understandings, written or oral, among them regarding the Program except as set forth in this MOU and its exhibits. Any amendment or modification to the MOU shall be in writing and signed by all the Parties.

2. Assignment. No Party shall be entitled to assign or transfer all or any portion of its rights or obligations contained in this MOU without obtaining the prior written consent of all other Parties. Any purported assignment or transfer without such consent shall be void.
3. Severability. The terms, conditions, and covenants of this MOU shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this MOU, as so interpreted, is held to violate any applicable law or regulation, the remaining provisions nevertheless shall remain enforceable to the extent that they effectuate the original intent of the Parties.
4. No third-party beneficiaries. This MOU shall not confer any rights or remedies upon any person other than the Parties.
5. Notice. Any notice that is required or permitted under this MOU shall be given by email to all the Parties' authorized representatives identified in this MOU, with a copy by prepaid first class or overnight mail.
6. Execution in counterparts. This MOU may be executed in any number of counterparts, each of which shall be deemed to be an original, and all such documents taken together shall be deemed to constitute one and the same instrument.

XII. Signatures

Signatures of authorized representatives on behalf of each Regional Partner entering into this MOU.

1. Rancho California Water District (Lead Agency)
Authorized Representative: _____
Title: _____
Signature: _____
Date: _____
2. Fallbrook Public Utilities District (Partner Agency)
Authorized Representative: _____

Title: _____
Signature: _____
Date: _____

3. Rainbow Municipal Water District (Partner Agency)
Authorized Representative: _____
Title: _____
Signature: _____
Date: _____

4. City of Oceanside (Partner Agency)
Authorized Representative: _____
Title: _____
Signature: _____
Date: _____

5. Valley Center Municipal Water District (Partner Agency)
Authorized Representative: _____
Title: _____
Signature: _____
Date: _____

XIII. Attachments

- A. Grant Agreement for 2022 Urban Community Drought Relief Program
- B. CropSWAP Program Framework

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

CONSIDER APPROVAL OF AN OUT OF AGENCY SERVICE AGREEMENT TO TRANSFER WATER AND WASTEWATER SERVICES FOR APNs: 124-201-65, 124-201-68, 124-201-69, and 124-201-70 FROM RAINBOW MUNICIPAL WATER DISTRICT TO FALLBROOK PUBLIC UTILITIES DISTRICT (DIVISION 3)

BACKGROUND

The agreement for Out-of-Agency service (Agreement) concerns four (4) parcels totaling 23.33 acres of land located within the Rainbow Municipal Water District (District) service area. The parcels (APNs: 124-201-65, 124-201-68, 124-201-69, and 124-201-70) are located south of Via Arroyo, east of Rosemarie Lane and adjacent to the Fallbrook Public Utilities District (FPUD) boundaries. In order to serve water to the parcels, the existing District waterline would need to be extended across private properties, owned by other parties, and would be prohibitively expensive. The District has no plans to extend the service in this area. FPUD operates an existing waterline adjacent to the parcel's northern and eastern line of the parcels, which is closer to the APNs in question and does not require crossing private property.

The property owner has requested to be served by FPUD. An agreement for Out-of-Agency service to allow FPUD to provide water services to the parcels instead of the District is authorized pursuant to Government Code section 56133. Staff from both agencies have coordinated to finalize an agreement for Out-of-Agency service.

DESCRIPTION

The agreement for Out-of-Agency service to be approved by the District, FPUD, and the parcels owner (Owner) allows for FPUD to supply water and/or wastewater services to the property. The Agreement (attached as Exhibit 1) outlines the responsibilities of each agency and the Owner. The Owner would be responsible for costs associated with the extension of FPUD's facilities as well as connection fees, other fees, and service charges. FPUD will provide water service for the benefit of the parcels and will be responsible for obtaining all necessary easements and dedications. The District will not have any responsibility for the assessment or payment of any fees, will not have any right or obligation to provide water services to the parcels, and will not charge the Owner any service related fees or charges. In addition, the Agreement states that the District will reasonably cooperate with any future detachment of the property from the the District's service area and annexation into the FPUD service area.

The Agreement is scheduled to go before the FPUD Board of Directors on February 26, 2024 for approval. The decisions made by the FPUD Board of Directors will be reported during the discussion of this item at the District's Board of Directors meeting on February 27, 2024. If approved by both agencies Boards the General Manager of each agency will execute the agreement.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Five: Customer Service. This agreement is proposed as a way to benefit a parcel owner in the District's service area by allowing them to receive service from FPUD. FPUD's existing facilities are closer and more convenient for connection for this particular Owner. Thus, this arrangement will result in less expense and delay for the Owner in connecting to a water service.

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

Allowing the Owner to connect to the FPUD facilities will not result in any costs to the District. As stated in the agreement, the Owner will be paying connection fees and service fees to FPUD for providing service. However, FPUD will also be bearing the cost and performing any future operations and maintenance associated with serving the parcels.

1) Option 1:

- Approve the agreement for Out-of-Agency service to transfer Water and Wastewater service functions for APNs 124-201-65, 124-201-68, 124-201-69, and 124-201-70 from Rainbow Municipal Water District to Fallbrook Public Utilities District.
- Authorize the General Manager to execute the agreement for Out-of-Agency service on behalf of the District.
- Make a finding that the action before the Board 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
Engineering and CIP Program
Manager

02/27/2024

RECORDING REQUESTED BY:

Fallbrook Public Utilities District

WHEN RECORDED RETURN TO:

Fallbrook Public Utilities District

990 E. Mission Rd

Fallbrook, California 92028

Exempt from Filing Fees

Government Code § 27383

Above Space for Recorders Use

AGREEMENT FOR OUT OF AGENCY SERVICE

This AGREEMENT FOR OUT-OF-AGENCY SERVICE ("Agreement"), dated _____, by and between Rainbow Municipal Water District ("RMWD"), a California municipal water district, and Fallbrook Public Utilities District ("FPUD"), a California public utility district for the provision of water services by FPUD to certain real property totaling 23.33 acres of land (the "Property"), located in the County of San Diego ("County") within the adopted Fallbrook Community Plan Area and the RMWD services area, described as APN 124-201-65-00, 124-201-68-00, 124-201-69-00, and 124-201-70-00 South of Via Arroyo and East of Rosemarie Lane Mission Road.

THE PARTIES HERETO AGREE AS FOLLOWS

1. FPUD will supply water and/or wastewater services to the Property under this Agreement. Said water will be provided from FPUD's allocation of water from Eastern Municipal Water District or from FPUD's own sources at FPUD's sole discretion. This Agreement is authorized pursuant to Government Code section 56133.
2. If required to serve the Property, a water main shall be extended from the existing terminus of water main(s) to and across street frontage, if applicable, of the Property, Vaccaro Family Trust of 1992, as property owners ("Owners"), sole cost and expense in accordance with FPUD's standard specifications.
3. FPUD shall provide water service for the benefit of the Property and through meters installed and owned by FPUD at the standard rate for outside service to the Property area.
4. Upon the issuance of building permit(s), FPUD shall charge Vaccaro Family Trust of 1992, as property owners, all current connection fees or other fees as may be charged to similar property owners within FPUD boundaries until FPUD and Owners have entered into an annexation agreement, provisions of which shall then control such fee assessments. RMWD shall bear no responsibility for the assessment and/or payment of said fees.
5. FPUD shall be responsible for obtaining all necessary easements and dedications.
6. RMWD shall have no right or obligation to provide water services to the Property, and shall not charge Owners any service related fees or charges.
7. RMWD shall not oppose or challenge FPUD's ability or responsibility to provide water services to the Property and shall reasonably cooperate with any future detachment of the Property from the RMWD service area and annexation into the FPUD service area.
8. This Agreement shall automatically terminate upon annexation of the Property to FPUD.

9. This Agreement may be assigned to any successors in interest without the consent of the other party.

10. This Agreement shall be and is a covenant running with the land, and all rights and obligations hereunder shall inure to the subsequent owners of the Property.

[Signatures on following page]

DRAFT

IN WITNESS WHEREOF, the parties have hereto caused this Agreement for Out-Of-Agency Service to be executed as of the date identified above.

Owner:

Robert A. DePaino, Trustee Vaccaro Family Trust of 1992

Date

Rainbow Municipal Water District:

Jake Wiley, General Manager

Date

Fallbrook Public Utility District:

Jack Bebee, General Manager

Date

DRAFT

(Signatures must be notarized. Notary form attached.)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed this instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

DRAFT

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

DISCUSSION AND POSSIBLE FORMATION OF AN AD HOC COMMITTEE FOR REVITALIZATION OF DISTRICT HEADQUARTERS FACILITIES

BACKGROUND

Beginning in 2016 Rainbow Staff and the Board of Directors have been engaged in various discussions and planning efforts for rehabilitation and/or replacement of the headquarters facilities, including the administration, warehouse, and operations buildings. Several alternatives have been considered primarily focused on either; (1) on-site rehabilitation or; (2) relocation to an undetermined off-site location utilizing proceeds from sale of the existing property.

DESCRIPTION

The existing District Headquarters building complex was originally constructed in 1975 and requires significant rehabilitation or replacement in the near future. Past studies have been conducted that have looked at various options for rehabilitation and modest expansion of the existing facilities. These original concepts are attached to this staff report as Exhibit A-1 and A-2. In addition, efforts were taken to analyze a program to assist with funding of the necessary upgrades that centered around gaining necessary entitlements to develop residential housing on all or a portion of the District's existing ~30 acre headquarters site. This concept would involve construction of a new headquarters facility off-site at an undetermined location. The redevelopment concepts are attached as Exhibit B-1 and B-2.

As these alternatives were being developed an ad-hoc committee made up of Rainbow board, staff, and committee members was formed to evaluate and make recommendations to the full Rainbow Board of Directors on long-term solutions to address the aging infrastructure. Progress on these efforts has been limited since early 2022 as the redevelopment option, which was preferred at the time, stalled as discussions on the preferred headquarters relocation site fell through. The site under review was a potential joint use facility between the San Diego County Sherriff, North County Fire, and Rainbow on the property directly across from the current headquarters (See Exhibit C).

The most recent rain events in December 2023 have provided another reminder of the aged condition of the District's headquarters facilities as multiple roof leaks and damage was observed in Building 2 (mechanic's bay & former operations offices) and Building 3 (Warehouse/IT). Due to the critical facilities housed in these areas staff initiated an emergency project to seal the roofs on the buildings with a membrane liner. The estimated construction cost of the emergency project is estimated at \$150,00 and provides temporary relief while a more long-term solution is developed.

To develop a long-term solution, it was suggested by Director Johnson (Division 1) that an ad hoc committee be formed/re-formed to prioritize progress on the issue in 2024. Staff views this as one of the infrastructure priorities for the District that has long been discussed.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Plan Focus Area Two: Asset Management – A direct objective identified in the 2020 Strategic Plan Update was to “pursue the lowest-cost replacement of the administrative facility”.

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) Consider formation of an Ad Hoc committee to continue evaluation and recommendations for the revitalization of the District Headquarters.
- 2) Do not form an Ad Hoc committee

There is no direct fiscal impact in the forming of an ad hoc committee, however, \$20,000 was budgeted in the Fiscal Year 23/24 Capital Improvement Plan to further studies associated with the headquarters. No expenditures are currently planned as part of this action and any funding needs for outside contracts would be required to adhere to the District’s purchasing policy up to and including Board approval.

STAFF RECOMMENDATION

Staff supports Board direction.



Jake Wiley, General Manager

February 27, 2024

Exist

EXHIBIT "C.1"



LEGEND

TOTAL SITE AREA: 187,717 S.F. (4.2 ACRES)

- LANDSCAPE AREA
27,820 S.F.
- GROUND COVER (MIN. LANDSCAPE)
18,000 S.F.
- DEMONSTRATION GARDEN
3,600 S.F.
- CONCRETE PAVING
14,000 S.F.
- AC PAVING
112,500 S.F.
- NEW BUILDING AREA: 13,975 S.F.**
NEW ADMIN/OPS: 4,025 S.F.
NEW SHOP ADDITION: 1,150 S.F.
NEW WASH BAY: 800 S.F.
NEW STORAGE: 8,000 S.F.
- EXISTING BUILDING AREA: 11,8222 S.F.**
EXISTING ADMIN/OPS: 7,872 S.F.
EXISTING SHOP: 3,950 S.F.

PARKING:

PUBLIC PARKING:
30 STANDARD SPACES
4 A.D.A. SPACES

EMPLOYEE PARKING:
74 STANDARD SPACES
6 A.D.A. SPACES

GRAND TOTAL:
114 SPACES

NO	DATE	REVISION

THE ARCHITECT, HB&A ARCHITECTS, INC. (HB&A) HEREBY RESERVES ITS COMMON LAW COPYRIGHT AND OTHER PROPERTY RIGHTS. ALL IDEAS, DESIGNS, ARRANGEMENTS AND PLANS INDICATED OR REPRESENTED BY THESE DRAWINGS ARE OWNED BY AND ARE THE PROPERTY OF HB&A, AND WERE CREATED, EVOLVED AND DEVELOPED FOR THE USE IN CONNECTION WITH THE SPECIFIED PROJECT. THE IDEAS, DESIGNS, ARRANGEMENTS OR PLANS SHALL NOT BE ASSIGNED TO, USED BY, OR DISCLOSED TO ANY THIRD PARTY, FIRM OR CORPORATION, FOR ANY PURPOSE WHATSOEVER, WITHOUT THE WRITTEN PERMISSION OF HB&A. FILING THESE DRAWINGS WITH ANY PUBLIC AGENCY IS NOT PUBLICATION OF SAME AND NO COPYING, REPRODUCTION OR USE THEREOF IS PERMISSIBLE WITHOUT THE CONSENT OF HB&A. THE DRAWINGS ARE NOT TO BE CONSIDERED TO BE FINAL OR TO BE USED FOR CONSTRUCTION UNTIL SIGNED BY THE ARCHITECT.



3707 OLD HIGHWAY 395
FALLBROOK, CA 92029



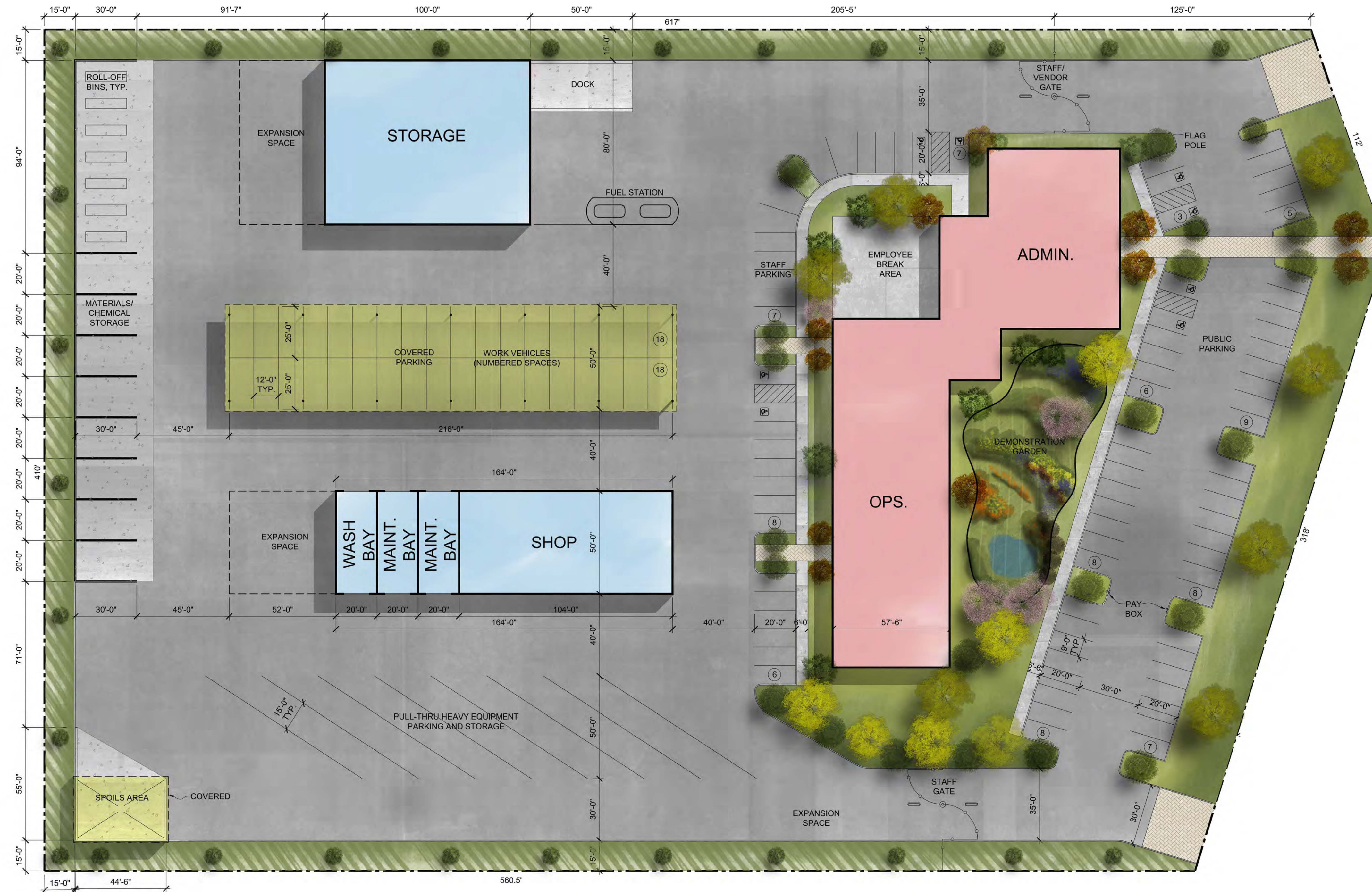
240 MARKET PLACE ESCONDIDO, CA, 92029
(760) 738-8608 FAX: (760) 738-8619
E-MAIL: mailbox@hba-architects.com

	DRAWN MS	CHECKED MB	DRAWING No.
	CADD FILE NO.		A1.1
	A1.0 SITE PLAN		
	PROJECT NO.		SITE PLAN OPTION 2
1611.RnbwCS		DATE	8/2/16

SITE PLAN - OPTION 2

SCALE: 1" = 30'

EXHIBIT "B.1"



LEGEND

TOTAL SITE AREA: 251,864 S.F. (5.78 ACRES)

-  LANDSCAPE AREA
30,102 S.F.
-  GROUND COVER (MIN. LANDSCAPE)
18,878 S.F.
-  DEMONSTRATION GARDEN
5,509 S.F.
-  CONCRETE PAVING
12,592 S.F.
-  ENHANCED PAVING
3,572 S.F.
-  A.C. PAVING
147,811 S.F.
-  BUILDING AREA
ADMIN/OPS: 17,200 S.F.
SHOP: 8,200 S.F.
STORAGE: 8,000 S.F.
TOTAL: 33,400 S.F.
-  COVERED PARKING: 11,440 S.F.
COVERED SPOILS AREA: 1,482 S.F.

PARKING:

PUBLIC PARKING:
50 STANDARD SPACES
4 A.D.A. SPACES

EMPLOYEE PARKING:
28 STANDARD (UNCOVERED)
4 A.D.A. (UNCOVERED)
36 LARGE COVERED

GRAND TOTAL:
122 SPACES

NO	DATE	REVISION


THE ARCHITECT, HB&A ARCHITECTS, INC. (HBA) HEREBY RESERVES ITS COMMON LAW COPYRIGHT AND OTHER PROPERTY RIGHTS. ALL IDEAS, DESIGNS, ARRANGEMENTS AND PLANS INDICATED OR REPRESENTED BY THESE DRAWINGS ARE OWNED BY AND ARE THE PROPERTY OF HB&A AND WERE CREATED, EVOLVED AND DEVELOPED FOR THE USE IN CONNECTION WITH THE SPECIFIED PROJECT. THE IDEAS, DESIGNS, ARRANGEMENTS OR PLANS SHALL NOT BE ASSIGNED TO, USED BY OR DISCLOSED TO ANY THIRD PARTY, FIRM OR CORPORATION, FOR ANY PURPOSE WHATSOEVER, WITHOUT THE WRITTEN PERMISSION OF HB&A. FILING THESE DRAWINGS WITH ANY PUBLIC AGENCY IS NOT PUBLICATION OF SAME AND NO COPYING, REPRODUCTION OR USE THEREOF IS PERMISSIBLE WITHOUT THE CONSENT OF HB&A. THE DRAWINGS ARE NOT TO BE CONSIDERED TO BE FINAL OR TO BE USED FOR CONSTRUCTION UNTIL SIGNED BY THE ARCHITECT.



3707 OLD HIGHWAY 395
FALLBROOK, CA 92029



240 MARKET PLACE ESCONDIDO, CA. 92029
(760) 738-8608 FAX: (760) 738-8619
E-MAIL: mailbox@hba-architects.com

	DRAWN MS	CHECKED MB	DRAWING No.
	CADD FILE NO.		A1.0
	PROJECT NO.		
	DATE		SITE PLAN OPTION 1

SITE PLAN - OPTION 1

SCALE: 1" = 30'



NOTES:

1. THIS IS A SINGLE-LOT CONDOMINIUM PROJECT.
2. EACH SFD UNIT W/ 2 CAR GARAGE IS LOCATED WITHIN ITS OWN CONDOMINIUM OWNERSHIP LIMITS.
3. GROSS AREA OF PROJECT SITE: 29.52 AC.
4. NET DEVELOPABLE AREA (EXCLUDING FMZ, LBZ, WETLANDS BUFFER & WETLANDS): 17.21 AC
5. OPEN SPACE DEDICATED TO THE COUNTY OF SAN DIEGO: 9.09 AC
6. AREA FOR FUEL MODIFICATION ZONE (FMZ) AND LIMITED BUILDING ZONE (LBZ): 3.22 AC
7. PUBLIC ROAD DEDICATION: 1.32 AC (WITHIN 100' FMZ)
8. TOTAL NO. OF SFD UNIT: 107
9. NET DENSITY: 107/17.21 AC: 6.22 DU/AC.
10. REC AREA: 0.45 AC (POTENTIAL FOR 3 ADDITIONAL LOTS IF REC AREA IS NOT PROPOSED).
11. GRADING CONCEPT IS TO LOWER THE EXISTING UPPER PAD AND RAISE THE LOWER PAD TO FORM A SINGLE PAD.
12. PRIVATE SEWER LIFT STATION: 0.25 AC RESERVED.
13. ON STREET PARKING ONE SIDE ONLY (44 SPACES).
14. THIS CONCEPT SITE PLAN IS INTENDED TO ILLUSTRATE A POTENTIAL RESIDENTIAL DEVELOPMENT. DENSITY, BUILDING PRODUCT AND CIRCULATION AS SHOWN, ARE SUBJECT TO CHANGE UPON FURTHER DEVELOPMENT OF GRADING, ARCHITECTURAL AND ENGINEERING DESIGN.

BASIS OF BEARINGS

THE COORDINATES AND BEARINGS SHOWN HEREON ARE BASED UPON THE CALIFORNIA COORDINATE SYSTEM OF 1983, CCS83, ZONE 6, CSRS NAD83(2011) 2017.50 EPOCH IN ACCORDANCE WITH THE CALIFORNIA PUBLIC RESOURCES CODE SECTIONS 8801-8819; SAID COORDINATES AND BEARINGS ARE BASED LOCALLY UPON FIELD-OBSERVED TIES TO THE FOLLOWING CALIFORNIA SPATIAL REFERENCE NETWORK STATIONS, OR EQUIVALENT:

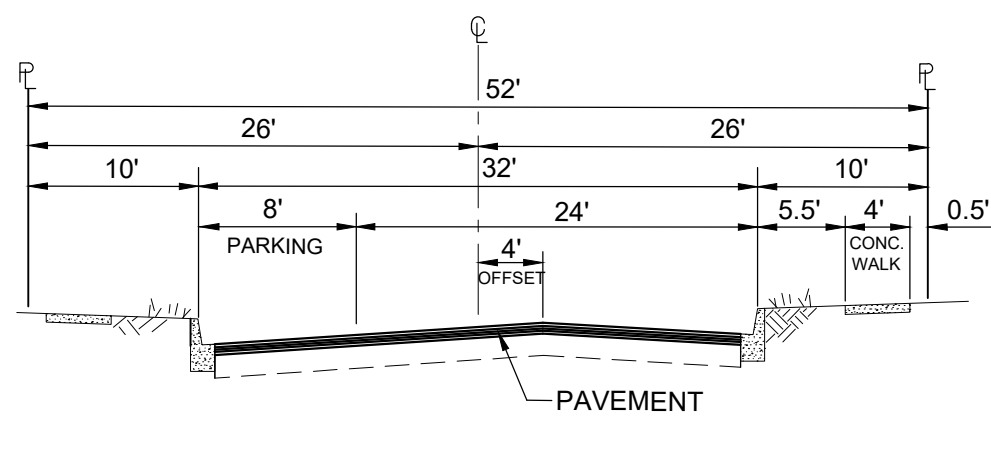
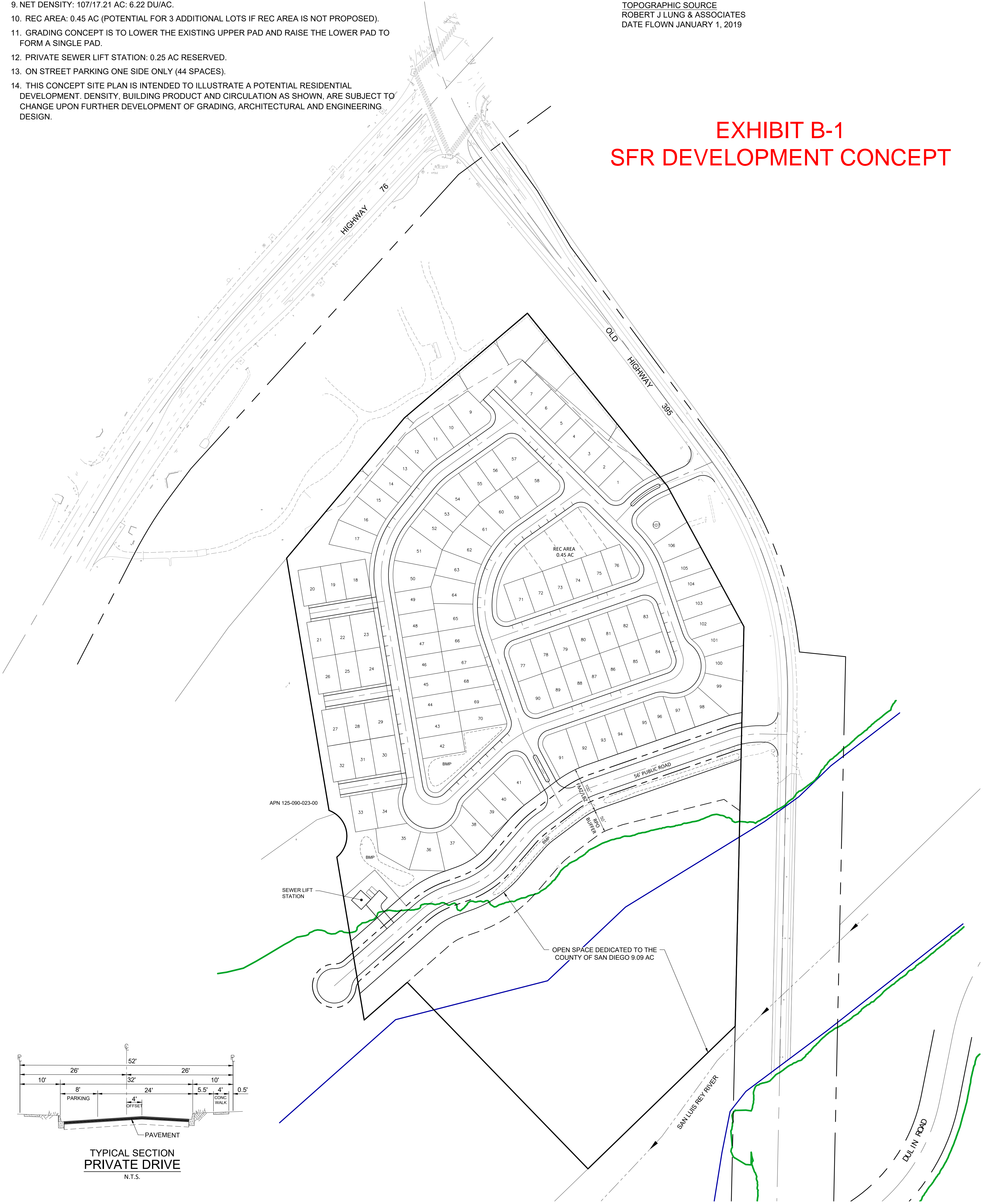
BENCHMARK

VERTICAL DATUM: CSRS NAVD88
 BENCH MARK: P476
 ELEVATION: 1126.39 (1018.61 ELLIPSOID HEIGHT AND GEOID2012B -107.78 GEOID HEIGHT)
 DESCRIPTION: CGPS STATION P476

TOPOGRAPHIC SOURCE

ROBERT J LUNG & ASSOCIATES
 DATE FLOWN JANUARY 1, 2019

**EXHIBIT B-1
 SFR DEVELOPMENT CONCEPT**

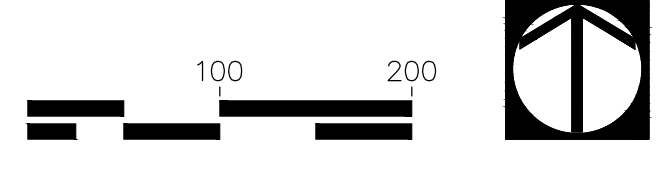


**TYPICAL SECTION
 PRIVATE DRIVE**
 N.T.S.

LEGEND

- PROJECT BOUNDARY
- EXIST. LOT LINE
- - - EXIST. CALTRANS ROW
- FLOODWAY (MBI)
- FLOODPLAIN (MBI)
- ◻ BMP
- ◻ BIO-FILTRATION BASIN

APN
 125-090-026, 034, 035 & 038 (TOTAL 29.52 AC.)



RIVER PARK
 FALLBROOK, CA
 SINGLE FAMILY HOMES
 107 DU

Michael Baker INTERNATIONAL
 9755 Clairemont Mesa Blvd.
 San Diego, CA 92124
 Phone: (619) 614-5000
 M.BAKER@MBAKERINTL.COM

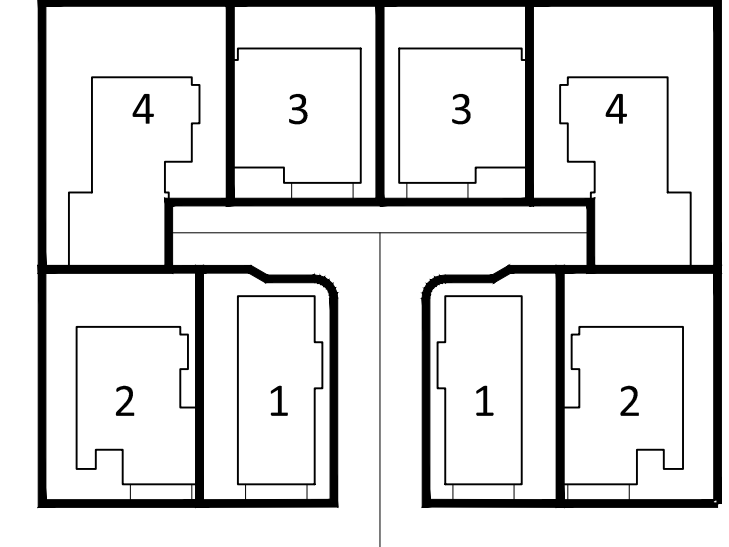
DATE: 7/7/2021

- NOTES:
1. THIS IS A SINGLE-LOT CONDOMINIUM PROJECT.
 2. EACH SFD UNIT IS LOCATED WITHIN ITS OWN CONDOMINIUM OWNERSHIP LIMITS.
 3. GROSS AREA OF PROJECT SITE: 29.52 AC.
 4. NET DEVELOPABLE AREA (EXCLUDING FMZ, LBZ, WETLANDS BUFFER & WETLANDS): 17.21 AC.
 5. OPEN SPACE DEDICATED TO THE COUNTY OF SAN DIEGO: 9.09 AC
 6. AREA FOR FUEL MODIFICATION ZONE (FMZ) AND LIMITED BUILDING ZONE (LBZ): 3.22 AC
 7. PUBLIC ROAD DEDICATION: 1.32 AC (WITHIN 100' FMZ)
 8. TOTAL NO. OF SFD UNIT (MOTOR COURTS): 165
 9. NET DENSITY: 165/17.21 AC: 9.59 DU/AC.
 10. REC AREA: 0.3 AC.
 11. GUEST PARKING: 80
 12. MIN. 24-FT WIDE, PRIVATE DRIVE.
 13. GRADING CONCEPT IS TO LOWER THE EXISTING UPPER PAD AND RAISE THE LOWER PAD TO FORM A SINGLE PAD.
 14. PRIVATE SEWER LIFT STATION: 0.25 AC RESERVED.
 15. COMMON REC AREA AMENITIES: LAWN WITH CHILDREN PLAY AREA AND BBQ AREAS.
 16. THIS CONCEPT SITE PLAN IS INTENDED TO ILLUSTRATE A POTENTIAL RESIDENTIAL DEVELOPMENT. DENSITY, BUILDING PRODUCT AND CIRCULATION AS SHOWN, ARE SUBJECT TO CHANGE UPON FURTHER DEVELOPMENT OF GRADING, ARCHITECTURAL AND ENGINEERING DESIGN.

BASIS OF BEARINGS
 THE COORDINATES AND BEARINGS SHOWN HEREON ARE BASED UPON THE CALIFORNIA COORDINATE SYSTEM OF 1983, CCS83, ZONE 6, CSRS NAD83(2011) 2017.50 EPOCH IN ACCORDANCE WITH THE CALIFORNIA PUBLIC RESOURCES CODE SECTIONS 8801-8819; SAID COORDINATES AND BEARINGS ARE BASED LOCALLY UPON FIELD-OBSERVED TIES TO THE FOLLOWING CALIFORNIA SPATIAL REFERENCE NETWORK STATIONS, OR EQUIVALENT:

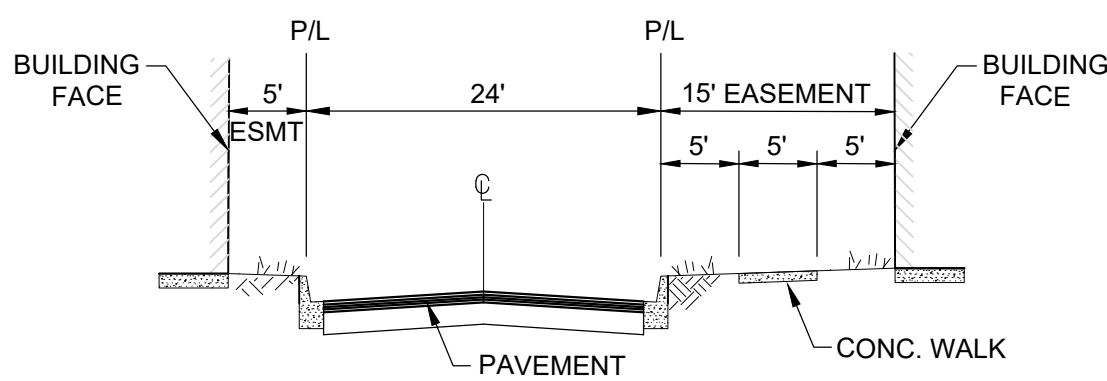
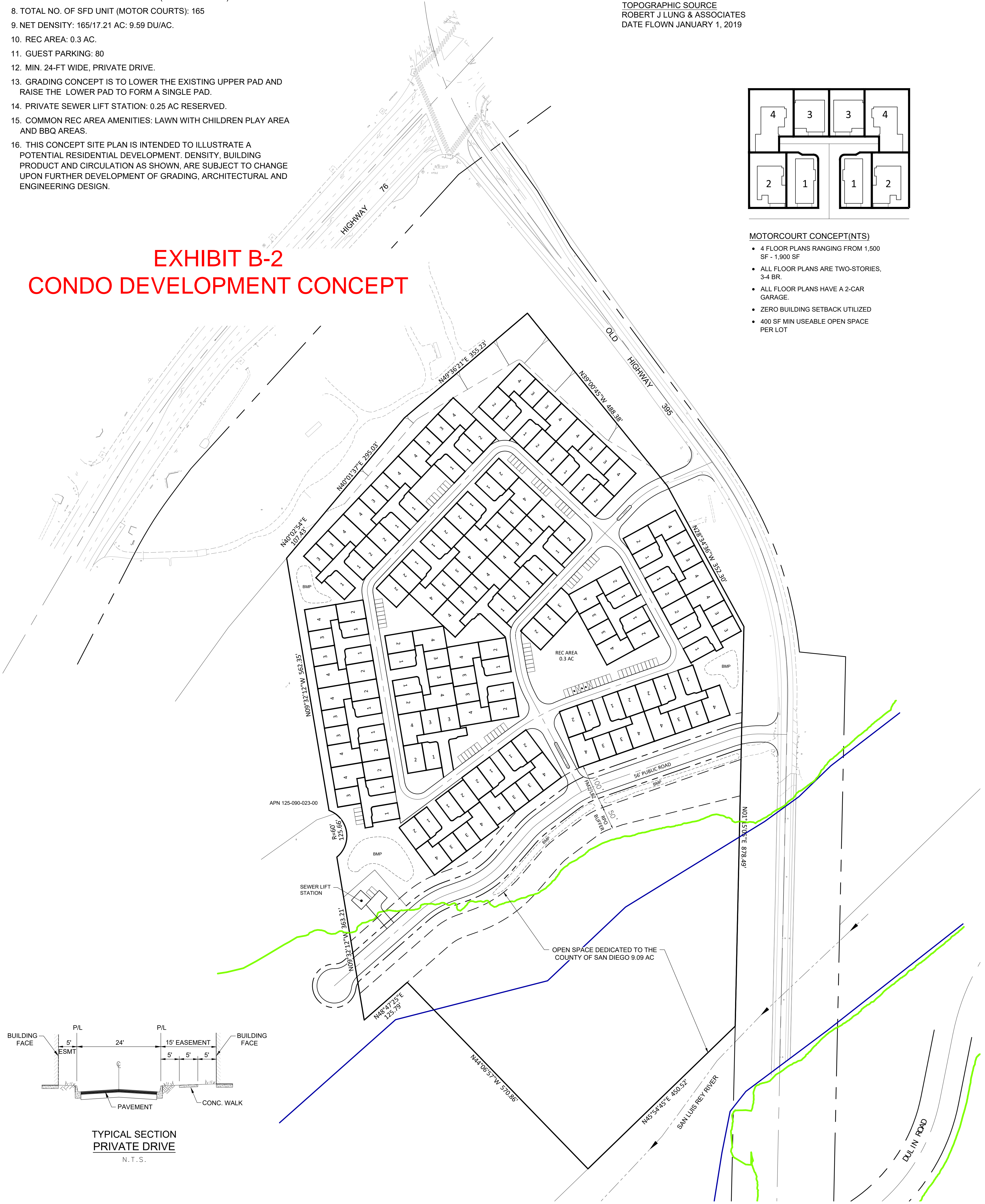
BENCHMARK
 VERTICAL DATUM: CSRS NAVD88
 BENCH MARK: P476
 ELEVATION: 1126.39 (1018.61 ELLIPSOID HEIGHT AND GEOID2012B -107.78 GEOID HEIGHT)
 DESCRIPTION: CGPS STATION P476

TOPOGRAPHIC SOURCE
 ROBERT J LUNG & ASSOCIATES
 DATE FLOWN JANUARY 1, 2019



- MOTORCOURT CONCEPT(NTS)**
- 4 FLOOR PLANS RANGING FROM 1,500 SF - 1,900 SF
 - ALL FLOOR PLANS ARE TWO-STORIES, 3-4 BR.
 - ALL FLOOR PLANS HAVE A 2-CAR GARAGE.
 - ZERO BUILDING SETBACK UTILIZED
 - 400 SF MIN USEABLE OPEN SPACE PER LOT

EXHIBIT B-2 CONDO DEVELOPMENT CONCEPT



TYPICAL SECTION
 PRIVATE DRIVE
 N.T.S.

LEGEND

- PROJECT BOUNDARY
- EXIST. LOT LINE
- - - EXIST. CALTRANS ROW
- FLOODWAY (MBI)
- FLOODPLAIN (MBI)
- BMP
- BIO-FILTRATION BASIN

APN
 125-090-026, 034, 035 & 038 (TOTAL 29.52 AC.)



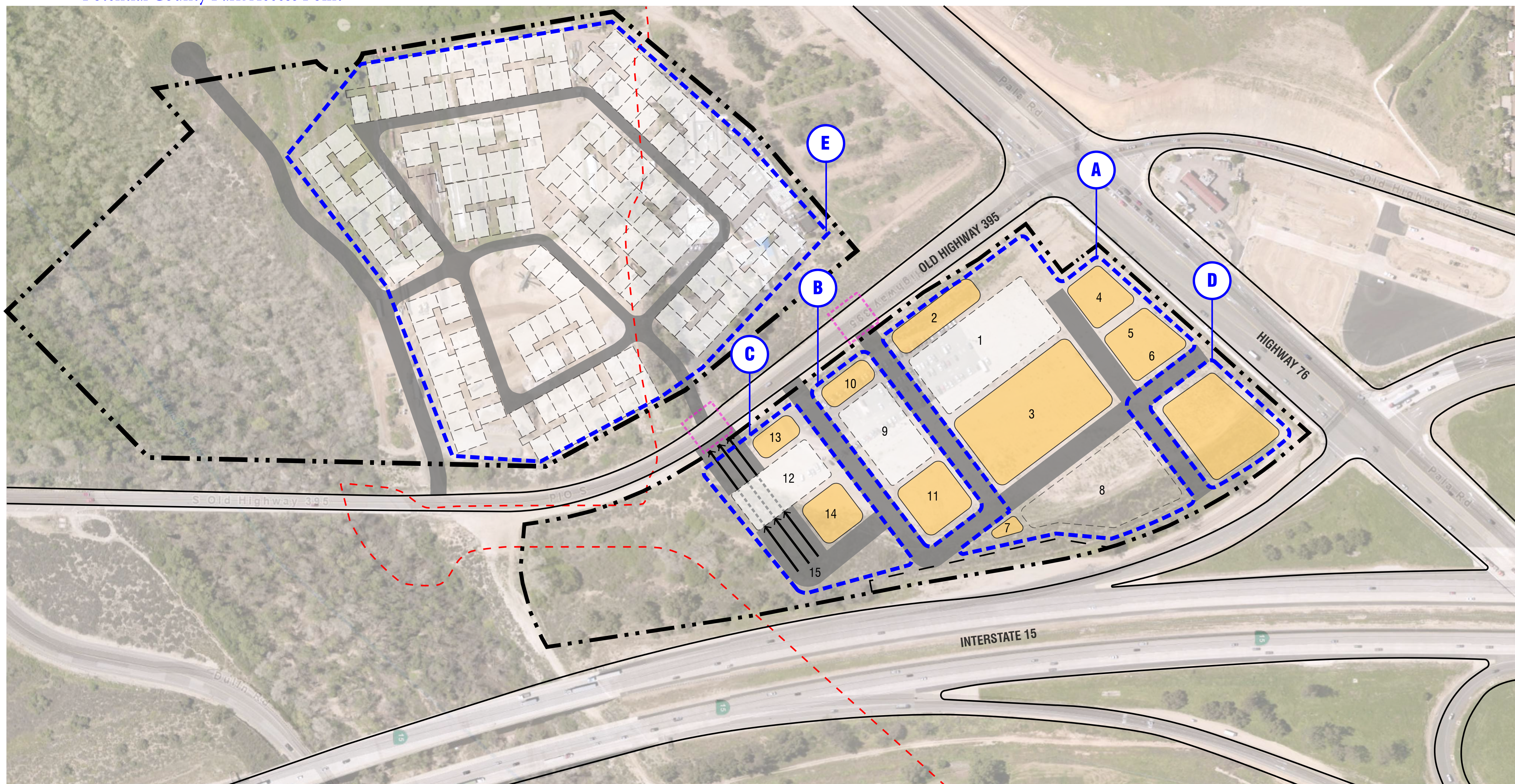
RIVER PARK
 FALLBROOK, CA
 MOTORCOURTS
 165 UNITS

Michael Baker INTERNATIONAL
 9755 Clairemont Mesa Blvd.
 San Diego, CA 92124
 Phone: (619) 614-5000
 M.BAKER@MBAKERINTL.COM

DATE: 7/7/2021

H:\PDATA\180177\CAD\PLANNING\DLV\180177-EX-04 -ALTC70-JELIX\TRIALINE.DWG BUTTIS, KIMBERLY 7/7/2021 11:47 AM

Potential County Park Access Point



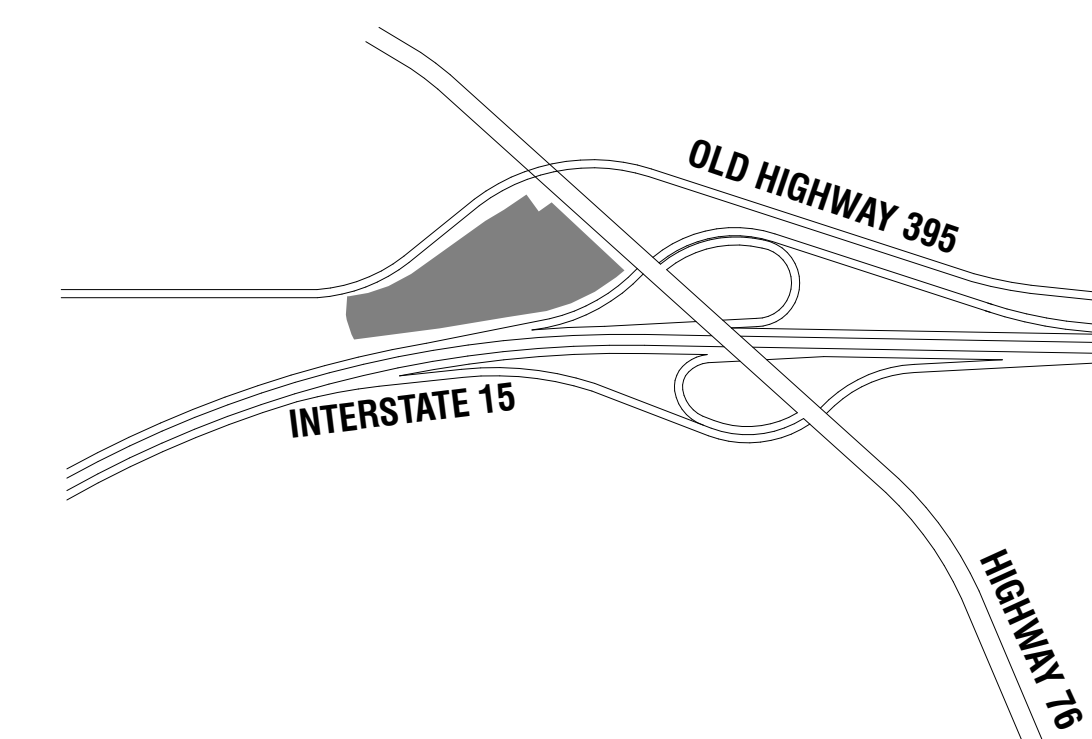
SITE DIAGRAM
N.T.S

KEYNOTES
TOTAL PROPERTY: 18.3 ACRES

- A RAINBOW MUNICIPAL WATER DISTRICT ZONE
 1. BUILDING AREA: 40,000 SF
 2. VISITOR PARKING
 3. STAFF AND COVERED PARKING (80 SPACES)
 4. FLEET VEHICLE PARKING
 5. SPOILS STORAGE
 6. MATERIALS STORAGE
 7. FUELING STATION
 8. FUTURE YARD
- B SAN DIEGO COUNTY SHERIFF STATION
 9. BUILDING AREA: 24,000 SF
 10. VISITOR PARKING
 11. STAFF PARKING
- C NORTH COUNTY FIRE STATION
 12. BUILDING AREA: 24,000 SF
 13. VISITOR PARKING
 14. STAFF PARKING
 15. FIRE VEHICLE LANES
- D CALFIRE EQUIPMENT STAGING/PARKING
- E FUTURE HOUSING DEVELOPMENT (166 UNITS)

LEGEND

- PROPERTY LINE
- FLOOD PLAIN
- VEHICULAR CIRCULATION
- BUILDING ZONE
- PARKING/EXTERIOR ZONE
- USE ZONE
- SIGNALLED INTERSECTION PROPOSED



VICINITY MAP
N.T.S

**RAINBOW MUNICIPAL WATER DISTRICT
SITE ANALYSIS**



BOARD ACTION

Item No. 10.F

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

CONSIDERATION OF ADOPTION OF ORDINANCE NO. 24-04 REVISION TO ADMINISTRATIVE CODE CHAPTER 5.03, INVESTMENT POLICY, SECTIONS 5.03.010 THROUGH 5.03.210.

BACKGROUND

Administrative Code (Admin Code) Chapter 5.03, Investment Policy, governs the investment of District funds in detail as determined by the requirements of California law. Section 53607 of the California Government Code authorizes the Board to delegate its authority to the Treasurer for a one-year period to invest or reinvest the funds of the District and to sell or exchange securities purchased. The Board delegates this authority to the Treasurer in Admin Code Section 5.03.070 and which includes an automatic renewal that delegation of authority. The Investment Policy, including the renewal of delegation, is then reviewed annually for any necessary changes or changes directed by the Board.

Proposed Policy Revisions. Changes are proposed to update the Policy, as well as to add some clarifications and minor nits, in accordance with California Government Code.

5.03.010: Provide clarification that there are secondary and third objectives, in addition to the primary objective of safety of principal. Liquidity and Investment return are also important objectives that should be considered when making investments.

5.03.020: Provide clarification that bond proceeds shall be subject to approved bond documents and Treasury restrictions.

5.03.080: Provide clarification that a monthly report of transactions, including purchases, sales, and maturities should be provided to the Board in accordance with California Government Code 53607.

5.03.120: Eliminating that the Treasurer will make exceptions of types of agencies to invest. The Treasurer should only transact business with banks, savings and loan associations, and with broker/dealers, so this statement is not necessary. Provide clarification that broker/dealers must agree to abide by the District's Investment Policy. Provide clarification that if the District contracts with an investment advisor, that the Treasurer may approve a list of the advisor's authorized broker/dealers.

5.03.140: Eliminating that loss of principal will be acceptable, as this appears to create confusion. The District's intent to hold all investments until maturity was addressed previously in the Investment Policy in Section 5.03.030, Investment Policy Prudence.

5.03.150: Eliminate Student Loan Marketing Association (SLMA) securities as these investment securities are not Government Obligations and add Farmer Mac as a strong credit Government Obligation option. Provide clarification for LAIF that there is no percentage limitation due to liquidity. The Local Agency Investment Fund (LAIF) State maximum has been increased up to \$75 million. With the Board Action Item also requested for approval at the February 27, 2024, meeting, is the additional investment option. Local Government Investment Pools (LGIPs) with the highest credit ratings will allow increased portfolio diversification, as well as a potential to earn higher yields on highly liquid funds. Update that bankers' acceptances may not exceed 180 days in accordance with California law. Provide additional information for short-term money market accounts to include additional safety requirements. Update the Investment Type Percentages for proposed changes in this section. Allow for a maximum amount of the highest liquidity options such as cash and money market accounts, if best determined by the Treasurer to keep funds liquid for any upcoming expense obligations. Eliminate passbook savings acct demand deposits, as this is repetitive and can be considered cash funds addressed in the prior line item of the Policy.

5.03.190: Eliminating the Security Swaps securities. Derivatives are highly advised against under Government Finance Officer's Association's best practices due to the risk and uncertainties involved. The District does not have a large portfolio in order to potentially take advantage to outweigh the risks, nor would it be prudent.

5.03.210. Investment Policy Glossary Terms. Minor nits and added items for additional investment terminology.

DESCRIPTION

This action item is to perform the annual review the Investment Policy, as well as approve proposed revisions, in accordance with California law.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility – The annual delegation of authority to the Treasurer and latest revisions to the Investment Policy will ensure the Treasurer is able to manage the District's excess cash and invest in securities maintaining the highest credit ratings to ensure safety of principal, in accordance with the District's Investment Policy and California law.

BOARD OPTIONS/FISCAL IMPACTS

There is no direct fiscal impact associated with the revisions to the Investment Policy other than the ability to now invest in Local Government Investment Pools like CAMP, which have current yields of approximately 5.5%.

ENVIRONMENTAL

N/A

RECOMMENDATION

The Budget and Finance Committee met on February 13th, 2024, reviewed this item and recommended the Board adopt Board Ordinance No. 24-04 revising Administrative Code Chapter 5.03, Investment Policy, relating to the investment of funds.

Attachments:

1. Ordinance No. 24-04 Amending Administrative Code Chapter 5.03 (Investment Policy)
2. Red-lined Administrative Code Chapter 5.03, Investment Policy.

A handwritten signature in blue ink, appearing to read 'R. Aragon', with a long horizontal flourish extending to the right.

Richard R. Aragon
Chief Financial Officer

February 27, 2024

Ordinance No. 24-04

Ordinance of the Board of Directors of the Rainbow Municipal Water District
Amending and Updating Administrative Code
Chapter 5.03 -Sections 5.03.010 through 5.03.210, Investment Policy

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

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

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

NOW, THEREFORE,

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

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

Chapter 5.03 -Sections 5.03.010 through 5.03.210, Investment Policy

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

3. This ordinance shall take effect immediately upon its adoption on this 27th day of February 2024.

AYES:
NOES:
ABSTAIN:
ABSENT:

Hayden Hamilton, Board President

ATTEST:

Terese Quintanar, District Secretary

**Chapter 5.03
INVESTMENT POLICY**

Sections:

- 5.03.010 Investment Policy Purpose**
- 5.03.020 Investment Policy Scope**
- 5.03.030 Investment Policy Prudence**
- 5.03.040 Investment Policy Objectives**
- 5.03.040.01 Investment Policy Safety of Principal**
- 5.03.040.02 Investment Policy Liquidity**
- 5.03.040.03 Investment Policy Yield**
- 5.03.050 Investment Policy Maturity Matrix**
- 5.03.060 Investment Policy Performance Evaluation**
- 5.03.070 Investment Policy Delegation of Authority**
- 5.03.080 Investment Policy Reporting**
- 5.03.090 Investment Policy Ethics and Conflicts of Interest**
- 5.03.100 Investment Policy Safekeeping and Securities**
- 5.03.110 Investment Policy Investments Secured by Full Faith and Credit**
- 5.03.120 Investment Policy Qualified Brokers/Dealers**
- 5.03.130 Investment Policy Collateral Requirements**
- 5.03.140 Investment Policy Risk Tolerance**
- 5.03.150 Investment Policy Authorized Investments**
- 5.03.160 Investment Policy Legislative Changes**
- 5.03.170 Investment Policy Interest Earnings**
- 5.03.180 Investment Policy Limiting Market Value Erosion**
- 5.03.190 Investment Policy Portfolio Management Activity**
- 5.03.200 Investment Policy Review**
- 5.03.210 Investment Policy Glossary Terms**
- 5.03.220 Cash Reserves Policy**
 - 5.03.220.01 Purpose**
 - Operating Reserves**
 - Capital Reserves**
 - Water Capital Projects Reserve (Fund 60) 5.03.220.05**
 - Wastewater Replacement Reserve (Fund 52)**
 - 5.03.220.06 Wastewater Expansion Reserve (Fund 53)**
 - 5.03.220.07 Liability Self Insurance Reserve (03-00-13104)**
 - 5.03.220.08 Debt Service Reserve**
 - 5.03.220.09 New Water Sources Reserve (Fund 26)**
 - 5.03.220.10 Water Rate Stabilization Reserve (Fund 05)**

5.03.010

Investment Policy Purpose

In accordance with and under authority granted by the Board of Directors, the Treasurer for the Rainbow Municipal Water District is responsible for investing the unexpended cash in the District Treasury.

The investment of the funds of the Rainbow Municipal Water District is directed to the goals of safety, liquidity and yield. The authority governing investments for municipal governments is set forth in the California Government Code, Sections 53601 through 53659.

The primary objective of the investment policy of the Rainbow Municipal Water District is **SAFETY OF PRINCIPAL**. The secondary objective shall be to meet the liquidity needs of the Rainbow Municipal Water District. The third objective shall be to achieve an investment return on the funds under control within the parameters of prudent risk management, consistent with the constraints imposed by its safety objective and cash flow considerations. Investments shall be placed in those securities as outlined by type and maturity sector in this document. Effective cash flow management and resulting cash investment practices are recognized as essential to good fiscal management and control. Rainbow Municipal Water District's portfolio shall be designed and managed in a manner responsive to the **PUBLIC TRUST** and consistent with state and local law. Portfolio management requires continual analysis and as a result the balance between the various investments and maturities may change in order to give the Rainbow Municipal Water District the optimum combination of necessary liquidity and optimal yield based on cash flow requirements.

5.03.020 Investment Policy Scope

The Investment Policy applies to all financial assets of the Rainbow Municipal Water District as accounted for in the Annual Audit Report, except for the employee's retirement and deferred compensation funds. Policy statements outlined in this document focus on the Rainbow Municipal Water District's pooled funds, but will also apply to all other funds under the District Treasurer's span of control unless specifically exempted by ~~statue~~ statute or ordinance.

One exception does exist regarding the investment of bond reserve funds. If, in the opinion of the Rainbow Municipal Water District Treasurer, matching the segregated investment portfolio of the bond reserve fund with the maturity schedule of an individual bond issue is prudent given current economic analysis, the investment policy authorizes extending beyond the five--year maturity limitation as outlined in this document. Investment of bond proceeds shall be subject to the conditions and restrictions of bond documents and Treasury regulations related to arbitrage restrictions on tax-exempt bonds.

5.03.030
Investment Policy Prudence

The standard to be used by investment officials shall be that of the "prudent investor rule" (California Government Code 53600.3),—and shall be applied in the context of managing all aspects of the overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, direction and intelligence, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived.

It is the Rainbow Municipal Water District intent, at the time of purchase, to hold all investments until maturity to ensure the return on all invested principal dollars.

However, it is realized that market prices of securities will vary depending on economic and interest rate conditions at any point in time. It is further recognized that in a well-diversified investment portfolio, occasional measured losses are inevitable due to economic, bond market or individual security credit analysis. These occasional losses must be considered within the context of the overall investment program objectives and the resultant long-term rate of return.

5.03.040
Investment Policy Objectives

5.03.040.01 Safety of Principal

Safety of principal is the foremost objective of the Rainbow Municipal Water District. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default or erosion of market value. The District shall seek to preserve principal by mitigating the two types of risk, credit risk and market risk.

CREDIT RISK, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the District's capital base and cash flow.

MARKET RISK, defined as market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by limiting the average maturity of the District's investment portfolio to three years, the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity, and avoiding the purchase of long term securities for the sole purpose of short term speculation.

5.03.40.02 Investment Policy Liquidity

Historical cash flow trends are compared to current cash flow requirements on an ongoing basis in an effort to ensure that the District's investment portfolio will remain sufficiently liquid to enable the District to meet all reasonably anticipated operating requirements.

5.03.40.03 Investment Policy Yield

Yield should become a consideration only after the basic requirements of safety and liquidity have been met.

5.03.050

Investment Policy Maturity Matrix

Maturities of Investments will be selected based on liquidity requirements to minimize interest rate risk and maximize earnings. Current and expected yield curve analysis will be monitored and the portfolio will be invested accordingly. The weighted average maturity of the pooled portfolio should not exceed three years and the following suggested percentages of the portfolio should be invested in the following maturity sectors:

<u>Maturity Range</u>	<u>Suggested Percentage</u>
1 day to 180 days	15 to 50%
181 days to 364 days	10 to 50%
1 year to 2 years	10 to 50%
2 years to 3 years	0 to 40%
3 years to 4 years	0 to 40%
4 years to 5 years	0 to 40%
Over 5 years	Board Approval Required

5.03.060

Investment Policy Performance Evaluation

Investment performance is continually monitored and evaluated by the District Treasurer. Investment performance statistics and activity reports are generated on a monthly basis for review. (See **Reporting** section of this Investment Policy).

5.03.070

Investment Policy Delegation of Authority

The ~~investment~~ ~~per this policy~~, of District idle funds is annually delegated to the Treasurer by the Board of Directors who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires.

All transactions will be reviewed by the Treasurer on a regular basis to assure compliance with this Statement of Investment Policy.

This delegation of investment authority is limited to one year and will be reviewed annually by the Board of Directors through its annual review of the investment policy as whole (California Government Code 53600, et seq).

5.03.080

Investment Policy Reporting

The Treasurer will submit a monthly investment [transactions](#) report [of purchases, sales, and maturities](#) (California Government Code 53607), and a quarterly investment report (California Government Code 53646) to the Board of Directors. This report will include: type of investment, issuer, date of maturity, [par and dollar](#) amount of deposit, rate of interest, statement that there are or are not sufficient funds to meet the next 6 months obligations and a statement indicating compliance or noncompliance with this Statement of Investment Policy (California Government Code 53646 (b), (2) & (3)). Additional items listed will also include average weighted yield, average days to maturity, accrued interest earned during the period and fiscal year to date percent distribution to each type of investment.

5.03.090

Investment Policy Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program, or impairs their ability to make impartial investment decisions. Additionally, the District Treasurer is required to annually file financial disclosures as required by the Fair Political Practices Commission (FPPC). All officers and employees involved in the investment of public funds are required to comply with the District's Conflict of Interest Code.

5.03.100 Investment Policy Safekeeping and Securities

To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the District shall be held in safekeeping by a third party institution, acting as an agent for the District under the terms of a custody agreement or PSA agreement (repurchase agreement collateral). All trades executed by a dealer will settle delivery vs. payment (DVP) through the District's safekeeping agent.

The Treasurer will establish an annual process of independent review by an external audit firm. This review will provide assurances of strong internal controls by reviewing compliance with previously established policies and procedures, the result of this review will be part of the annual audit report to the Board of Directors.

Important internal controls deemed necessary are: control of collusion, separation of duties and administrative controls, separating transaction authority from accounting and record keeping, custodial safekeeping, clear delegation of authority, management review and approval of investment transactions, specific limitation regarding security losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies, and code of ethical standards.

5.03.110**Investment Policy Investments Secured By Full Faith and Credit**

The District will require safekeeping documentation of the treasury instrument in an acceptable safekeeping account in the District's name with an acceptable third party trustee. Examples of this type of investment include Treasury Notes and Bills. The Board of Directors of Rainbow Municipal Water District may invest daily surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code 5921 and 53600, et seq.

5.03.120

Investment Policy Qualified Brokers/Dealers

The District shall transact business only with banks, savings and loans associations, and with brokers/dealers. ~~The District Treasurer will make exceptions only upon written authorization.~~ Investment staff shall investigate broker/dealers who wish to do business with the District to determine if they are adequately capitalized, and make markets in the securities appropriate to the District's need, and agree to abide by the conditions set forth in the investment policy.

The District Treasurer shall annually send a copy of the current investment policy to all broker/dealers approved to do business with the District. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the District's investment policies and intends to sell the District only appropriate investments authorized by this investment policy. If the District has contracted with investment advisor(s), the Treasurer may approve and use a list of authorized broker/dealers provided by the investment advisor.

5.03.130

Investment Policy Collateral Requirements

Collateral is required for investments in certificates of deposit, repurchase agreements and reverse repurchase agreements. In order to reduce market risk, the collateral level will be at least 102% of market value of principal and accrued interest.

In order to conform with the provisions of the Federal Bankruptcy Code which provides for liquidation of securities held as collateral, the only securities acceptable as collateral shall be certificates of deposit, commercial paper, eligible banker's acceptances, medium term notes or securities that are the direct obligations of, or are fully guaranteed as to principal and interest by, the United States or any agency of the United States.

5.03.140

Investment Policy Risk Tolerance

No individual investment transaction shall be undertaken, which jeopardizes the total capital position of the overall portfolio. The Treasurer shall periodically establish guidelines and strategies to control risks of default, and illiquidity.

Risk will also be managed by subscribing to a portfolio management philosophy that helps to control interest rate risk by investing to a shorter term. ~~Loss of principal will only be acceptable if economic gain can be conclusively demonstrated.~~

Controlling and managing risk is the foremost portfolio management objective. The District strives to maintain an efficient portfolio by providing ~~for~~ the lowest level of risk for a given level of return. This acceptable level of return has been quantified as a return that is consistent with the six-month Treasury bill yield. Any level of return above this measure should be reviewed in order to ensure that such investments meet the criteria previously specified.

5.03.150

Investment Policy Authorized Investments

Investment of District funds is governed by the California Government Code Sections 53600, et seq. Within the context of the limitations, the following investments are authorized as further limited herein:

1. United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio, which can be invested in this category, although a five-year maturity limitation is applicable and can be waived based on a program or specific investment approved by the District.
2. Obligations issued by the Government National Mortgage Association (GNMA), the Federal Farm Credit System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal National Mortgage Association (FNMA), ~~the Student Loan Marketing Association (SLMA)~~, Federal Home Loan Mortgage Association (FHLMC), Federal Agricultural Mortgage Corporation (Farmer Mac), and the Tennessee Valley Authority (TVA). There is no percentage limitation of the portfolio, which can be invested in this category, although a five-year maturity limitation is applicable, unless waived as described above.
3. Local Agency Investment Fund (LAIF) which is a State of California managed investment pool and operates similarly to a LGIP may be used up to the maximum permitted by California State Law with no percentage limitation of the portfolio. (\$30 million).
- 3.4. Local Government Investment Pools (LGIPs) are investments that consist of shares of beneficial interest issued by a joint powers authority (JPA) organized pursuant to Government Code Section 6509.7 and authorized by Government Code Section 53601(p). The District should only invest in LGIPs that comply with the California Government Code and all relevant sections of this investment policy, are managed to maintain a stable NAV, and LGIP ratings must be in the highest rating category by at least one NRSRO. There is no percentage limitation of the portfolio which can be invested in this category.

Investments detailed in items 4 through 10 are further restricted to the percentage of the cost value of the portfolio in any one-issuer name to a maximum of 15%. The total value invested in any one issuer shall not exceed 5% of the issuer's net worth. Again, a five-year maximum maturity limitation is applicable unless further restricted by this policy.

- 4.5. Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances. Banker's acceptances purchased may not exceed 180270 days to maturity or 40% of the cost value of the portfolio.
- 5.6. Commercial paper ranked P1 or A when applicable Moody's Investor Services or A1+ by Standard & Poor's, and issued by domestic corporations having assets in excess of \$500,000,000 and having

an "AA" or better rating on its' long-term debentures as provided by Moody's or Standard & Poor's Purchases of eligible commercial paper may not exceed 270 days to maturity nor represent more than 10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 15% of the cost value of the portfolio.

- 6-7.** Negotiable Certificates of deposit issued by nationally or state chartered banks or state or federal savings institutions. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio. A maturity limitation of five years is applicable, unless waived as described above.
- 7-8.** Repurchase agreements that specify terms and conditions may be transacted with banks and broker dealers. The maturity of the repurchase agreements shall not exceed 90 days. The market value of the securities used as collateral for the repurchase agreements shall be monitored by the investment staff and shall not be allowed to fall below 102% of the value of the repurchase agreement. A PSA Master Repurchase Agreement is required between the Rainbow Municipal Water District and the broker/dealer or financial institution for all repurchase agreements transacted, see note below regarding investments which may yield \$0.00.
- 8-9.** Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings or loan associations. Since time deposits are not liquid, no more than 25% of the investment portfolio may be invested in this investment type.
- 9-10.** Medium-Term Corporate Notes, with a maximum maturity of five years may be purchased. Securities eligible for investment shall be rated "A" or better by Moody's or Standard & Poor's rating services. Purchase of medium-term notes may not exceed 30% of the market value of the portfolio and no more than 15% of the market value of the portfolio may be invested in notes issued by one corporation. Commercial paper holdings should be included when calculating the 15% limitation.
- 10-11.** Various daily cash funds including short-term money market accounts administered for or by trustees, paying agents and custodian banks contracted by the Rainbow Municipal Water District may be purchased as allowed under State of California Government Code. Only funds holding U.S. Treasury or Government agency obligations can be utilized and managed to maintain a stable NAV. The maximum exposure to a single mutual fund shall be 10% of the District's market value of the portfolio. Ratings must be in the highest rating category by at least two NRSROs.

Ineligible investments are those that are not described herein, including but not limited to; common stocks and long term (over five-years in maturity) notes and bonds. The District shall not invest in any instrument, which held to maturity, would yield \$0.00 (California Government Code 53601.6). It is noted that special circumstances arise that necessitate the purchase of securities beyond the five-year limitation. On such occasions, requests must be approved by the Board of Directors of the Rainbow Municipal Water District prior to purchase.

The following summary of maximum percentage limits, by instrument, are established for the Rainbow Municipal Water District total pooled funds portfolio:

<u>Investment Type</u>	<u>Percentage</u>
Repurchase Agreements	0 to 100%
Local Agency Investment Fund (LAIF)	\$30,000,000 per acct. 0 to 100% up to <u>State Maximum</u>
US Treasury Bonds/Notes/Bills	0 to 100%
US Government Agency Obligations	0 to 100%
US Government Agency Callable	0 to 75%
Banker's Acceptance	0 to 40%
Commercial Paper	0 to 15%
Negotiable Certificates of Deposit	0 to 30%
Time Certificates of Deposit	0 to 25%
Medium-Term Corporate Notes	0 to 30%
Cash funds and Money Mkt. Accts.	0 to 100 20%
Passbook savings acct demand deposits	0 to 20%

5.03.160**Investment Policy Legislative Changes**

Any State of California legislative action, that further restricts allowable maturities, investment type or percentage allocations, will be incorporated into the Rainbow Municipal Water District's Investment Policy and supersede any and all previously accepted language.

5.03.170**Investment Policy Interest Earnings**

All moneys earned and collected from investments authorized in this policy shall be allocated monthly to various fund accounts based on the cash balance in each fund as a percentage of the entire pooled portfolio.

5.03.180

Investment Policy Limiting Market Value Erosion

The longer the maturity of securities, the greater their market prices volatility. Therefore, it is the general policy of the Rainbow Municipal Water District to limit the potential effects from erosion in market values by adhering to the following guidelines:

All immediate and anticipated liquidity requirements will be addressed prior to purchasing all investments.

Maturity dates for long-term investments will coincide with significant cash flow requirements where possible, to assist with short term cash requirements at maturity.

All long-term securities will be purchased with the intent to hold all investments to maturity under then prevailing economic conditions. However, economic or market conditions may change, making the District's best interest to sell or trade a security prior to maturity.

5.03.190

Investment Policy Portfolio Management Activity

The investment program shall seek to augment returns consistent with the intent of this policy, identified risk limitations and prudent investment principles. This objective will be achieved by use of the following strategies:

ACTIVE PORTFOLIO MANAGEMENT: Through active fund and cash flow management taking advantage of current economic and interest rate trends, the portfolio yield may be enhanced with limited and measurable increases in risk by extending the weighted maturity of the total portfolio.

PORTFOLIO MATURITY MANAGEMENT: When structuring the maturity composition of the portfolio, the District shall evaluate current and expected interest rate yields and necessary cash flow requirements. It is recognized that in normal market conditions longer maturities produce higher yields. However, the securities with longer maturities also experience greater price fluctuations when the level of interest rates change.

~~**SECURITY SWAPS:** The District may take advantage of security swap opportunities to improve the overall portfolio yield. A swap, which improves the portfolio yield, may be selected even if the transactions result in an accounting loss. Documentation for swaps will be included in the District's permanent investments file documents.~~

5.03.200
Investment Policy Review

The Rainbow Municipal Water District investment policy shall be adopted by resolution of the District Board of Directors on an annual basis (California Government Code 53646(a)). This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to the Board of Directors for approval.

Section 5.03.210

Investment Policy Glossary Terms

Agencies: Federal agency securities and/or Government-sponsored enterprises.

Asked: The price at which securities are offered. (The price at which a firm will sell a security to an investor). See "**Bid**" or "**Offer**".

Average Weighted Yield: The accumulative yield of each security weighted by the security's dollar as compared to the total value of all the securities.

Banker's' Acceptance: A letter of credit is issued in a foreign trade transaction. For example, a U.S. corporation planning to import goods from abroad will ask its bank to issue a letter of credit on behalf of the corporation in favor of the foreign supplier. Upon receipt of this letter and draft, the supplier will ship the goods and present the draft at its bank for discounting. The foreign bank then forwards the draft to its U.S. correspondent. The draft is stamped "accepted" with the U.S. bank incurring an obligation to pay the draft (now a banker's' acceptance) at maturity. Initial maturities range from 30 to 180 days, but the short-term 90-day acceptance is the market standard.

Basis Point: One one-hundredth of a percent (i.e. 0.01%).

Benchmark: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Bid: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid). See "**Asked**" or "**Offer**".

Book-entry Securities: Securities that are purchased, sold and held with electronic computer entries rather than transfer of physical certificates.

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides: they do not take a position. In the money market, brokers are active in markets, in which banks buy and sell money, and in inter-dealer markets.

Callable Bonds or Notes: Bonds or Notes may be repurchased at the option of the issuer within a specified period at a specified price. Early redemption of high-coupon bonds and/or notes occurs whenever interest rates subsequently decline (i.e., 30-year GNMA Notes).

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large denominations CD's are typically negotiable.

Collateral: Securities, evidence of deposit, or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Collateralization: The act of securing or guaranteeing the discharge of an obligation with anything such as stocks or bonds. Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Repayment of a loan may refer to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: Short term obligations issued by banks, corporations, and other borrowers to investors with temporary idle cash. Such instruments are unsecured and are issued on a discounted basis.

Coupon:

(a.) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

(b.) A certificate attached to a bond evidencing interest due on a payment date.

[Credit Rating: The alphanumeric score which provides an assessment of the credit opinion of one of the Nationally Recognized Statistical Rating Organizations \(NSRSO\) for a particular investment or issuing entity.](#)

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for their own account.

Debenture: A bond secured only by the general credit of the issuer.

Delivery-Versus-Payment: Funds are not wire-transferred until the securities are delivered. If the transfer is accomplished through the Fed wire system, the investor is notified before cash is released. If a third-party acts as custodian, funds are released by the custodian or the customer only when delivery is accomplished.

Delivery-Versus-Receipt: Is delivery of securities with an exchange of a signed receipt for the securities.

Derivatives:

(1.) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or

(2.) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

Discount: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below the original offering price shortly after sale also is considered to be at a discount.

Discount Securities: Non-interest-bearing money market instruments that are Bills.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Duration: A measure of the price volatility of a portfolio that reflects an estimate of the projected increase or decrease in the value of a portfolio based upon a decrease or increase in the interest rates. A duration of 1.0 means that for every 1.0 percent increase in interest rates, the market value of a portfolio would decrease by 1.0 percent.

Federal Credit Agencies: Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., S & L's, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC): A Federal agency that insures bank deposits, currently up to ~~\$250~~250,000 per deposit.

Federal Funds Rate: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): Government sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLB's is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal National Mortgage Association (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., and 12 regional Federal Reserve banks and the Federal Open Market Committee. ~~about 5,700 commercial banks that are members of the system.~~

Government National Mortgage Association (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or USDA Rural Development mortgages. The term "pass-through" is often used to describe Ginnie Mae's.

Issuer: The entity identified as the counterparty or obligator related to a security trade.

Local Agency Investment Fund (LAIF): This fund was established by California Government Code Section 16429.1 for use by local agencies in California and is managed by the Treasurer of the State of California, who may invest money in the fund in securities prescribed in Government Code Section 16430 or elect to have the money of the fund invested through the State's Surplus

Money Investment Fund.

Liquid Short-term Securities: A security that is instantly negotiable at par value. A checking account, demand deposit, money market funds and state investment pool with check-writing features are very liquid.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Government Investment Pools (LGIPs): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer (LAIF) for investment and reinvestment. These investments consist of shares of beneficial interest issued by a joint powers authority (JPA) organized pursuant to California Government Code Section 6509.7 and authorized by Government Code Section 53601(p).

Market Value: The price that a security can be expected to bring when sold in a given market.

Market-average Rate of Return: The average return on a six-month U.S. Treasury Bill.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Money Market: The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc.) are issued and traded.

Money Market Funds: Third party funds that are subject to SEC (Investment Company Act of 1940) regulations that special diversification requirements and 53601).

Mutual Funds: Third party funds that are subject to the investment guidelines as described under California Government Code Section 53601.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

Offer: The price asked by a seller of securities. (When you are buying securities you ask for an offer). See "**Asked**" and "**Bid**".

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases affect reserves into the bank system and stimulate growth of money and credit: Sales have most flexible monetary policy tool.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers who submit daily reports of market activity and positions, monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker/dealers, banks and a few unregulated firms.

Prime Self-liquidating Banker's' Acceptance: The banker's' acceptance will be liquidated at maturity from the proceeds of the sale of goods, which distinguishes self-liquidating acceptance

from those used only to finance inventories.

Private Export Funding Corporation: Created by the finance U.S. exports. Interest payments and principal payments are backed by the full faith and credit of the U.S. Government.

Prudent Person Rule: An investment standard established in 1630. It states that a trustee who is investing for another should behave in the same way as a prudent individual of discretion and intelligence who is seeking a reasonable income and preservation of capital (California Government Code 53600.3). In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state-the so called "legal list". California Government Code 53601 is the "legal list".

Prudent Risk: An investment system in which the investor will invest conservatively to receive a stable income with little risk.

Rate of Return: The yield obtainable on its purchase price or its current market price. This may be the amortized yield to maturity_y on a bond, the current income return.

Repurchase Agreement (RP or REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate them for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

Safekeeping: A service to customers rendered by custodian banks for a fee whereby securities and valuables of all types and descriptions are segregated and identified by the bank for protection held in the bank's vaults for protection.

Secondary Markets: A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities and Exchange Commission: Agency created by congress to protect investors in securities transactions by administering securities legislation.

SEC Rule 15C3-1: See **UNIFORM NET CAPITAL RULE.**

Structured Notes: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, ~~SLMA~~, etc.) and Corporations that have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

Swap: A shift of assets from one instrument to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality.

Sweep: A daily transfer of available cash balances from a demand deposit (checking) account to an interest-earning vehicle such as an overnight repurchase agreement.

Treasury Bills: A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury Bond: Long-term U.S. Treasury securities having initial maturities of more than 10 years.

Treasury Notes: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Weighted Average Days to Maturity: The accumulative days of each security between the reporting date and maturity of the security weighted by the security's dollar value as compared to the total value of all the securities.

Yield: The rate of annual income return on an investment, expressed as a percentage.

(a.) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security.

(b.) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price; with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Zero Coupon: A bond without current interest coupons sold at a substantial discount from par that provides its return to investors through accretion in value at maturity.



BOARD ACTION

Item No. 10.G

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

ADOPTION OF A RESOLUTION ADDING ACCESS TO THE CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP) AS AN AUTHORIZED INVESTMENT

BACKGROUND

The California Asset Management Program (CAMP) was created in 1989 when two public agencies formed the California Asset Management Trust (Trust) with the objective of meeting local government investment needs at a reasonable cost. The Trust's activities are directed by a Board of Trustees, all of whom are finance officials of California public agencies. As a result, the Trust is accountable solely to its public agency Shareholders.

Initially, the Trust was formed to assist California public agencies with investing proceeds of tax-exempt bonds and complying with the arbitrage regulations. Responding to the needs of its Shareholders, the Trust was later modified to provide for the investment of operating funds and capital reserves.

The Trust's Cash Reserve Portfolio (Pool) is a short-term portfolio which, in order of priority, seeks to preserve principal, provide daily liquidity and earn a high level of income. The Pool is a long-established short-term investment alternative for California public agencies. In conjunction with the Pool, the Trust offers a variety of cash management tools to assist public agencies in effectively managing their cash. Recently due to the increase in short term interest rates and the Pool's strategy to invest in a weighted average maturity of 60 days or less, it has been earning approximately 5.5%, compared to the LAIF rate of approximately 4.0% and a weighted average maturity of about 210 days. As of end of December 2023, the Pool has over \$17 billion in public agency assets under management.

Some of the key benefits of the Pool, as identified within the Program Guide, are as follows:

- Safety: Standard and Poor's (S&P), one of the nationally-recognized statistical rating agencies, reviews the assets of the Pool each week. For the Pool to maintain the S&P "AAAm" rating,¹ the Pool must meet certain credit rating standards and not exceed the average maturity allowed by S&P. In addition, a third-party custodian holds all cash and securities.
- Daily liquidity: Shareholders may make withdrawals on any business day (same-day if CAMP is notified by 11:00 a.m. Pacific Time), and there is no limit on the number of transactions.
- Competitive yields

¹ Standard & Poor's fund ratings are based on analysis of credit quality, market price exposure, and management. According to Standard & Poor's rating criteria, the AAAM rating signifies excellent safety of invested principal and a superior capacity to maintain a \$1.00 per share net asset value. However, it should be understood that the rating is not a "market" rating nor a recommendation to buy, hold or sell the securities. For a full description on rating methodology, visit [Standard & Poor's website](#).

- Unlimited investments and withdrawals
- Interest earned daily and credited monthly
- Monthly statements
- For the proceeds of tax-exempt bonds, services to help ensure compliance with the arbitrage requirements of the Internal Revenue Code of the U.S. Department of Treasury for bond proceeds including arbitrage tracking, expenditure tests, annual estimates of rebate liability and rebate calculations on Installment Computation Dates.

CAMP is governed by a seven-member board of California public finance officials. CAMP's Investment Adviser, PFM Asset Management LLC (PFMAM), provides day-to-day portfolio management and program administrative services. PFMAM specializes in providing investment management services to public agencies.

Cost

As with all money market funds, other local government investment pools (LGIPs), and LAIF (the State of California's pooled investment fund), all expenses of the Trust are deducted from the Pool's yield. There are no out-of-pocket expenses for money invested in the Trust.

Investment Policy Compliance

The Board will also consider a proposed revision of Sections 5.03.010 through 5.03.210 of the Administrative Code Chapter 5.03, Investment Policy, at the February 27, 2024, Board meeting. Section 5.03.150 is proposed to be amended to add LGIPs. The CAMP Pool is an authorized LGIP investment per the revised Policy and under the California Government Code Section 6509.7. The Budget & Finance Committee, at its February 13, 2024, meeting will be asked to make a recommendation to the Board to add CAMP as an additional investment option.

DESCRIPTION

This action item is to adopt a Resolution to join other public agencies as a Participant of the California Asset Management Trust, a joint powers authority (JPA), to invest in shares of the Trust, if desired.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility – An additional investment option will allow a more diversified portfolio and an opportunity to potentially obtain a higher yield for short-term liquidity as compared to other short-term liquidity.

BOARD OPTIONS/FISCAL IMPACTS

Becoming a Shareholder of CAMP would allow the Rainbow Municipal Water District to access professional investment management services in a cost-efficient manner, with the goal of further diversifying its portfolio within the constraints of California Government Code and seeking to protect principal, meet liquidity needs, and enhance investment earnings over time.

ENVIRONMENTAL

N/A

STAFF RECOMMENDATION

Adopt Board Resolution No. 2024-04, authorizing the Rainbow Municipal Water District to join with other public agencies as a Participant of the California Asset Management Trust, a joint powers authority (JPA), to invest in shares of the Trust.

Attachment:

1. Board Resolution No. 2024-04, authorizing the Rainbow Municipal Water District to join with other public agencies as a Participant of the California Asset Management Trust, a joint powers authority (JPA), to invest in shares of the Trust.



Richard R. Aragon
Chief Financial Officer

February 27, 2024

RESOLUTION NO. 2024-04

A RESOLUTION OF THE BOARD OF THE RAINBOW MUNICIPAL WATER DISTRICT, AUTHORIZING THE RAINBOW MUNICIPAL WATER DISTRICT (THE "PUBLIC AGENCY") TO JOIN WITH OTHER PUBLIC AGENCIES AS A PARTICIPANT OF THE CALIFORNIA ASSET MANAGEMENT TRUST AND TO INVEST IN SHARES OF THE TRUST

WHEREAS, Section 6509.7 of Title 1, Division 7, Chapter 5 of the Government Code of the State of California (the "Joint Exercise of Powers Act") provides that, if authorized by their legislative or other governing bodies, two or more public agencies that have the authority to invest funds in their treasuries may, by agreement, jointly exercise that common power;

WHEREAS, under Sections 6500 and 6509.7(b) of the Joint Exercise of Powers Act, a "public agency" includes, but is not limited to, any California county, county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission, state department or agency, any joint powers authority formed pursuant to the Joint Exercise of Powers Act by public agencies or any nonprofit corporation whose membership is confined to public agencies or public officials;

WHEREAS, public agencies that constitute local agencies, as that term is defined in Sections 53600 of Title 5, Division 2, Part 1, Chapter 4, Article 2 of the Government Code of the State of California (the "California Government Code"), are authorized pursuant to Section 53601(p), to invest all money belonging to, or in the custody of, a local agency not required for its immediate need in shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 of the California Government Code that invests in the securities and obligations authorized in subdivisions (a) to (q), inclusive, of Government Code Section 53601;

WHEREAS, the California Asset Management Trust (the "Trust") was established, pursuant to and in accordance with the Joint Exercise of Powers Act, by a Declaration of Trust, made as of December 15, 1989, as subsequently amended from time to time (the "Declaration of Trust"), as a vehicle for public agencies to jointly exercise their common power to invest the proceeds of debt issues and Public Agency surplus funds;

WHEREAS, pursuant to and in accordance with the Joint Exercise of Powers Act, the Public Agency desires to join the other public agencies which are or will be Participants of the Trust by adopting and executing the Declaration of Trust, a form which is on file in the office of the Treasurer;

WHEREAS, the Public Agency is a "public agency" as that term is defined in Sections 6500 and 6509.7(b) of the Joint Exercise of Powers Act and a "local agency" as that term is defined in Section 53600 of the California Government Code;

WHEREAS, the Public Agency is otherwise permitted to be a Participant of the Trust and to invest funds in the Trust and in the individual portfolios to be managed by the Investment Adviser to the Trust ("Individual Portfolios"); and

WHEREAS, a program guide describing the Trust and the Individual Portfolios (the “Program Guide”) is on file in the office of the Treasurer.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Public Agency as follows:

Section 1. The Public Agency shall join with other public agencies pursuant to and in accordance with the Joint Exercise of Powers Act by executing the Declaration of Trust and thereby becoming a Participant in the Trust, which Declaration of Trust is hereby approved and adopted. A copy of the Declaration of Trust, which is available in the office of the Treasurer shall

be filed with the minutes of the meeting at which this Resolution was adopted. The Board President is hereby authorized to execute, and the Board Secretary is hereby authorized to attest and deliver, the Declaration of Trust.

Section 2. The Public Agency is hereby authorized to purchase shares in the Trust from time to time with available funds of the Public Agency, and to redeem some or all of those shares from time to time as such funds are needed.

Section 3. The Public Agency is hereby authorized to invest available funds of the Public Agency from time to time in one or more Individual Portfolios managed by the Investment Adviser to the Trust and described in the Program Guide.

Section 4. The appropriate officers, agents and employees of the Public Agency are hereby authorized and directed in the name and on behalf of the Public Agency to take all actions and to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, and any changes, amendments, modifications, or waivers thereto which they, or any of them, might deem necessary or appropriate in order to accomplish the purposes of this Resolution.

Section 5. This Resolution shall take effect at the earliest date permitted by law.

PASSED AND ADOPTED at a Regular meeting of the Board of Directors of Rainbow Municipal Water District held on the 27th day of February 2024, by the following vote, to wit:

AYES: Directors _____, Hamilton, Johnson, Mack, and Townsend-Smith

NOES:

ABSENT:

ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Terese Quintanar, District Secretary



BOARD ACTION Item No. 10.H

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

CONSIDERATION OF ADOPTION OF ORDINANCE NO. 24-06 REVISION TO ADMINISTRATIVE CODE SECTION 5.01.020, ACCOUNTS PAYABLE SIGNERS

BACKGROUND

Staff reviewed Administrative Code (Admin Code) Section 5.01.020 regarding accounts payable check signing requirements due to the recent need to approve a resolution adding the new Chief Financial Officer and Board Member filling the District 3 vacancy to the authorized bank signers list. In light of this review of current code and practices, staff recommend Admin Code Section 5.01.020 be updated to align with current standard industry practices among other local water districts which allow for checks to be signed at only a staff level, regardless of amount, if the purchases and contracts are properly previously approved at the appropriate level of staff or the Board as determined by the Procurement Policy. This revision would include the provision for any Board member to be able to sign in the place of management staff for one of the two required signatures in the event staff is unavailable and timely payment is required, such as might be the case during an emergency.

The historical practice and current Admin Code Section 5.01.020 require a Board member sign any check over \$50,000, even if the purchase or contract was previously approved by the Board, or is a required payment to cover imported purchase water costs or utility payments. This change is recommended to remove any potential for a delayed payment of appropriately authorized expenses that could incur late penalties, or be in breach of payment terms and conditions which would dam. As a mitigating control to ensure appropriate oversight of the Board, staff currently provide monthly Board reports which contain a listing of all physical or electronic payments, excepting payroll transactions, and all credit card purchases. Additionally, Admin Code Section 5.02.200 would still require all purchases and contract services over \$50,000 be preapproved by the Board, except in the case of an emergency.

DESCRIPTION

This action item is to revise the Administrative Code Section 5.01.020 – Accounts Payable Signers to conform the check signing requirement to industry current standard practices.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

BOARD OPTIONS/FISCAL IMPACTS

There is no direct fiscal impact associated with the proposed revisions to the Admin Code, but this action does reduce the risk of untimely payment of obligated expenses and any incurred late fees or penalties.

ENVIRONMENTAL

N/A

RECOMMENDATION

The Budget and Finance Committee met on February 13, 2024, reviewed this item and recommended the Board adopt Board Ordinance No. 24-06 revision of Administrative Code Chapter 5.01.020 – Accounts Payable Signers.

Attachments:

1. Ordinance (24-06) Amending Administrative Code Chapter 5.01.020
2. Red-lined Administrative Code Chapter 5.01.020
3. Agency Survey - Required Board member check signing



Richard R. Aragon
Chief Financial Officer

February 27, 2024

Ordinance No. 24-06

Ordinance of the Board of Directors of the Rainbow Municipal Water District
Amending and Updating Administrative Code
Section 5.01.020, Accounts Payable Signers

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

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

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

NOW, THEREFORE,

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

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

Section 5.01.020, Accounts Payable Signers

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 February 2024.

AYES:
NOES:
ABSTAIN:
ABSENT:

Hayden Hamilton, Board President

ATTEST:

Terese Quintanar, District Secretary

Section 5.01.020
Accounts Payable Signers

Accounts payable checks shall require two signatures, either physical or digital. The General Manager or Chief Financial Officer/Finance Manager of the District may authorize checks be printed using digital signatures, or electronic payments such as ACH be issued, if such expenditures were previously approved according to the appropriate staff or Board level per the Administrative Code. Any one member of the Board may sign an accounts payable check in the event manual signatures are necessary should management staff be unavailable and circumstance require timely payment. under \$50,000 shall be signed by members of the management staff, and checks over \$50,000 be signed by one member of management staff and one Board member. Payments may be made by using physical checks, facsimile, digital signature, electronic funds transfer (EFT), wires, or any other method that is secure, efficient, and beneficial to the District's needs. The Budget and Finance Committee will review internal controls and advise the Board on adoption of appropriate policies.

Physical Check Signing by Board Members Survey

DISTRICT	Yes/No	Dollar Threshold
Elsinore Valley MWD	No	N/A
Fallbrook PUD	No	N/A
Helix Water District	No	N/A
Otay Water District**	No	N/A
Rainbow MWD	Yes	>\$50,000
Rancho California Water District	No	N/A
Santa Fe Irrigation District	No	N/A
Sweetwater Authority	No	N/A
Vallecitos Water District	No	N/A
Vista Irrigation District	No	N/A
Valley Center MWD	No	N/A



BOARD ACTION Item No. 10.I

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

CONSIDER ADOPTION OF RESOLUTION NO. 2024-03 ESTABLISHING INDIVIDUALS WITH CHECK SIGNING AUTHORITY

BACKGROUND

As part of the payroll and accounts payables process, RMWD has specific individuals designated as authorized signers of checks.

DESCRIPTION

The purpose of this Resolution is to update the current established check signing responsibility to the current authorized signers of checks due to recent hire of the District's new Chief Financial Officer, Richard Aragon, and the appointment of a new Division 3 Board member to fill the current vacancy.

Resolution No. 2024-03 will replace Resolution No. 23-30.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Administrative Code Chapter 5.01 – Banking

Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

Two optional versions of the Resolution No. 2024-03 are presented for the Board's consideration.

- Option 1 - Aligns with the Staff recommendation on the other agenda item updating Administrative Code 5.01.020 to allow for only management check signatures on accounts payable checks over \$50,000.
- Option 2 – Reflects no change to Administrative Code 5.01.020 keeping the current practice of requiring Board member signatures for any accounts payable check over \$50,000.

RECOMMENDATION

The Budget and Finance Committee met on February 13, 2024, reviewed the staff recommendation to amend Administrative Code 5.01.020 and remove the requirement for a Board member to sign accounts payable checks over \$50,000. Staff recommend the Board adopt Resolution No 2024-03 Option 1 to be consistent with the Budget and Finance Committee recommendation on revising Administrative Code 5.01.020.



Richard R. Aragon,
Chief Financial Officer

2/27/24

RESOLUTION OF THE BOARD OF DIRECTORS
OF RAINBOW MUNICIPAL WATER DISTRICT
ESTABLISHING CHECK SIGNING RESPONSIBILITIES
AND DESIGNATING AUTHORIZED SIGNERS OF CHECKS

WHEREAS, the Rainbow Municipal Water District maintains an accounts payable checking account for the purposes of paying vendors, and a payroll checking account for the purpose of paying employees, and

WHEREAS, the bank requires that responsible parties be designated as authorized signers of these accounts, and

WHEREAS, it is appropriate to establish check signing responsibilities and designate authorized signers;

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED by the Board of Directors of Rainbow Municipal Water District that:

1. The following persons be designated as authorized signers on the checking accounts of the District:

Accounts Payable Authorized Signers:

Claude "Hayden" Hamilton, Director

Michael Mack, Director

Vacant Division 3, Director [To be updated]

Patricia "Patti" Townsend-Smith, Director

Julie Johnson, Director

Jacob Wiley, General Manager

Richard Aragon, Chief Financial Officer

Payroll Authorized Signers:

Jacob Wiley, General Manager

Richard Aragon, Chief Financial Officer

2. Accounts payable checks shall be signed by two management staff, or one management staff and one Board member.
3. Payroll checks will be signed by one member of the management staff.
4. Resolution 24-06 rescinds Resolution 23-30

PASSED AND ADOPTED at a Regular meeting of the Board of Directors of Rainbow Municipal Water District held on the 27th day of February 2024, by the following vote, to wit:

AYES: Directors _____, Hamilton, Johnson, Mack, and Townsend-Smith

NOES:

ABSENT:

ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Terese Quintanar, District Secretary

RESOLUTION OF THE BOARD OF DIRECTORS
OF RAINBOW MUNICIPAL WATER DISTRICT
ESTABLISHING CHECK SIGNING RESPONSIBILITIES
AND DESIGNATING AUTHORIZED SIGNERS OF CHECKS

WHEREAS, the Rainbow Municipal Water District maintains an accounts payable checking account for the purposes of paying vendors, and a payroll checking account for the purpose of paying employees, and

WHEREAS, the bank requires that responsible parties be designated as authorized signers of these accounts, and

WHEREAS, it is appropriate to establish check signing responsibilities and designate authorized signers;

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED by the Board of Directors of Rainbow Municipal Water District that:

1. The following persons be designated as authorized signers on the checking accounts of the District:

Accounts Payable Authorized Signers:

Claude "Hayden" Hamilton, Director

Michael Mack, Director

Vacant Division 3, Director [To be updated]

Patricia "Patti" Townsend-Smith, Director

Julie Johnson, Director

Jacob Wiley, General Manager

Richard Aragon, Chief Financial Officer

Payroll Authorized Signers:

Jacob Wiley, General Manager

Richard Aragon, Chief Financial Officer

2. Accounts payable checks under \$50,000 shall be signed by members of the management staff and checks over \$50,000 shall be signed by one member of the management staff and one Board member.
3. Payroll checks will be signed by one member of the management staff.
4. Resolution 24-06 rescinds Resolution 23-30

PASSED AND ADOPTED at a Regular meeting of the Board of Directors of Rainbow Municipal Water District held on the 27th day of February 2024, by the following vote, to wit:

AYES: Directors _____, Hamilton, Johnson, Mack, and Townsend-Smith

NOES:

ABSENT:

ABSTAIN:

Hayden Hamilton, Board President

ATTEST:

Terese Quintanar, District Secretary

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

DISCUSSION AND POSSIBLE ACTION REGARDING CSDA BOARD OF DIRECTORS
CALL FOR NOMINATIONS, SEAT A

BACKGROUND

California Special District Association (CSDA) Elections and Bylaws Committees notify each of the CSDA voting member presidents and general managers when there is a call for nominations to the CSDA Board of Directors.

DESCRIPTION

RMWD received notification from the CSDA Elections and Bylaws Committee on February 8, 2024 seeking candidates who are interested in running for their Board of Directors. RMWD Board Members or their General Manager are eligible to run for a three-year term (2025-2027) representing CSDA's southern network. The information attached provides a breakdown of the election process, responsibility, commitment, and expectations. According to the notice, the incumbent, Jo MacKenzie, representing Vista Irrigation District, intends to run for re-election.

Should the RMWD Board of Directors make a nomination, a copy of the member district's minute action and Candidate Information Sheet must accompany the nomination. The deadline for receiving nominations is April 10, 2024. Nominations and supporting documentation may be mailed or emailed.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Six: Communication - Active involvement in CSDA helps the District stay abreast of activities in Sacramento that deeply affect our customers. Engagement at CSDA also helps build relationships that can be helpful when we need support on policy issues that are important to our customers.

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

Board options:

1. Nominate one Director to run for the CSDA Board of Directors, Southern Network, Seat A.
2. Do not make a nomination for the CSDA Board of Directors.

Should a Board Member be elected to serve on the CSDA Board, they would be eligible for Per Diem payments in accordance with the District's Administrative Code. CSDA reimburses Directors for their related expenses for Board and Committee meetings as outlined in Board policy. CSDA does not reimburse expenses for the Special Districts Legislative Days or CSDA Annual Conference even if a Board or committee meeting is held in conjunction with the event. CSDA does not reimburse expenses for the Special District Leadership Academy classes even if a Board or committee meeting is held in conjunction with the event.

STAFF RECOMMENDATION

Staff supports Board Direction



Jake Wiley, General Manager

February 27, 2024



CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS - SEAT A

Deadline: Coastal Network April 20, 2024. All other Networks April 10, 2024.

The California Special Districts Association Elections and Bylaws Committee is looking for independent special district board members or their general managers who are interested in leading the direction of CSDA for the 2025 - 2027 term.

The leadership of CSDA is elected from its six geographical networks. Each of the six networks has three seats on the board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA Regular Member in good standing and located within the geographic network they seek to represent.

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The CSDA Board of Directors is crucial to the operation of the association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration. Serving on the board requires one's interest in the issues confronting special districts statewide.

Commitment and Expectations:

- Attend all board meetings, usually 4-5 meetings annually, at the CSDA office in Sacramento.
- Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento. (CSDA reimburses directors for their related expenses for board and committee meetings as outlined in board policy.)

- Attend, at minimum, the following CSDA annual events: Special Districts Legislative Days - held in the spring, and the CSDA Annual Conference - held in the summer/fall. (CSDA does **not** reimburse travel-related expenses for the two conferences even if a board or committee meeting is held in conjunction with the event; however, does comp registration for the two events.)
- Complete all four modules of CSDA's Special District Leadership Academy within 2 years of being elected. (CSDA does **not** reimburse expenses for the academy classes even if a board or committee meeting is held in conjunction with the event.)
- Complete Annual Chief Executive Officer Evaluation.

Please review the [CSDA Board Policy 2.16 Board Commitments & Responsibilities](#).

Nomination Procedures:

Any Regular Member in good standing is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors) for election to the CSDA Board of Directors. **A copy of the member district's resolution or minute action along with the Candidate Information Sheet must accompany the Nomination Form. The deadline for receiving nominations is April 10, 2024 for all networks, except for the Coastal Network.** In the Coastal Network, there is also a vacant position for Seat B. Therefore the call for nominations deadline has been extended to April 20, 2024.

[Candidate Information Sheet Here](#)

[Nomination Form Here](#)

Nominations and supporting documentation may be mailed or emailed.

Mail: 1112 I Street, Suite 200, Sacramento, CA 95814

Fax: 916.442.7889

E-mail: amberp@csda.net

Once received, nominees will receive a candidate's letter. The letter will serve as confirmation that CSDA has received the nomination and will also include campaign guidelines.

CSDA will begin electronic voting on June 10, 2024. All votes must be received through the system no later than 5:00 p.m. July 26, 2024. The successful candidates will be notified no later than July 30, 2024. All selected CSDA Board Members will be introduced at the Annual Conference in Indian Wells, CA in September 2024.

Expiring Terms - All Seat A

- Northern Network** – Greg Orsini, Director, McKinleyville Community Services District*
- Sierra Network** – Noelle Mattock, El Dorado Hills Community Services District*
- Bay Area Network** – Chad Davisson, CSDM, General Manager, Ironhouse Sanitary District*
- Central Network** – Patrick Ostly, General Manager, North of River Sanitary District*
- Coastal Network** – Elaine Magner, Director, Pleasant Valley Recreation & Park District*
- Southern Network** – Jo MacKenzie, Director, Vista Irrigation District*

(* = Incumbent is running for re-election)

CSDA will be using a web-based online voting system allowing your district to cast your vote easily and securely. *Electronic Ballots will be emailed to the main contact in your district June 10, 2024.* All votes must be received through the system no later than 5:00 p.m. July 26, 2024.

Districts can opt to cast a paper ballot instead; but you must contact Amber Phelen by e-mail amberp@csda.net **by April 10, 2024** in order to ensure that you will receive a paper ballot on time.

CSDA will mail paper ballots on June 10, 2024 per district request only.

If you have any questions, please contact Amber Phelen at amberp@csda.net

0 comments 47 views

Permalink

<https://www.csda.net/blogs/vanessa-gonzales/2024/02/06/csda-board-of-directors-nominations-open-for-2025>



FIND IT FAST

- SDLF
- Scholarships
- Register for an Event
- Career Center

1112 "I"
Street,
Suite 200

CALIFORNIA SPECIAL DISTRICTS ALLIANCE

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

DISCUSSION AND POSSIBLE APPOINTMENT OF MIGUEL GASCA TO SERVE AS A PUBLIC MEMBER AND APPOINTMENT OF RICK ARAGON AS THE ALTERNATE MEMBER OF THE ENGINEERING AND OPERATIONS COMMITTEE

BACKGROUND

Miguel Gasca has expressed his interest in an appointment to serve as a public member of the Engineering and Operations Committee. In addition, at the February 7, 2024, Engineering and Operations Committee meeting, the Committee recommended appointing RMWD's Finance Manager/CFO Rick Aragon as the Committee's Alternate Member.

DESCRIPTION

At the December 5, 2023, Board of Directors meeting, Miguel Gasca announced his resignation as the Board Member representing RMWD's Division 3. Mr. Gasca has re-established his primary residence outside of the District's service boundary but is qualified to participate on a Standing Committee as a ratepayer of the District per Administrative Code Policy, Section 2.06.010. Staff requests the Board's consideration to appoint Mr. Gasca as a Committee Member.

In accordance with Administrative Code Section 2.06.010.02, Membership, each committee may have up to two alternate committee members appointed by a simple majority of the Board. Staff requests consideration to formally appoint Rick Aragon as an alternate Committee member.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Six: Communication

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

Option 1 - Make and accept appointment nominations for Board consideration and action.
Option 2 – Provide other direction to staff

STAFF RECOMMENDATION

Staff recommends the appointment of Miguel Gasca and Rick Aragon to the Engineering and Operations Committee.



Jake Wiley, General Manager

February 27, 2024

BOARD ACTION
Item No. 10.L

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

CONSIDER THE APPOINTMENT OF PETE HENSLEY AS A MEMBER OF THE BUDGET AND FINANCE COMMITTEE (DIVISION 3)

BACKGROUND

Section 2.06.010.04 of the Administrative Code establishes that Standing Committee members serve a term of four years and may be reappointed at the will of the Board.

DESCRIPTION

The Board of Directors appointed Peter Hensley to serve as a Budget and Finance Committee member on January 28, 2020. Reaching the end of his four-year term, Mr. Hensley has relayed his desire to serve another term on the Committee. Pursuant to the above referenced policy, the Board of Directors considers the reappointment of members of Standing Committees.

In addition to Mr. Hensley, Budget and Finance Committee Members and their terms are as follows:

	<u>Term End Date:</u>
Flint Nelson	September 28, 2025
Patti Townsend-Smith	January 24, 2027
Bill Stewart	March 28, 2027
Chad Williams	Alternate

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management
Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

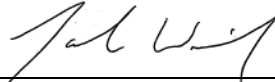
In accordance with CEQA guidelines Section 15378, the action before the Board does not constitute a "project" as defined by CEQA and further environmental review is not required at this time.

BOARD OPTIONS/FISCAL IMPACTS

1. Reappoint Peter Hensley for a four-year term as a Member of the Budget and Finance Committee
2. Do not reappoint Peter Hensley for a four-year term.

STAFF RECOMMENDATION

Staff recommends the reappointment of Peter Hensley to the Budget and Finance Committee.



Jake Wiley, General Manager

February 27, 2024



BOARD INFORMATION

Item No. 11.A

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

Operations Report for January 2024

DESCRIPTION

Activities for Operations & Maintenance Division

CONSTRUCTION & MAINTENANCE DEPARTMENT:

January	Repairs	Installations	Leaks
Mainline	8		8
Service	3		3
Hydrants		1	
Valves	3	3	
Meters			1
Blow-Offs	3	1	
Air Vacs	1		
Annual Totals	18	3 Valves, 2 Appurtenances	12

- 242 utility locates were completed this month - an Annual Total of 242.
- Repaired 8 water main breaks at: 3628 Lake Garden, 2704 Via Rancheros, 6428 Lago Grande, 5437 8th St., 1704 Vista Del Mar, intersection of Los Padres & Pala Mesa, Intersection of N. River & Emerald Hill, and intersection of Via Loma & Dos Lomas.
- Repaired 3 service leaks at 2235 Wilt, 30970 Via Puerta Del Sol, and 2556 Wilt.
- Repaired 2 plug valves at 4002 Pala Mesa and 2600 block of Gopher Canyon.
- Installed 3 new gate valves on Mission Rd.
- Installed Hydrant 100ft east of Pamela Dr.
- Installed a 2-inch blow off on N.E. Mission Rd and repaired 3 blow offs at Via Loma, 6428 Lago Grande and 436 Morro Hills Rd
- Refurbished inter-connection between FPUD and RMWD on Mission Rd.
- Assisted the Wastewater crew with traffic control during atmospheric river.
- Disabled a 24-inch Butterfly valve for the State Division of Safety and Dams at Beck Reservoir.

WATER OPERATIONS AND VALVE MAINTENANCE DEPARTMENT

Water Operations:

- Assessed 4 Water Quality Complaints. Annual Total 4.
- Performed 1 fire flow test. Annual total 1.
- Performed routine maintenance and rebuilt 5 pressure stations (CLA VALs) — annual total 5.
- Collected all system tank and reservoir nitrification samples.
- 2024 SWRCB Sanitary Survey
- Magee Emergency Generator Start-up/Training

Valve Maintenance:

Monthly Totals	Valves (Distribution)	Appurtenance Valves	Annual Totals
Exercised	110	33	143
Inoperable	14	39	53
Repaired			
Replaced	0	2	32
Installed	0	0	0

Valve Maintenance completed and oversaw the following:

- Performed 9 shutdowns - **Annual total 9.**
- Replaced 6 air vents - **Annual total 6.**
- Painted 112 appurtenances - **Annual total 112.**
- Replaced 1 Fire Hydrants - **Annual total 1.**

METERS DEPARTMENT:

- **143** Service Requests were resolved in JAN 2024 **YTD 143 total.** (Previous Year Month Comparison: JAN 2023: 179 Service Requests: **Down 20%**).
- **371** Check Bills were completed in JAN 2024. **YTD total 371.** (Previous Year Month Comparison: JAN 2023: 272 Check Bills: **Up 27%**).
- **YTD Service Requests and Check Bills combined: 514.** (Previous YTD 2023 Comparison: 451 combined Service Requests & Check Bills: **Up 12%**).

Backflows:

- **502** backflows were tested in January. **502 YTD.**

WASTEWATER:

California Integrated Water Quality System (CIWQS): Confirmation #2661716 Reported: “No Spill Report for January 2024.

January 19, 2024 / Non-reportable SSO release 5622 Lake Vista Dr. in Bonsall - Release at the front yard. The customer was advised to contact the plumber and berm the front yard.

Lift Stations:

January 9, 2024 - Horse creek Pump # 3 failed /was removed and sent out for repairs. Two pumps in rotation during heavy rainfall.

Collection System: January 22, 2024 - Heavy rainstorm entered the district. The following activities took place:

- Rainbow crews work aggressively throughout the day.
- Two 21,000 Rain for Rent tanks were rented to assist in controlling wastewater flows.
- Two 5,000-gallon septic 18-wheeler trucks were reserved to assist in transporting flows downstream.
- Total flows transferred: 95,000 Gallons.

Customer service: 3545 Lake Tree Dr. customer root problem. Assisted by checking out manhole depths and giving them a GIS copy of utility facilities.

Address 5359: Triple Crown Dr. Customer Salch Daniel called and complained about sewer odors, including chlorine and swamp water. The district and staff met with the Customer numerous times, and the district has not smelled any foul odors.

- 12-12-2023
- 12-13-2023
- 12-18-2023
- 01-05-2024

CCTV Inspections: January 4, 2024 & January 10, 2024 - Contractor Houston & Harris conducted CCTV inspections for a total of 6,127-feet.

Projects:

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

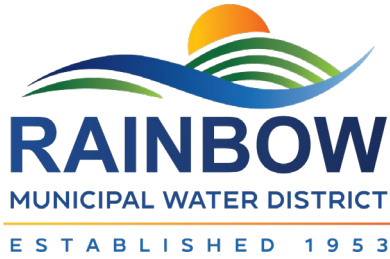
Mutual Aid:

- Fallbrook Equipment Rental - Water truck.
- USP Technologies - Odor control treatment.



Robert Gutierrez
Operations Manager

2/27/2024



BOARD INFORMATION

Item No. 11.B

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

Engineering Report for January 2024

DESCRIPTION

CAPITAL IMPROVEMENT PROJECTS:

West Lilac, Rancho Amigos, and Dentre De Lomas Pump Stations Project (Hoch Consulting),

Division 1: (PN: 600013) The proposed project is for the installation of permanent pump stations to replace the annual rental of temporary pumps during the San Diego County Water Authority's aqueduct maintenance and any scheduled, or emergency/unscheduled shutdowns. The final design for the three pump stations (West Lilac, Rancho Amigos, and Dentre De Lomas) was completed by Hoch Consulting. The construction contract is with Pacific Hydrotech Corporation in the amount of \$5,657,500 and a schedule of 180 working days (October 21, 2024). The Board awarded a construction management contract to Valley Construction Management in the amount of \$110,480. A preconstruction meeting was held at the end of January. The Notice to Proceed is anticipated to be issued in early February. The Prefabricated EFI pump stations are on schedule with estimated delivery to commence at the end of March and April this year. Bird surveys were conducted at the Rancho Amigos site with the results of three surveys being negative.

Emergency Generators at Huntley-Gomez & Magee Pump Stations (JW Fowler Co.), Division 5: (PN:

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

Thoroughbred Lift Stations and Sewer Improvements (JW Fowler Co.), Division 1, 2 & 4: (PN:

530001) The project is to construct a new sewer lift station, and surrounding pipelines, and enhance the existing Lift Station 1 (LS-1). JW Fowler Company (Contractor) completed the emergency storage basin

and the CMU block wall around the lift station. The lift station is now in testing and start up phase. The Contractor completed striping along Old River Road and Camino Del Rey associated with the 14"/12" forcemain and is working on punchlist items along with the bridge connections. The pipe supports for Moosa Bridge have arrived and are currently getting painted. The Contractor completed installation of MH-6 and 100 feet of 18-inch pipe before encountering issues with groundwater. The Contractor has been working on addressing groundwater by installing the proper dewatering system. The proper dewatering system has been installed and the water table is currently being drawn down. The Contractor has been successfully dewatering along the 8-inch gravity main alignment between MH-1 and MH-20. A total of 140 linear feet of 8-inch pipe has been installed with 200 linear feet remaining of which half is already excavated and ready to install. The installation of the pipeline on the Moosa Creek Bridge is scheduled to start on Feb. 5th. The project is 85% complete and is scheduled to be 100% in April of 2024.

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

The project will relocate an 8-inch and 16-inch water main along Live Oak Park Rd. District staff continue to coordinate with the County of San Diego (County) and Hazard Construction on the Live Oak Park Road Bridge Replacement Project. All work related to the 16-inch main was completed on July 3, 2023. Phase II of the County’s bridge project is underway. The 8-inch water main work started January 9, 2024 and is occurring concurrently with the County’s construction. The District’s project is now expected to be completed at the end of February 2024, however, completion is contingent upon the County’s bridge project. The Contractor has been granted six (6) rain days since the start of 2024 and has 47 working days starting from January 9, 2024 to complete the job. Change order #5 in the amount of \$16,943.84 was executed due to the need for additional pipe supports on the bridge wing walls.

CONSTRUCTION CONTRACT SUMMARY HAZARD			
Original Contract Amount	Previous Change Orders	This Change Order	Total Contract Amount
\$507,700	CO #1: \$32,331.25		\$540,031.25
	*CO #2: \$36,653.55		\$576,684.80
	CO #3: \$0		\$576,684.80
	*CO #4: \$232,500.00		\$809,184.80
		CO #05: \$16,943.84	\$826,128.64

*Board approved CO-02 on 12/06/22, and CO-04 on 12/5/2023

San Luis Rey Return Flow Recovery Project (DLM Engineering & Hoch Consulting), District-Wide:

(PN: 600003) Findings from the Feasibility Study were presented at the August E&O and September Board meetings. The project’s economic feasibility study was also presented at the September 2023 Board meeting. This project will be put on hold until further notice.

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

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

MAJOR DEVELOPER PROJECTS:

Havens (FKA Bonsall Oaks), Division 1: 164 SFR / 205.8 EDUs– Construction for Phase 1A (Provence) is complete and construction is underway for Phase 1A-1, also referred to as Provence. District staff continues coordinating with the Developer on plan reviews for future phases (Phases 1B, 2A and 2B). The District completed Plancheck No. 3 for those phases, the issues with new sewer manholes over 20-feet deep and flat slopes have not been resolved. The developer is moving in the direction of proposing sewer lift stations to resolve the issues. The County approved the Amended Tract map, which dedicated non-exclusive water and sewer easements within the private roadways for all phases of the project; and exclusive water and sewer easements for the sewer main that will serve the development and future Dentro De Lomas pump station. In July 2023, the Developer's engineer notified the District that they will be revising all the roads and lots for future phases 1B, 2A, and 2B. This will require an Amended Tract map, which requires the District to relinquish all recently dedicated easements and this will potentially impact the Joint Use Agreement legal description. In December 2023 the District approved the newly revised Street Dedications for Phases 1B and 2A and is reviewing the Grant of Deed document. The Developer sold part of the development to Neighborhood 1 on November 23, 2021 consisting of 59 units and this portion of the project was re-named Provence. The Developer has started the process to join the SCIP Program, which will require the District to enter into an Acquisition Agreement. At the August 2023 Board meeting the Board authorized the District to continue negotiating with the Developer and execute the Acquisition Agreement on behalf of the District.

Citro (FKA Meadowood) by Tri Pointe Homes (FKA Pardee Homes), Division 4: Approximately 844 Units, 926.6 Sewer EDUs - On Pala Road/Horse Ranch Creek Road. The contractor has constructed several of the improvements and is on-site excavating and installing both water and sewer mains. A second crew is on-site testing the water and sewer mains. The Developer has purchased 252 meters to date. The District continues to review the Developer's fee credit requests as received for the use of water capacity credits, for compensation of the construction work on the 18-inch Rice Canyon waterline and the 12-inch Horse Creek Road waterline. The Contractor has installed two (2) of the three (3) pressure reducing stations and is waiting to test the sewer and water on phase 5C. The Meadowood Final Map Tract No. 5354-5 is scheduled for recordation by the County of San Diego in November 2023. The improvements on the map are part of planning area 5B, which includes water and sewer improvements that have already been constructed.

Pala Mesa Highlands (Beazer Homes), Division 4: 124 SFR / 160.2 Sewer EDUs – On Old Highway 395. One of the required Pressure Reducing Stations (PRS) has not yet been installed. All 129 required water meters have been purchased for this development. The Contractor is waiting on delivery of the final valves to complete the project. Delivery and installation of the valves is tentatively scheduled for November 2023.

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

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

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

INACTIVE MAJOR DEVELOPER PROJECTS:

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

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

MINOR DEVELOPER PROJECTS:

Cal-A-Vie (Spa Havens) Water/Sewer Main Extension on Spa Havens Way, Division 1: The Developer submitted the third plan check for District review. The district's Engineer provided a letter to the developer stating no additional EDUs were needed. Developer's Engineer inquired about the capacity in Gopher Canyon in the event Cal-A-Vie decides to add 12-14 more units to the property. Staff is coordinating with the Developer's engineer as the Cal-A-Vie development was not part of the districtwide sewer impact study performed by Dexter Wilson.

Carefield Senior Living, Division 2: *Inactive*

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

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

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

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

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

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

OTHER:

ITEMS	NO#
Water Meters Purchased	13



Chad Williams
Engineering and CIP Program Manager

02/27/2024

AS-NEEDED CONTRACT EXPENDITURES REPORT

January 2024

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

AS-NEEDED CONTRACT EXPENDITURES REPORT

January 2024

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	CONTRACT AMOUNT	AUTHORIZED ASSIGNMENT	INVOICED TO DATE
Title: On-Call Real Estate Services, PSA #22-30 Firm: Epic Land Solutions Expires: 11/3/25 CCO:								
CONTRACT AMOUNT:						\$ 50,000		
		2023-01	Closed	2/13/23	Bonsall Reservoir - Appraisal for Rental & Sale of Property. Beck Reservoir - Apparials for Sale of Property.		\$ 7,000.00	\$ 7,000.00
					Unspecified		\$ 43,000.00	\$ -
TOTALS:						\$ 50,000	\$ 50,000.00	\$ 7,000.00
Title: On-Call Land Surveying Services, PSA #22-33 Firm: GIS Surveyors, Inc. (GSI) Expires: 1/3/2026 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
		2023-__						
					Unspecified		\$ 100,000.00	\$ -
TOTALS:						\$ 100,000	\$ 100,000.00	\$ -
Title: On-Call Land Surveying Services, PSA #22-34 Firm: KDM Meridian Expires: 1/3/2026 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
	CIP	2023-01	Open	2/9/23	Live Oak Park Bridge - Staking of 8" and 16" Water main.		\$ 7,480.00	\$ 1,120.00
					Unspecified		\$ 92,520.00	\$ -
TOTALS:						\$ 100,000	\$ 100,000.00	\$ 1,120.00
Title: On-Call Land Surveying Services, PSA #22-35 Firm: Right-of-Way Eng. Expires: 1/3/2026 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
	Non-CIP	2023-01	Open	2/1/23	Genista Place - Staking of existing utility easements.		\$ 2,860.00	\$ 2,450.00
	Non-CIP	2023-02	Open	2/6/23	Via Monserate/Ramona - Staking of existing utility easements.		\$ 7,500.00	\$ 2,692.34
	Non-CIP	2023-03	Open	2/28/23	Via Mariposa - Staking of existing easment.		\$ 2,970.00	\$ 2,545.00
	Non-CIP	2023-04	Open	8/9/23	Maravilla Lane - Staking of existing pipeline.		\$ 6,750.00	\$ 5,908.70
					Unspecified		\$ 79,920.00	\$ -
TOTALS:						\$ 100,000	\$ 100,000.00	\$ 13,596.04
Title: On-Call Geotechnical Services, PSA #22-36 Firm: Atlas Tech Consultants Expires: 1/6/2026 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
					Unspecified		\$ 100,000.00	\$ -
TOTALS:						\$ 100,000	\$ 100,000.00	\$ -

AS-NEEDED CONTRACT EXPENDITURES REPORT

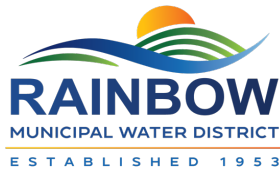
January 2024

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	CONTRACT AMOUNT	AUTHORIZED ASSIGNMENT	INVOICED TO DATE
Title: On-Call Geotechnical Services, PSA #22-37 Firm: Leighton Consultants Expires: 1/6/2026 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
		2023-____						
					Unspecified	\$ 100,000.00		\$ -
TOTALS:						\$ 100,000	\$ 100,000.00	\$ -
Title: On-Call Geotechnical Services, PSA #22-38 Firm: Ninyo & Moore Expires: 1/6/2026 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
	CIP	2023-01	Closed	4/4/23	Sumac Communication Tower Photovoltaic & Battery System -		\$ 9,732.00	\$ 562.50
					Unspecified	\$ 90,268.00		\$ 562.50
TOTALS:						\$ 100,000	\$ 90,268.00	\$ 562.50
Title: On-Call Construction Management & Insp. Services, PSA #23-04 Firm: Acroscopic Expires: 5/23/26 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
		2023-____						
					Unspecified	\$ 100,000.00		\$ -
TOTALS:						\$ 100,000	\$ 100,000.00	\$ -
Title: On-Call Construction Management & Insp. Services, PSA #23-05 Firm: Ardurra Expires: 5/23/26 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
		2023-____						
					Unspecified	\$ 100,000.00		\$ -
TOTALS:						\$ 100,000	\$ 100,000.00	\$ -

AS-NEEDED CONTRACT EXPENDITURES REPORT

January 2024

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	CONTRACT AMOUNT	AUTHORIZED ASSIGNMENT	INVOICED TO DATE
Title: On-Call Construction Management & Insp. Services, PSA #23-06 Firm: Valley CM Expires: 5/23/26 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
	Non-CIP	2023-01	Open	8/2/23	District staff support with coordination & logistics in finalizing the Standard Specifications and Drawings.		\$ 18,500.00	\$ 3,330.00
	Both	2023-02	Open	8/4/23	Inspection support services on various District projects.		\$ 51,993.00	\$ 954.00
					Unspecified		\$ 29,507.00	\$ -
TOTALS:						\$ 100,000	\$ 70,493.00	\$ 4,284.00
Title: On-Call Environmental Services, PSA #23-07 Firm: Helix Expires: 5/23/26 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
	Non-CIP	2023-01	Open	8/4/23	Nesting bird surveys for upcoming tree trimming at District headquarters.		\$ 2,025.00	\$ 652.50
	600013	2023-02	Open	8/17/23	Environmental compliance support for the West Lilac, Rancho Amigas, & Dentro de Lomas Pump Station project.		\$ 6,240.00	\$ 4,450.00
	530001	2023-03	Open	10/24/23	LS-1 Replacement environmental compliance support services		\$ 43,711.00	\$ 12,323.50
					Unspecified		\$ 48,024.00	\$ -
TOTALS:						\$ 100,000	\$ 51,976.00	\$ 17,426.00
Title: On-Call Environmental Services, PSA #23-08 Firm: RECON Expires: 5/23/26 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
		2023-____						
					Unspecified		\$ 100,000.00	\$ -
TOTALS:						\$ 100,000	\$ 100,000.00	\$ -



**SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT
January 2024**

STATUS SUMMARY	EDUs
Total Treatment Capacity Purchased from Oceanside	8,333
Less 5% Contractual Allowance	417
EDUs Set Aside by Board for Emergencies	60
EDUs Connected	6,073 *
EDUs Unconnected/Committed	516
Total EDUs Available for Purchase:	1,268

DEVELOPMENTS WITH UNCONNECTED/COMMITTED EDUs	EDUs	CAPACITY FEES / CFD Bonds
Bonsall Oaks (Polo Club) - 164 (SF/Other)	206	\$ 1,453,560
Citro (fka Meadowood) - 947 (SF/MF/Other)	208	\$ -
Passerelle (HRC Commercial)	97	\$ -
Other Development w/5 or less EDUs - (SF & Other)	5	\$ 70,630
TOTAL UNCONNECTED:	516	\$ 1,524,190

Notes:

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

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

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

3. Passerelle last remaining EDUs.

BOARD INFORMATION

Item No. 11.C

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

ADMINISTRATIVE SERVICES REPORT FOR February 2024

DESCRIPTION

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

HUMAN RESOURCES:

HR EVENTS:

The annual Employee Awards Banquet is scheduled for Saturday, February 24th, 2024, with the theme of Time Traveler's Ball in honor of the District's 70th anniversary. Employees dressed in attire reminiscent of their favorite decade from the 1950s to the present. Awards will be given in the following categories:

- Newbie Navigator Award: New hire of the year
- Timeless Visionary: An employee who offers innovative ideas that will take us into the future
- Responsibility Renaissance: An employee who takes their responsibility to our customers seriously
- Polished Professional: An employee who consistently demonstrates professionalism.
- Virtuous Voyager: An employee whose integrity stands out.
- Synchronized Synergy: An employee or team/department whose teamwork helps others be successful.
- Awesome Odyssey Project: Project of the Year
- Decade Defining MVP: An employee whose legacy contributions stand the test of time.

FEBRUARY ANNIVERSARIES:

2/6/2023	Alex Dagondon	1 year
2/12/2007	Wayne Nault	17 years
2/12/2018	Chris Daugherty	6 years
2/13/2023	Francisco Fernandez	1 year
2/14/2023	Erika Montano	1 year
2/26/2018	Ahmed Khattab	6 years

WORKFORCE ANALYTICS:

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

EXCELLENCE COIN RECOGNITIONS:

Coin Award	Coin Nominations
<p>INTEGRITY Excellence Coin: Alex Galloway</p> <p>INTEGRITY Honorable Mention: Carlos Ramos Bernardo Nunez</p>	<p>On January 16th, Bernardo Nunez, Carlos Ramos and Alex Galloway were first responders when they noticed a dumpster fire on a Customers property on La Canada after dumping hot ashes in the dumpster which created a fire. Without hesitation, they stopped and were the first on scene and did what they could to put it out using our own fire extinguishers until the fire department arrived. Their initiative and doing what was the right thing when they could have driven away deserves an integrity coin.</p>
<p>RESPONSIBILITY Honorable Mention: Josh Cruz</p>	<p>Josh discovered an issue with a customer account that was being forced as a tenant rather than an owner account. In order to even discover or notice this kind of data error in the system, it takes a very keen attention to detail and dedication to have discovered and found this issue. To the common eye, this could have been easily overlooked, or just ignored. It is likely it already was. Finding the data error now rather than later will now avoid a large amount of time of troubleshooting and auditing down the road. I appreciate Josh doing the right thing, and going above and beyond for something even if it appeared very miniscule.</p>

RISK MANAGEMENT:

Incidents

We had one reportable injury this month. An employee injured their back while lifting. They were placed on light duty for 2 weeks and are back to full strength.

Safety Program Management

- Annual Review and update of Safety Policies and Procedures:
 - Heat Illness Prevention Plan (HIPP) being updated per Cal/OSHA's Feb. 2023 update for Water Provisions. It also included updated American Red Cross-compliant Heat Stroke Signs and Symptoms.
 - Injury and Illness Protection Program (IIPP) is being updated.
 - Standard Operating Procedure (SOP) for Personal Protective Equipment (PPE) is being drafted.
 - Creation of an OSHA Compliance Officer visit Quick Reference Guide is being created and will be easily accessible for all employees through SharePoint.
- Updated Annual Compliance Tracker and Employee Training Tracker are being updated and visible to all employees in SharePoint.
- Safety is working with IT on App creation for Site Inspections and Near Miss Reporting to streamline the tracking process and ensure there is follow-up on deficient items in the field. After these are complete, we will develop a Job Hazard Analysis (JHA) app as well.
- Community Emergency Response Team (CERT) has asked to store three trailers on RMWD Property. We are reviewing with JPIA and Legal to ensure we don't have Liability for their property.

Environmental Programs

- Asbestos Cement Pipe (ACP) in the Lower Yard is being inventoried, and Safety has contacted multiple vendors to evaluate proper disposal of the material cutoffs.
- Pesticide Use reported through CalAgPermits was reviewed and entered for this month.

Emergency Response Programs

- Rainbow's Emergency Action Plan (EAP) is being updated.
- Coordinating Workplace Violence Policy update and Training for Office and Field Staff.
- RMWD Team members worked long hours and aided with a down tree during the recent Atmospheric River Rains.

Safety Training / Tailgate Talks

- Operations and Office staff discussed Dog Bites as well as Driving Safety in Wet Weather this month.

Claims in Progress/Completed

- Flanigan – Rejection Letter sent January 11, 2024. Completed.
- Hercules Freight – Completed
- Chapman – Developing Rejection Letter to send.
- Kendall Farms – JPIA is processing the claim and has been in communication with Kendall Farms' Operations Manager.

COMMUNICATIONS:

CropSWAP Program

- MOU Complete, consider for adoption with the board.
- Next Steps: Rollout April/May 2024
 - Drafted program framework for participant review.
 - Website development and marketing materials in production.
 - Rancho Water recruiting contract term employee for program administration.
 - Following up with 173 customers to complete the installation process.
 - Contact over two dozen ratepayers who have subscribed to the CropSWAP interest list.

Customer Service Survey

- Plan proposed to update survey questions for 2024.
 - Establish a consistent metric for a survey scale rating of 1 to 5.
 - Update questions to include: Rate customer service experience, ability to explain information concisely, issue resolved, and contact for further assistance.
 - Reduce the number of options for the question: What Rainbow Water topics are you most concerned about?
 - Introduce a new question: How do you prefer to receive information? Options include the billing insert, billing message, newsletter, newspaper, phone, social media and website.
 - Information will provide data to assist with the development of a communications plan on the best ways to reach our target audience.
 - Continue to promote the survey in the newsletter, website, and message feature on the monthly invoice.
 - Plan to roll out a new survey in April for the Avocado Festival.

Strategic Communication Plan

- Reviewed plans to develop a 2024 strategic plan process for discovery, development, and documentation
 - Workshop on February 15 with staff, committee members, and two board members.
 - The workshop included a collaborative effort with representatives from all departments to establish high-level goals, identify the target audiences, key messages, communication channels, guiding principles, resources, content planning, and key performance indicators.

Community Events Update

- 70th Anniversary:
 - 70th Brand rollout: Continue to update the logo on business cards, digital collateral, letterhead, newsletter, partner/vendor websites, stickers, templates, and website.
- Avocado Festival
 - Planning underway to develop collateral for rates and bill overview, Flume, CropSWAP tri-fold, and one pager.
 - Promotional items to be replenished for the event.

- Coordinating staff to work in shifts at events with team members from administration, customer service, and operations.
- Bonsall High School STEM students' field trip date is scheduled for April 25
 - Staff preparing logistics and purchase of supplies for the event.
 - Grant award for \$3K from Metropolitan Water District's Community Partnering Program will fund the purchase of supplies for Bonsall High School STEM student field trips for spring and fall 2024.
- North County Water Agencies Poster Contest
 - Promoting the contest to local homeschool teachers and charter and public schools.
 - Press release to promote the contest
 - Entry forms and calendar's available at the headquarters office.
 - Entries must be turned in by April 1 for judging by Rainbow Water staff.

Newsletter Features

Quarterly Newsletter: Winter Issue to non-ratepayers

- Rainbow Water Celebrates Seven Decades of Service: History of founding, formation, and archived photos from Pipeline 1 of San Diego Aqueduct.
- Detachment on the Horizon: Most recent detachment information and process for transition.
- Water Awareness Poster Contest: Call for fourth-grade students in public, private, charter, and homeschools to participate in the North County Water Agencies annual poster contest. Forms and 2024 calendars are available at the front office.

February newsletter articles included:

- Rainbow Water Hires New CFO: Profile on Rick Aragon, departure of Tracy Largent.
- Time to Check for Leaks: Tips on where and how to check residences for leaks, rebate program information from Met and Flume.
- All About Flume: Overview of the Flume program, rebates, and frequently asked questions with video links and contact info for Flume.
- Water Awareness Poster Contest: Call for fourth-grade students in public, private, charter, and homeschools to participate in the North County Water Agencies annual poster contest. Forms and 2024 calendars are available at front office.



Karleen Harp
Administrative Services Manager

02/27/2024



BOARD INFORMATION

Item No. 11.D

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

FINANCE REPORT FOR FEBRUARY 2024

DESCRIPTION

Summary:

Water Sales:

Budgeted 12,700 AF

Actual January FYTD 23/24 7,464 AF

Actual January FYTD 22/23 9,269 AF

Actual January FYTD 21/22 9,392 AF

Actual January FYTD 20/21 10,770 AF

January FYTD 2023/2024 Budget vs Actual:

For FY 2023/24 (FY24), 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 12,700 acre-feet. However, July through January sales reported above are 20% lower than last year during the same period which had very low sales in part due to extremely wet weather through the late Spring. Should wet weather persist and a similar trend continue, sales could be as low as about 10,000 AF for FY23/24.

Fund Balance Projections:

Operating Fund Balances have been adjusted to comply with the Board Cash Reserve Policy 5.03.220.

The *New Water Sources Reserve Fund*, established by the RMWD Board, sets aside funds to study and acquire alternate water sources for the purpose of reducing the district's reliance on imported water. The reserve is funded by the Water Service portion of the Standby Charge collected by the San Diego County Tax Collector from all parcels within the district. It reflects 38.1% of the revenue received from property tax revenues. Existing reserves for this fund were reallocated to the Water Operating Fund Reserve to address low reserve level. Also, the necessity of this fund may need to be revisited during the budget review workshop whether there are any near term new water supply projects in the 5 year CIP plan.

Capital Fund Balances have been updated to reflect the changes to developer projects for Water and Wastewater.

Treasury Report:

Interest Revenue for January 2024 was \$39,684 compared to \$12,005 for the prior month. There was zero losses/gains from asset sales this month.

Water Purchases & Water Sales:

The Five-Year Water Purchases Demand Chart (Attachment D) reports purchases; this data is available in real time. Purchases for the fiscal year ending June 30, 2024, are below the 5-year average (blue line).

The district ended FY23 with 11,835 in sales. Water sales experienced record lows in July through October and are on track to finish just under 10,000 acre-feet in sales if the remainder of FY 24 resembles FY 23. 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.

Monthly Call Volume:

The call volume for January 2024 included 869 calls to customer service compared to 816 for the same month one year prior. The average talk time was 4 minutes and 44 seconds. The average time in the queue was 24 seconds. The max time in queue was 4 minutes and 57 seconds compared to 16 minutes and 08 seconds for the same month one year prior.

Attachments:

- A. Budget vs Actuals (January FY24)
- B. Fund Balance & Developer Projections (FY24)
- C. Treasury Report (January FY24)
- D. Five-Year Water Purchases Demand Chart (through 02/01/2024)
- E. Water Sales Summary (January FY24)
- F. Check Register (December FY24)
- G. Directors' Expense Report (December FY24)
- H. Credit Card Breakdown (December FY24)
- I. RMWD Properties
- J. Grant Progress Report



Richard R. Aragon
CFO/Treasurer

February 27, 2024

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

Description	FY 2023 Adjusted Budget	FY 2023 Actuals YTD 6/30/23	FY 2024 Actuals YTD 1/31/24	Over (Under)	FY 2024 Approved Budget	FY 2024 Proposed Adjusted Budget
<u>Water Operating Fund</u>						
Water Revenues	\$ 44,836,269	\$ 41,921,858	\$ 28,165,395	\$ (1,752,845)	\$ 44,950,230	\$ 43,353,079
Water Expenses	41,137,744	39,507,410	24,915,332	(2,178,538)	41,901,026	37,971,467
Water Fund Net Income	\$ 3,698,525	\$ 2,414,448	\$ 3,250,063	\$ 425,693	\$ 3,049,204	\$ 5,381,611
<u>Wastewater Operating Fund</u>						
Wastewater Revenues	3,555,551	3,468,470	2,740,196	(52,804)	4,788,000	4,788,000
Wastewater Expenses	4,202,943	2,940,430	1,690,162	(733,783)	4,155,334	4,103,043
Wastewater Fund Net Income	\$ (647,392)	\$ 528,040	\$ 1,050,034	\$ 680,979	\$ 632,666	\$ 684,957
<u>General Operating Fund</u>						
General Revenues	9,165,657	8,484,231	5,448,341	219,076	8,964,453	8,689,237
General Expenses	9,165,657	8,484,231	5,448,341	219,076	8,964,453	8,689,237
General Fund Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CHANGE IN NET POSITION	\$ 3,051,133	\$ 2,942,488	\$ 4,300,097	\$ 1,106,672	\$ 3,681,870	\$ 6,066,568

% of Annual Budget

72% Water Purchases/Sales based on historical average

58% Fixed Fee Revenue & Expenses are based on time

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

Water Operating

Description	FY 2023 Adjusted Budget	FY 2023 Actuals YTD 6/30/23	FY 2024 Actuals YTD 1/31/24	Over (Under)	FY 2024 Approved Budget	FY 2024 Proposed Adjusted Budget
Operating Revenues						
Water Sales	\$ 43,655,604	\$ 40,221,710	\$ 27,400,127	\$ (1,752,845)	\$ 43,769,565	\$ 42,172,414
Other Water Services	324,664	361,494	176,717	\$ 346,737	324,665	324,665
Total Operating Revenues	\$ 43,980,268	\$ 40,583,204	\$ 27,576,844	\$ (1,842,062)	\$ 44,094,230	\$ 42,497,079
Operating Expenses						
Purchased Water	23,701,080	22,273,944	13,968,112	(3,200,405)	24,886,134	21,997,021
Pumping	915,164	895,779	754,076	227,018	903,529	903,529
Operations	2,767,699	2,757,129	1,578,823	(9,984)	2,723,668	2,723,168
Valve Maintenance	368,077	414,667	270,514	32,801	407,508	407,508
Construction	2,405,684	2,288,866	1,830,237	414,373	2,427,196	2,274,696
Meters	1,029,243	843,155	749,915	123,871	1,073,218	1,071,718
General Fund Transfer	6,873,382	6,956,456	3,968,642	233,788	6,402,607	6,179,682
Total Operating Expenses	\$ 38,060,330	\$ 36,429,996	\$ 23,120,319	\$ (2,178,538)	\$ 38,823,860	\$ 35,557,323
Non-Operating Revenues						
Investment Income	100,000	273,504	201,792	143,459	100,000	100,000
Property Tax Revenue	650,000	777,390	372,410	(6,757)	650,000	650,000
Other Non-Operating Revenue	106,000	206,062	14,348	(47,485)	106,000	106,000
Total Non-Operating Revenues	\$ 856,000	\$ 1,256,956	\$ 588,550	\$ 89,217	\$ 856,000	\$ 856,000
Non-Operating Expenses						
Debt Service	3,077,414	3,077,414	1,795,013	-	3,077,165	2,414,145
Detachment Payment						
Total Non-Operating Expenses	\$ 3,077,414	\$ 3,077,414	\$ 1,795,013	\$ -	\$ 3,077,165	\$ 2,414,145
CHANGE IN NET POSITION	\$ 3,698,525	\$ 2,332,751	\$ 3,250,063	\$ 425,694	\$ 3,049,205	\$ 5,381,612
	13,500AF	11,835 AF			12,700AF	10,000AF

% of Annual Budget

72% Water Purchases/Sales based on historical average

58% Fixed Fee Revenue & Expenses are based on time

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

Wastewater Operating

Description	FY 2023 Adjusted Budget	FY 2023 Actuals YTD 6/30/23	FY 2024 Actuals YTD 1/31/24	Over (Under)	FY 2024 Approved Budget	FY 2024 Proposed Adjusted Budget
Operating Revenues						
Wastewater Revenues	\$ 3,489,551	\$ 3,467,420	\$ 2,721,690	\$ (26,393)	\$ 4,711,000	\$ 4,711,000
Other Revenues	66,000	1,050	18,506	\$ (26,411)	77,000	77,000
Total Operating Revenues	\$ 3,555,551	\$ 3,468,470	\$ 2,740,196	\$ (52,804)	\$ 4,788,000	\$ 4,788,000
Operating Expenses						
Total Payroll Expenses	678,835	771,934	481,081	52,396	734,888	734,888
Total Maintenance & Supply	2,116,772	536,735	278,165	(841,018)	1,918,600	1,918,600
General Fund Transfer	1,407,335	1,631,761	930,916	54,839	1,501,846	1,449,555
Total Operating Expenses	\$ 4,202,943	\$ 2,940,430	\$ 1,690,162	\$ (733,783)	\$ 4,155,334	\$ 4,103,043
Non-Operating Expenses						
Debt Service	-	-	-	-	-	-
Total Non-Operating Expenses	-	-	-	-	-	-
CHANGE IN NET POSITION	\$ (647,392)	\$ 528,040	\$ 1,050,034	\$ 680,979	\$ 632,666	\$ 684,957

% of Annual Budget

72% Water Purchases/Sales based on historical average

58% Fixed Fee Revenue & Expenses are based on time

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

General Operating

Description	FY 2023 Adjusted Budget	FY 2023 Actuals YTD 6/30/23	FY 2024 Actuals YTD 1/31/24	Over (Under)	FY 2024 Approved Budget	FY 2024 Proposed Adjusted Budget
Operating Revenues						
Water Overhead Transfer	\$ 6,873,382	\$ 6,956,456	\$ 3,968,642	\$ 233,788	\$ 6,402,607	\$ 6,179,682
Wastewater Overhead Transfer	1,612,275	1,631,761	930,916	54,839	1,501,846	1,449,555
Other General Fund Revenue	680,000	-103,986	548,783	(69,550)	1,060,000	1,060,000
Total Operating Revenues	\$ 9,165,657	\$ 8,484,231	\$ 5,448,341	\$ 219,076	\$ 8,964,453	\$ 8,689,237
Operating Expenses						
Board of Directors	\$ 50,101	\$ 38,550	\$ 19,335	\$ (11,325)	\$ 52,560	\$ 35,105
Garage	632,322	659,230	379,211	6,703	638,585	638,335
Administration	2,006,342	1,740,106	1,591,561	586,885	1,722,303	1,804,028
Human Resources	446,674	402,081	266,400	(569)	460,174	457,924
Risk Management	940,192	753,305	548,903	66,493	826,989	825,989
IT Services	1,604,844	1,328,485	900,231	(48,629)	1,626,617	1,476,617
Public Relations		5,424	31,567	(82,724)	104,522	69,022
Finance	1,169,321	1,097,433	646,540	(64,072)	1,218,191	1,210,691
Customer Service	594,822	592,942	289,771	(51,995)	585,884	585,384
Engineering	1,078,629	1,224,262	774,822	145,622	1,078,629	936,143
GASB 68 Pension	642,412	642,412			650,000	650,000
Total Operating Expenses	\$ 9,165,657	\$ 8,484,231	\$ 5,448,341	\$ 546,390	\$ 8,964,453	\$ 8,689,237
CHANGE IN NET POSITION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

% of Annual Budget

72% Water Purchases/Sales based on historical average

58% Fixed Fee Revenue & Expenses are based on time

Operating & Debt Service Fund Balances

	Water Operating	Wastewater Operating	General Operating	Rate Stabilization	New Water Sources	Debt Service	TOTAL
Fund Balances:	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 22/23
Beginning Available Balance	\$6,470,643	\$692,556	\$1,494,076	\$0	\$1,432,256	\$856,132	\$10,945,663
Adjusted Budgeted Operating Surplus (Loss)	5,381,611	684,957			200,000		6,266,568
Budgeted Transfer to Water Capital	(3,049,205)	(632,666)			(1,632,256)		(5,314,127)
Transfer to/from Rate Stabilization							
Transfers In/(Out)							
Projected Ending Available Balance	\$8,803,049	\$744,847	\$1,494,076	\$0	\$0	\$856,132	\$11,898,104

Water Projected Balance

			(Proposed)	Year 2	Year 3	Year 4	Year 5
	<i>Adjusted Budget</i>	<i>Actual</i>	<i>Adjusted Budget</i>	<i>Planned Budget</i>	<i>Planned Budget</i>	<i>Planned Budget</i>	<i>Planned Budget</i>
Capital Fund Balances:	FY 22/23	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 25/27	FY 25/28
Beginning Available Balance	\$13,067,355	\$13,067,355	\$ 5,397,944	(\$3,464,768)	(\$200,158)	(\$7,434,831)	(\$5,647,831)
Transfer to/from Operating & Debt Service		(1,488,594)	3,049,205	8,188,978	9,243,859	6,972,000	7,870,731
New Water Sources Funds	600,000	473,934	1,632,256				
Loan							
Capacity Fees	430,994	520,054					
Total Available Funding	14,098,349	12,572,750	10,079,405	4,724,211	9,043,701	(462,831)	2,222,900
Less Water & Wholesale Water Capital Projects	(13,706,420)	(7,174,806)	(13,544,172)	(4,924,369)	(16,478,532)	(5,185,000)	(5,700,000)
Projected Ending Capital Balance	\$ 391,929	\$ 5,397,944	\$ (3,464,768)	\$ (200,158)	\$ (7,434,831)	\$ (5,647,831)	\$ (3,477,100)

			(Proposed)	Year 2	Year 3	Year 4	Year 5
	<i>Adjusted Budget</i>	<i>Actual</i>	<i>Adjusted Budget</i>	<i>Planned Budget</i>	<i>Planned Budget</i>	<i>Planned Budget</i>	<i>Planned Budget</i>
All Water Balances:	FY 22/23	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 25/27	FY 25/28
Projected Ending Capital Balance	\$ 391,929	\$ 5,397,944	\$ (3,464,768)	\$ (200,158)	\$ (7,434,831)	\$ (5,647,831)	\$ (3,477,100)
Water Operating Reserve Balance*	11,852,254	6,470,643	8,803,049	7,400,055	7,545,099	16,714,506	29,645,265
Rate Stabilization					2,798,000	251,800	274,450
Total Water Funds Balance	\$ 12,244,183	\$ 11,868,587	\$ 5,338,282	\$ 7,199,897	\$ 2,908,268	\$ 11,318,475	\$ 26,442,615

Water Capital Project Budgets:

Project #	Project Name	Year-to-Date			Year 1	Year 1	Year-to-Date	Year 2	Year 3	Year 4	Year 5
		Expended	Adjusted	FY 23	Approved	Proposed	Expended	Planned	Planned	Planned	Planned
		6/30/2023	Budget	Rollover	Budget	Adjusted	1/31/2024	Budget	Budget	Budget	Budget
		FY 22/23	FY 22/23	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
300007	Programatic EIR for Existing Easements	\$ 63,631	\$ 75,000	\$ 11,369	\$ -	\$ 6,000	\$ 657	\$ 5,369	\$ -	\$ -	\$ -
300008	New District Headquarters	912	50,000	49,088	20,000	20,000	-	520,000	500,000	500,000	500,000
600003	San Luis Rey Imported Return Flow Recovery	424,986	600,000	175,014	600,000	225,000	96,429				
600007	Pressure Reducing Stations	183,446	150,000			25,000	18,726	150,000			
600009	Isolation Valve Installation Program	359,308	500,000	140,692		80,000	38,235				
600019	Water System Monitoring Program	142,597	185,000	42,403	25,000	67,403	-				
600026	Camino Del Rey Waterline Reloaction	10,161	25,000	14,839	25,000	45,000	-	25,000			
600030	Corrosion Prevention Program Development	37,139	100,000	62,861	100,000	162,861	-	600,000	600,000		
600034	Rice Canyon Tank Transmission PL to I-15/SF	2,812,585	2,900,000	87,415	1,500,000	1,487,415	568,126				
600035	Morro Mixing	21,718				-	-				
600037	Live Oak Park Road Bridge Replacement	471,712	600,000	128,288	200,000	478,288	264,852				
600040	Vallecitos PS Relocation	-		-		-	-	500,000	1,400,000		
600043	Eagles Perch Water Pipeline Improvements	-		-		-	-	300,000	300,000	1,000,000	
600047	Community Power Resiliency Generator Gra	311,686	675,000	363,314	375,000	738,314	4,053				
600048	Northside Zone Supply Redundancy	-		-		-	-				150,000
600050	Lookout Mountain Electrical Upgrade	-		-		-	-				1,000,000
600051	North Feeder and Rainbow Hills Water Line	-		-		-	-	150,000	1,850,000		
600058	Electrical Panel Switches	44,102		-	130,000	6,000	4,811	124,000			
600067	Pala Mesa Fairways 383 A and C	-		-		-	-				250,000
600068	Sarah Ann Drive Line 400 A	-	-	-		-	-		35,000	1,500,000	
600069	Wilt Road (1331)	-		-		-	-	150,000	350,000		
600070	Katie Lendre Drive Line (PUP)	-		-		-	-				250,000
600071	Del Rio Estates Line Ext 503	-		-		-	-				250,000
600072	East Heights Line 147L	-		-		-	-				150,000
600073	East Heights Line 147A	-		-		-	-				250,000
600074	Via Zara - PUP	-		-		-	-	125,000	250,000		
600075	Roy Line Ext	-		-		-	-				250,000
600077	Rainbow Water Quality Improvement	641,907	1,160,000	518,093		275,000	224,183				
600080	Los Alisos South 243	-		-		-	-				150,000
600081	Heli-Hydrant on Tank	300				-	-				
600085	Gird to West Lilac Pipeline Rehabilitation	-		-	50,000	-	-	50,000			
300032	New Roof					150,000	-				
N/A	Department Level Capital Expenses	221,631	186,420		200,000	200,000	222,134	500,000	500,000	500,000	
Total		\$ 5,747,821	\$ 7,206,420	\$ 1,458,599	\$ 3,225,000	\$ 3,966,281	\$ 1,442,206	\$ 1,924,369	\$ 12,452,891	\$ 5,185,000	\$ 5,700,000

Key:
 Approved Budget
 Budget Changed

Wholesale Water Efficiency Capital Project Budgets:

Project #	Project Name	Year-to-Date			Year 1	(Proposed)			
		Expended <small>6/30/2023</small>	Adjusted <i>Budget</i>	FY 23 <i>Rollover</i>	Approved <i>Budget</i>	Year 1 <i>Adjusted Budget</i>	Year-to-Date <small>Expended 1/31/2024</small>	Year 2 <i>Planned Budget</i>	Year 3 <i>Planned Budget</i>
		FY 22/23	FY 22/23	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 24/25	FY 25/26
600008	Weese WTP Permanent Emergency Interconnect Pump Station	\$ 73,967	\$ 1,825,000	1,751,033	\$ -		\$ -	\$ -	\$ 1,725,000
600013	Hutton/Rancho Amigos (Turner)/Dentro Pump Stations	834,825	4,375,000	3,540,175	6,000,000	9,577,891	3,559,800	3,000,000	
600084	Morro Pump Station	122					-		1,225,000
600078	Wilt Road Feeder (18 inch Water Line)	107,435					-		1,075,641
600079	Gird Road 1,600' upsized from 12" to 18" or larger	410,636	300,000				-		
Total Spending		\$1,426,985	\$6,500,000	\$5,291,208	\$6,000,000	\$9,577,891	\$3,559,800	\$3,000,000	\$4,025,641

Key:

Approved Budget

Budget Changed

Wastewater Capital Fund 52 & 53 Projected Fund Balance

			(Proposed)				Year 5
	<i>Approved Budget</i>	<i>Actual</i>	<i>Year 1 Adjusted Budget</i>	<i>Year 2 Planned Budget</i>	<i>Year 3 Planned Budget</i>	<i>Year 4 Planned Budget</i>	<i>Planned Budget</i>
	FY 22/23	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 25/27	FY 25/28
Capital Fund Balances:							
Beginning Available Balance	\$634,288	\$634,288	\$1,594,968	\$2,695,900	\$2,695,900	\$9,895,900	(\$2,556,991)
Restricted CFD Funds (Citro)	8,000,000	8,000,000	2,500,000				
Debt Financing			5,000,000		9,500,000		
Grant Funding			1,596,762				
Transfer from (to) Operating Reserves		71,345	684,957				330,158
Forecasted Sewer Connections	16,951	0					
Total Available Funding	8,651,239	8,705,633	11,376,687	2,695,900	12,195,900	9,895,900	(2,226,833)
Less: Capital Projects-Wastewater	(10,911,452)	(7,110,665)	(8,680,787)	0	(2,300,000)	(12,452,891)	(2,800,000)
Projected Ending Capital Balance	(\$2,260,213)	\$1,594,968	\$2,695,900	\$2,695,900	\$9,895,900	(\$2,556,991)	(\$5,026,833)

			(Proposed)				Year 5
	<i>Approved Budget</i>	<i>Actual</i>	<i>Year 1 Adjusted Budget</i>	<i>Year 2 Planned Budget</i>	<i>Year 3 Planned Budget</i>	<i>Year 4 Planned Budget</i>	<i>Planned Budget</i>
	FY 22/23	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 25/27	FY 25/28
All Wastewater Balances:							
Projected Ending Capital Balance		\$ 1,594,968	\$ 2,695,900	\$ 2,695,900	\$ 9,895,900	\$ (2,556,991)	\$ (5,026,833)
Projected Ending Operating Reserve Balance		744,847	744,847	858,676	1,018,992	1,066,170	1,116,636
Total Wastewater Funds		\$ 2,339,815	\$ 3,440,747	\$ 3,554,576	\$ 10,914,892	\$ (1,490,820)	\$ (3,910,197)

Wastewater Capital Fund Project Budgets:

Project #	Project Name	Year-to-Date	Approved	FY 23 Rollover	Year 1	(Proposed) Year 1	Year-to-Date	Year 2	Year 3	Year 4	Year 5
		Expended 6/30/2023	Budget		Approved Budget		Expended 1/31/2024	Planned Budget	Planned Budget	Planned Budget	Planned Budget
		FY 22/23	FY 22/23	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
530001	Thoroughbred Lane Lift Station and Pipeline Repair (LS1 Replaceme	\$ 7,110,665	\$ 10,791,452	\$ 3,680,787	\$ 5,000,000	\$ 8,680,787	\$ 3,181,074	\$ -	\$ -	\$ -	\$ -
530006	Sewer System Rehabilitation Program										
530015	Sewer System Condition Assessment Program									9,577,891	
530017	N River Road Land Outfall Rehabilitation (Operations Project)						13,768				
530018	Fallbrook Oaks Forcemain and Manhole Replacement									150,000	1,650,000
530019	CIPP 500' of line 8" VCP line near Pala Mesa/Palomar									100,000	
530020	Rancho Viejo LS Wet Well Expansion								500,000	1,000,000	
530021	Almendra Court, I-15 Crossing Sewer Rehabilitation										
530023	Replace Rancho Monserate LS Emergency Generator									125,000	
XXXXX	HQ B-Plant Dry Well								250,000	1,000,000	
XXXXX	HQ B-Plant Generator Replacement								250,000	500,000	50,000
XXXXX	Pala Mesa Sewer CIPP Lining								650,000		50,000
XXXXX	Oakcliff Sewer CIPP Lining								650,000		50,000
XXXXX	Old River Road between LS#1 & LS#2										1,000,000
N/A	City of Oceanside WW Plant										
Total		\$ 7,110,665	\$ 10,911,452	\$ 3,680,787	\$ 5,000,000	\$ 8,680,787	\$ 3,194,842	\$ -	\$ 2,300,000	\$ 12,452,891	\$ 2,800,000

Key:

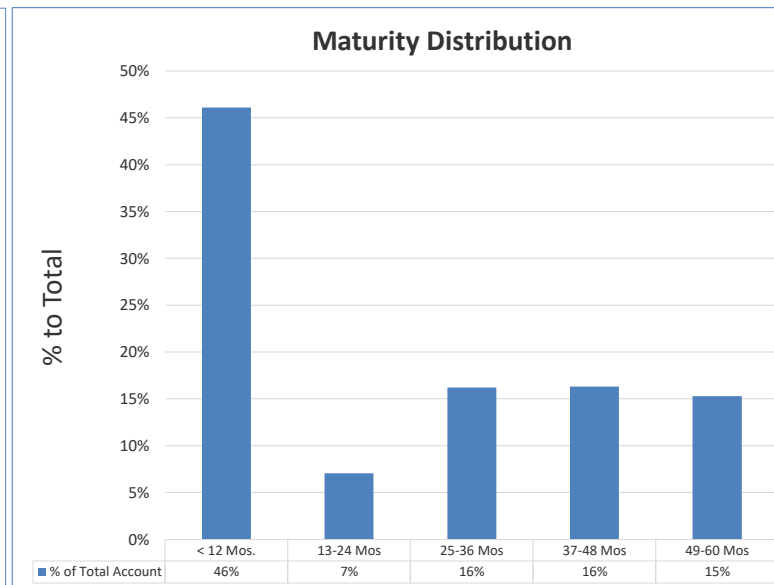
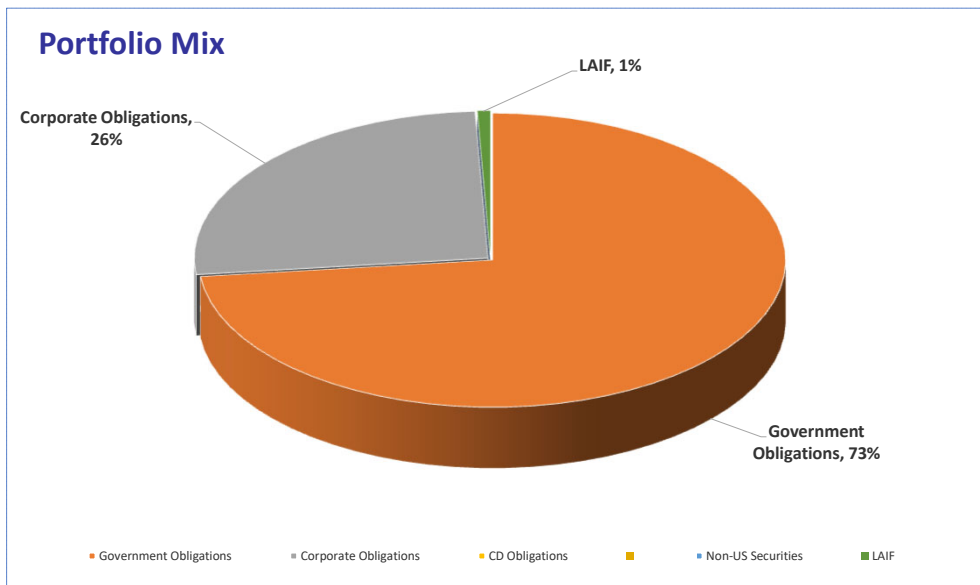
Approved Budget

Budget Changed

RAINBOW MUNICIPAL WATER DISTRICT
 TREASURER'S MONTHLY REPORT OF INVESTMENTS
 PORTFOLIO SUMMARY
 1/31/2024



TYPE	ISSUER	CUSIP	Bond		Par Value	Cost Basis	Market Value*	Interest Rate	Yield to Maturity	Semi-Annual Interest	Days to Maturity	Object
			Rating	Date of Maturity								
Money Market Funds	First American Government	31846V567			\$	2,278,725	\$	2,278,725			0	11508
Trust	Willimington Trust	CSCDA 2017-01			\$	50,000	\$	50,000			0	10301
Total Cash & Cash Equivalents					\$	-	\$	2,328,725	\$	2,328,725		
	FEDERAL FARM CR BKS	3133EPRN7	Aaa	07/28/28	\$	515,000	\$	515,000	\$	5.050%	5.010%	\$ 13,004 1640 11508
Callable 10/14/22 1X	FEDERAL HOME LOAN BKS	3130APAM7	Aaa	10/14/26	\$	500,000	\$	497,500	\$	0.900%	0.980%	\$ 2,239 987 11508
Non-Callable	FEDERAL HOME LOAN BKS	3130AQF40	Aaa	12/20/24	\$	500,000	\$	499,710	\$	1.000%	1.030%	\$ 2,499 324 11508
Callable 4/21/23 1X	FEDERAL HOME LOAN BKS STEP UP	3130ARQ61	Aaa	10/21/24	\$	500,000	\$	502,195	\$	2.200%	3.730%	\$ 5,524 264 11508
Callable 7/22/22 QTR	FEDERAL HOME LOAN BKS	3130ARJH5	Aaa	04/22/27	\$	500,000	\$	500,000	\$	3.150%	3.270%	\$ 7,875 1177 11508
	FEDERAL HOME LOAN BKS	3130ARY62	Aaa	05/23/25	\$	600,000	\$	594,210	\$	4.000%	4.030%	\$ 11,884 478 11508
	FEDERAL HOME LOAN BKS	3130AT2T3	Aaa	08/25/27	\$	500,000	\$	503,370	\$	3.350%	4.070%	\$ 8,431 1302 11508
	FEDERAL FARM CR BKS	3130AXW46	Aaa	11/07/28	\$	470,000	\$	472,585	\$	4.800%	4.720%	\$ 11,342 1742 11508
	TENNESSEE VALLEY AUTHORITY	880591ER9	Aaa	09/15/24	\$	500,000	\$	497,780	\$	2.875%	2.920%	\$ 7,156 228 11508
Total Government Obligations					\$	4,585,000	\$	4,582,350	\$	4,497,766		
	JOHN DEERE CAPITAL CORP	24422EXB0	A2	07/14/28	\$	285,000	\$	289,093	\$	4.950%	4.840%	\$ 7,155 1626 11508
	TOYOTA MOTOR CORP	89236TKQ7	A1	01/12/28	\$	400,000	\$	400,000	\$	4.625%	4.590%	\$ 9,250 1442 11508
Callable 05/28/23	JPMORGAN CHASE & CO	48128G3N8	A1	05/28/26	\$	1,000,000	\$	1,000,000	\$	1.200%	1.320%	\$ 6,000 848 11508
Total Corporate Issues					\$	1,685,000	\$	1,689,093	\$	1,602,586		
Total CD Obligations					\$	-	\$	-	\$	-		
Total Non-US Securities					\$	-	\$	-	\$	-		
Subtotal Long Term												
Pooled Investment					\$	6,270,000	\$	8,600,167	\$	8,429,076		
Portfolio Totals	Local Agency Investment Fund (LAIF)**	0.999699687			\$		\$	43,409	\$	43,409		
					\$	8,643,576	\$	8,472,485				



This monthly report accurately reflects all District pooled investments. It is in conformity with the Investment Administrative code section 5.03.080. There no monthly transactions (purchases, sales, or maturities) to report for this month. The District has sufficient cash flow to meet six months of obligations. The District is in compliance with the current Investment Policy and California Government Code.

2/13/2024

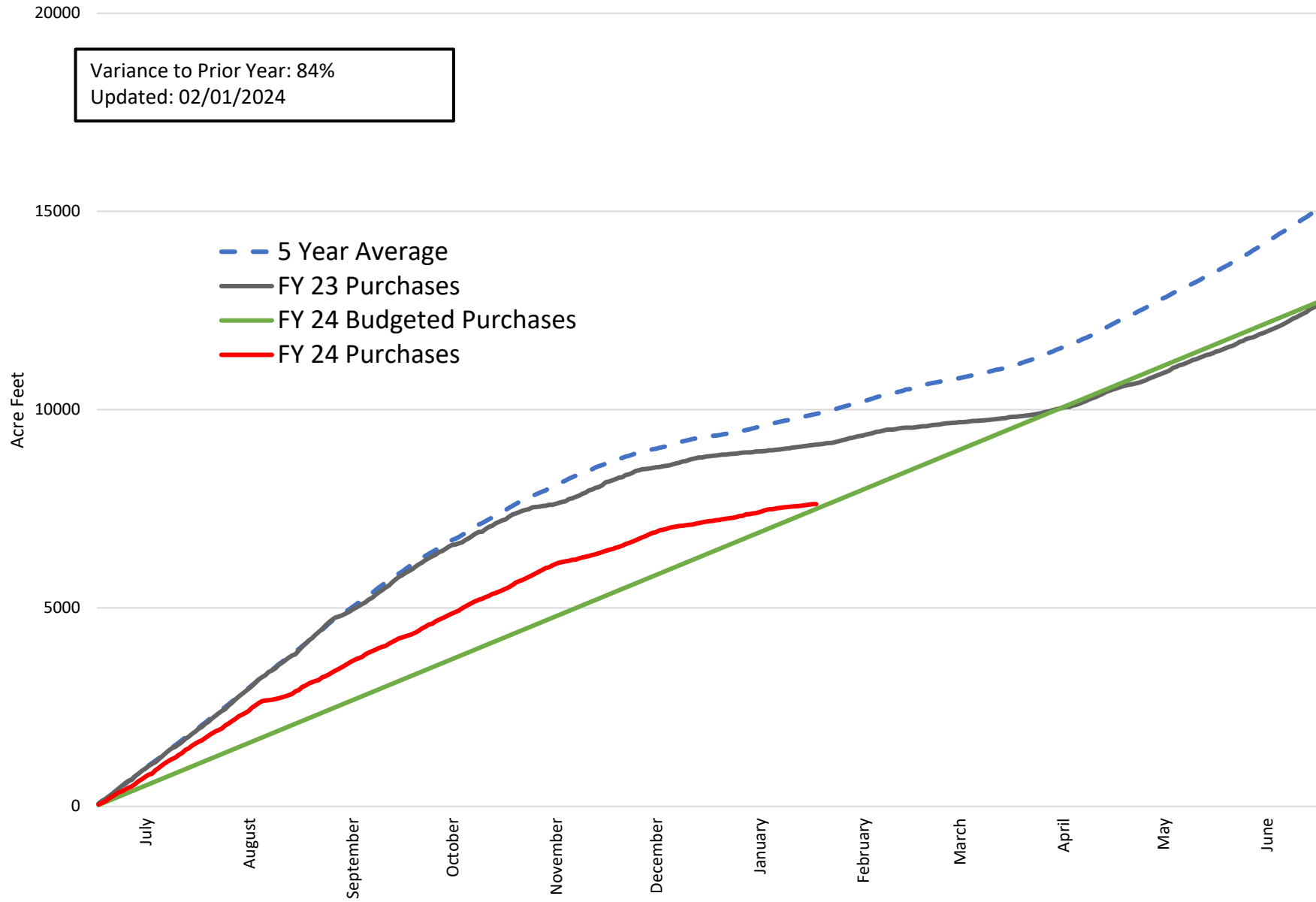
Richard R. Aragon, CFO/Treasurer

*Source of Market Value - US Bank 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: 84%
Updated: 02/01/2024



Comparative Water Sales YTD from Prior Years

FISCAL YEAR 2023-2024

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
1,186	AD	73,075	98,185	92,075	77,588	82,787	63,826	49,843						1,234
513	AG	88,313	138,196	135,366	96,417	109,805	74,154	52,271						1,594
275	CM	28,891	42,818	38,203	28,504	26,940	18,592	13,775						454
37	CN	2,428	2,729	3,258	2,355	1,644	1,413	2,829						38
21	IS	1,834	2,641	2,376	2,033	2,143	2,276	1,740						35
124	MF	11,239	13,710	15,934	13,516	13,151	13,335	12,101						213
139	PC	43,776	65,411	57,622	52,212	60,741	37,202	26,796						789
300	PD	60,282	87,083	76,700	64,555	68,080	46,098	35,875						1,007
6,234	SF	124,919	158,311	158,813	135,270	132,434	110,734	93,934						2,099
8,829	Total	434,757	609,084	580,347	472,450	497,725	367,630	289,164	-	-	-	-	-	7,464

FISCAL YEAR 2022-2023

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
1,186	AD	126,735	108,343	138,717	105,317	80,300	58,695	33,237						1,495
513	AG	190,990	174,397	235,403	155,228	102,380	68,805	35,535						2,210
275	CM	52,026	47,725	62,693	42,811	30,621	18,036	7,791						601
37	CN	13,891	8,870	16,009	8,213	5,318	3,084	2,164						132
21	IS	4,157	3,544	4,402	2,791	2,272	1,558	1,449						46
124	MF	14,020	12,841	16,595	13,322	11,561	11,252	21,606						232
139	PC	86,650	77,010	99,962	77,857	55,755	35,872	13,560						1,025
300	PD	102,297	94,478	121,441	87,843	64,766	43,940	18,597						1,224
6,234	SF	181,808	160,423	198,867	157,915	123,786	102,284	77,578						2,302
8,829	Total	772,574	687,631	894,089	651,297	476,759	343,526	211,517	-	-	-	-	-	9,269

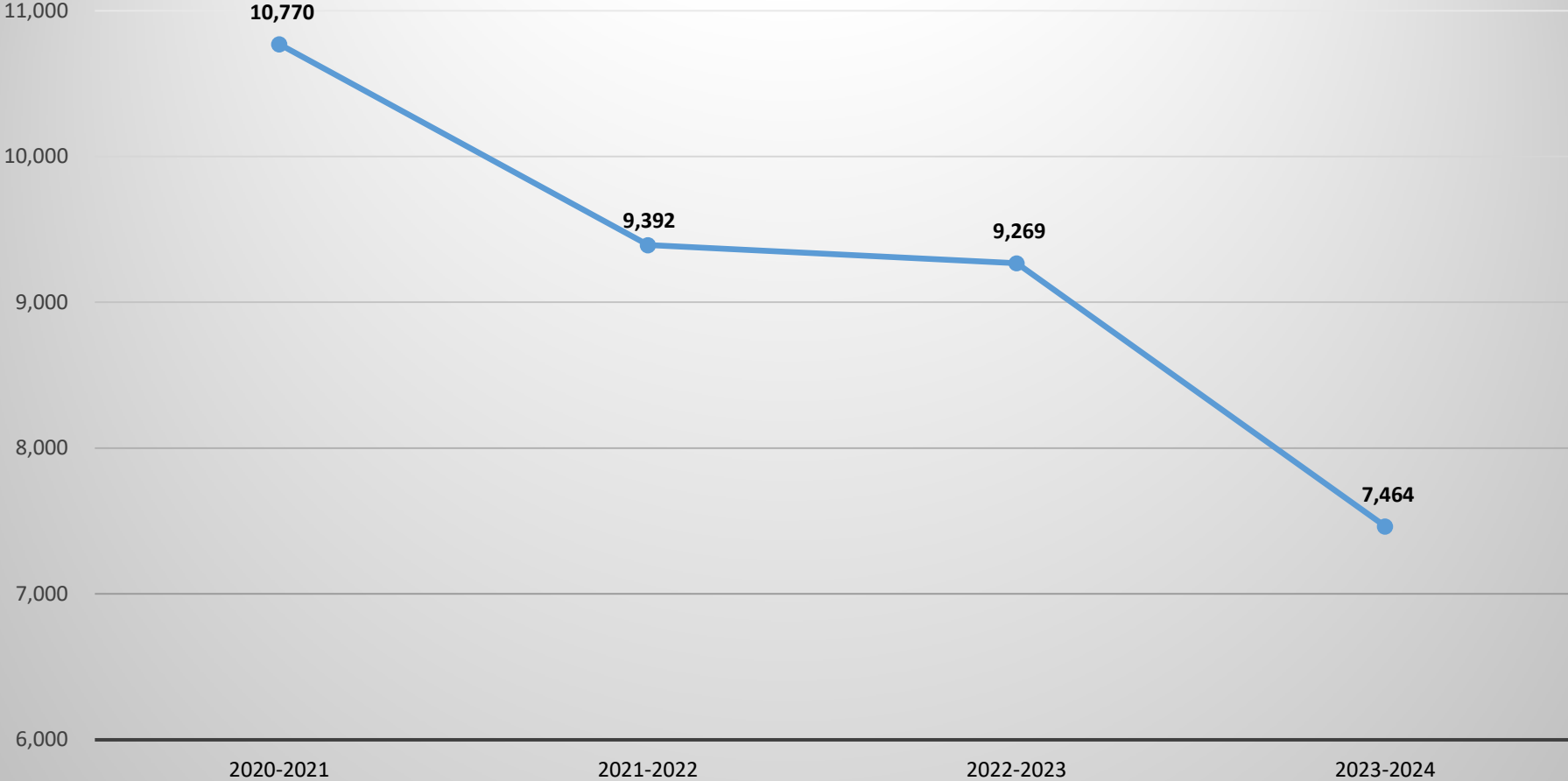
FISCAL YEAR 2021-2022

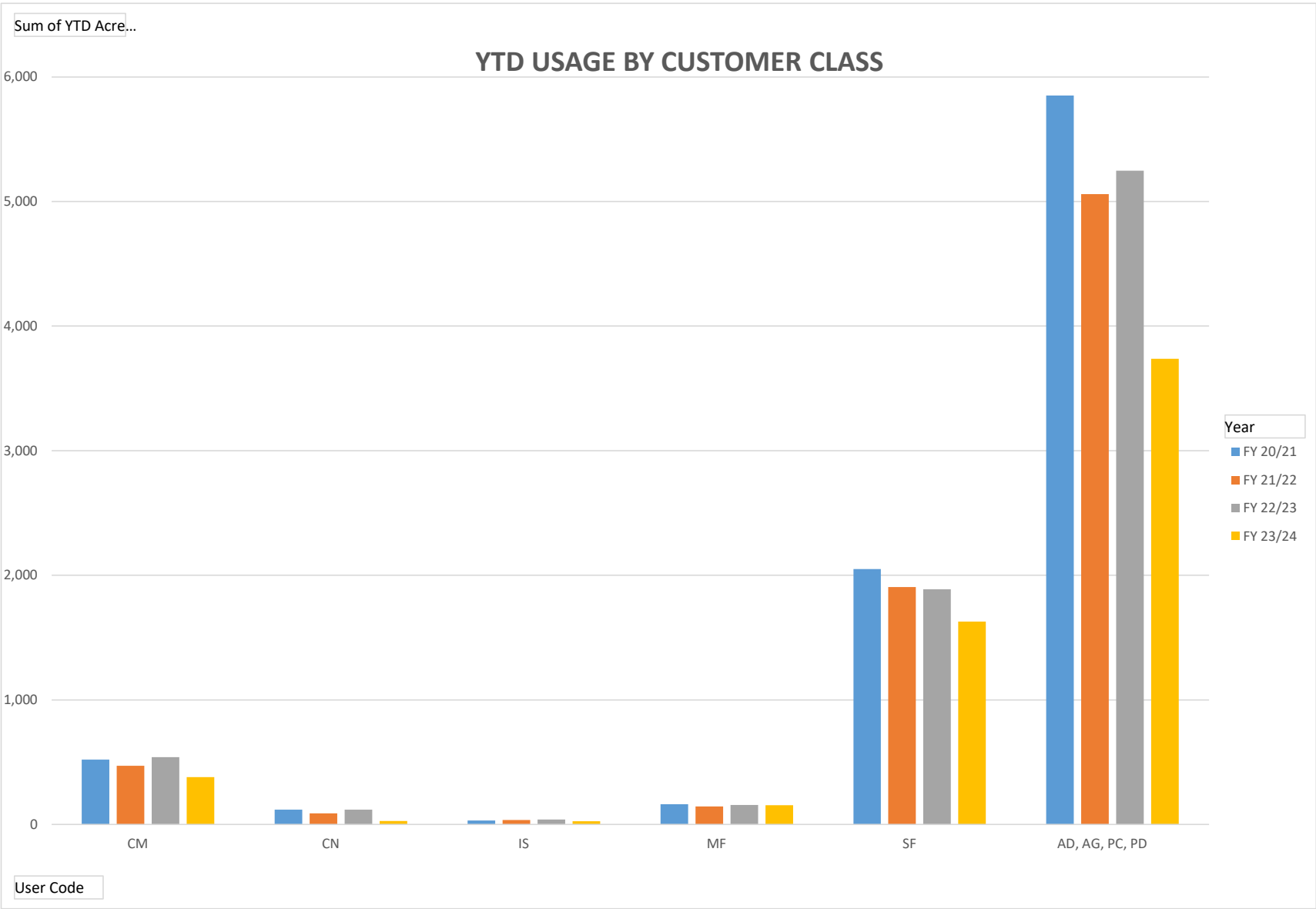
Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
1,227	AD	49,878	120,877	132,208	105,801	71,840	86,788	38,982						1,392
531	AG	126,020	156,517	188,678	141,035	94,403	113,507	37,037						1,968
276	CM	43,597	45,074	58,754	34,843	22,862	24,113	9,971						549
26	CN	9,809	7,353	8,900	4,999	8,247	7,795	9,526						130
21	IS	4,094	3,585	3,722	2,400	1,528	1,795	1,247						42
121	MF	14,171	12,501	14,634	11,363	10,797	11,216	10,215						195
148	PC	105,195	87,728	98,194	76,152	51,934	66,232	14,314						1,147
313	PD	104,423	101,695	108,445	85,321	56,327	69,973	16,562						1,246
-	SC	54,638	-	-	-	-	-	-						125
-	SD	86,465	-	-	-	-	-	-						198
6,012	SF	186,785	176,948	193,467	155,723	117,189	137,144	77,534						2,399
8675	Total	785,075	712,278	807,002	617,637	435,127	518,563	215,388	-	-	-	-	-	9,392

FISCAL YEAR 2020-2021

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
549	AD	34,763	39,406	46,230	42,502	34,921	21,626	24,948						561
402	AG	109,886	131,840	137,233	129,675	105,410	64,136	68,514						1,714
271	CM	43,615	49,777	48,946	49,458	35,129	19,261	20,216						612
24	CN	6,330	12,547	10,164	14,057	8,403	5,244	9,069						151
21	IS	2,513	2,972	3,359	3,231	1,698	1,013	1,365						37
114	MF	14,151	14,484	14,090	14,996	12,993	9,384	12,462						212
	PC	-	-	-	-	-	-	-						-
	PD	-	-	-	-	-	-	83						0
319	SC	137,945	133,502	160,919	156,961	123,278	85,624	74,455						2,003
1,012	SD	186,337	204,966	223,721	229,964	179,016	112,667	115,867						2,875
5,851	SF	169,793	186,711	189,918	189,511	157,332	112,083	128,779						2,604
8,563	Total	705,333	776,205	834,580	830,355	658,180	431,038	455,758	-	-	-	-	-	10,770

Comparative Water Sales YTD







Check Register December 2023

Description	Bank Transaction Code	Issue Date	Amount
AMERICAN EXPRESS - REWARDS FEE	WIRE	12/06/2023	438.00
US BANK CC - CENTRAL BILL (NOVEMBER STATEMENT)	EFT	12/06/2023	3,192.85
ABBAS SHAHROKH & MICHAEL AMINI	CHECK	12/08/2023	1,825.00
ALTA LANGUAGE SERVICES, INC.	CHECK	12/08/2023	55.00
ANNA NASH	CHECK	12/08/2023	17.19
ARAMARK UNIFORM SERVICES	CHECK	12/08/2023	2,011.28
AT&T	CHECK	12/08/2023	158.38
AT&T LONG DISTANCE	CHECK	12/08/2023	48.43
ATLAS ENGINEERING WEST, INC.	CHECK	12/08/2023	943.00
ATS COMMUNICATIONS	CHECK	12/08/2023	4,275.00
AZUGA, INC.	ACH	12/08/2023	238.95
BLACKROCK FINANCIAL SERVICES	CHECK	12/08/2023	1,602.45
BOOT WORLD, INC	ACH	12/08/2023	1,093.26
BP BATTERY INC.	ACH	12/08/2023	1,327.42
CALIFORNIA SURVEYING & DRAFTING SUPPLY INC	CHECK	12/08/2023	147.62
CHICAGO TITLE COMPANY	CHECK	12/08/2023	523.00
CLEARSTAR, INC.	CHECK	12/08/2023	121.97
COLONIAL LIFE & ACCIDENT INS.	CHECK	12/08/2023	60.71
CORE & MAIN LP	CHECK	12/08/2023	2,357.88
COUNTY OF SAN DIEGO, RCS	CHECK	12/08/2023	1,934.43
DIAMOND ENVIRONMENTAL SERVICES	CHECK	12/08/2023	342.66
EDWARD BRADLEY	CHECK	12/08/2023	103.00
ELSINORE VALLEY MUNICIPAL WATER DISTRICT	CHECK	12/08/2023	392.30
ESAUD LAGUNAS	CHECK	12/08/2023	60.00
EUROSOURCE JANITORIAL SERVICE INC.	ACH	12/08/2023	3,935.00
FALLBROOK AUTO PARTS	CHECK	12/08/2023	402.05

Description	Bank Transaction Code	Issue Date	Amount
FALLBROOK IRRIGATION SUPPLIES	CHECK	12/08/2023	65.94
FALLBROOK PROPANE GAS CO.	CHECK	12/08/2023	60.09
FALLBROOK WASTE AND RECYCLING	CHECK	12/08/2023	524.31
FEDEX	CHECK	12/08/2023	36.07
FERGUSON WATERWORKS #1083	CHECK	12/08/2023	3,246.78
FLUME TECH	CHECK	12/08/2023	704.69
FLYERS ENERGY LLC	ACH	12/08/2023	4,459.35
FREEDOM AUTOMATION, INC.	CHECK	12/08/2023	2,880.00
GARDA CL WEST, INC	CHECK	12/08/2023	1,737.35
HAAKER EQUIPMENT CO.	ACH	12/08/2023	1,640.42
HARBOR FREIGHT	CHECK	12/08/2023	330.22
HAWTHORNE MACHINERY COMPANY	CHECK	12/08/2023	6,140.78
HELIX ENVIRONMENTAL PLANNING INC	ACH	12/08/2023	8,907.60
ICONIX WATERWORKS (US) INC	ACH	12/08/2023	8,556.17
IMPACT DESIGN	CHECK	12/08/2023	3,688.64
INFOR PUBLIC SECTOR, INC.	ACH	12/08/2023	7,763.11
KNOCKOUT PEST CONTROL& TERMITE, INC.	CHECK	12/08/2023	100.00
LIQUID ENVIRONMENTAL SOLUTIONS OF CA, LLC	ACH	12/08/2023	210.00
MFCP INC.	CHECK	12/08/2023	357.15
MODULAR BUILDING CONCEPTS, INC	CHECK	12/08/2023	1,805.88
NUTRIEN AG SOLUTIONS, INC	CHECK	12/08/2023	1,567.61
OMNIS CONSULTING INC.	CHECK	12/08/2023	2,635.00
ORTIZ CORPORATION	CHECK	12/08/2023	1,825.00
PACIFIC PIPELINE SUPPLY	CHECK	12/08/2023	7,139.20
PARKHOUSE TIRE, INC.	ACH	12/08/2023	973.29
PERRAULT CORPORATION	CHECK	12/08/2023	2,958.98
PETERS PAVING & GRADING, INC	ACH	12/08/2023	23,025.00
PITNEY BOWES INC.	CHECK	12/08/2023	739.16
POLLUTION CONTROL DISTRICT COUNTY OF SAN DIEGO, AIR	CHECK	12/08/2023	585.00
PRECISION MOBILE DETAILING	ACH	12/08/2023	399.89
RANCHO HEIGHTS ROAD & MGMT COMMITTEE	CHECK	12/08/2023	1,600.00
RCL CONSTRUCTION	CHECK	12/08/2023	1,825.00
RHO MONSERATE C.C.H.A.	CHECK	12/08/2023	529.73
ROLLIN C BUSH	CHECK	12/08/2023	5,074.25

Description	Bank Transaction Code	Issue Date	Amount
ROTARY CLUB OF BONSALL	CHECK	12/08/2023	1,200.00
SAFETY-KLEEN	ACH	12/08/2023	734.75
SALIZCO INC	CHECK	12/08/2023	3,992.18
SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK	CHECK	12/08/2023	40.00
SAN DIEGO GAS & ELECTRIC	CHECK	12/08/2023	57,294.96
SCOTT SIMPSON	CHECK	12/08/2023	100.00
SHRED-IT USA LLC	CHECK	12/08/2023	878.90
SOUTHWEST ANSWERING SERVICE, INC.	CHECK	12/08/2023	1,071.00
STATE WATER RESOURCES CONTROL BOARD	CHECK	12/08/2023	4,614.00
STREAMLINE	CHECK	12/08/2023	355.00
SUPERIOR READY MIX	CHECK	12/08/2023	3,383.49
T S INDUSTRIAL SUPPLY	CHECK	12/08/2023	6,462.97
TCN, INC	CHECK	12/08/2023	5.72
TERESA PRICE	CHECK	12/08/2023	1,060.62
TRACY LARGENT	CHECK	12/08/2023	40.80
TRI POINTE HOMES	ACH	12/08/2023	557,225.77
TRI POINTE HOMES - CUSTOMER REFUND	CHECK	12/08/2023	3,665.20
UNDERGROUND SERVICE ALERT	ACH	12/08/2023	254.69
WATERLINE TECHNOLOGIES INC.	CHECK	12/08/2023	28,714.30
WHITE CAP CONSTRUCTION SUPPLY	CHECK	12/08/2023	7,351.18
WILLIAM TRAVIS AHREND	CHECK	12/08/2023	1,077.43
CRAIG O'NEIL	CHECK	12/11/2023	2,395.00
MIGUEL GASCA	CHECK	12/11/2023	151.96
OCCUPATIONAL HEALTH CENTERS OF CA, A MEDICAL CORP	CHECK	12/11/2023	99.00
WILLIAM ZIERING	CHECK	12/11/2023	58,645.16
EDWARD BRADLEY	CHECK	12/13/2023	250.00
AMERICAN EXPRESS - TK (NOVEMBER STATEMENT)	WIRE	12/14/2023	90,494.85
SDCWA WATER PURCHASE- OCTOBER 2023	WIRE	12/14/2023	2,189,830.30
ADP - ADVICE OF DEBIT #648535430	EFT	12/15/2023	1,530.05
WELLS FARGO BANK_ESCROW/BECK & MORRO LN	WIRE	12/19/2023	552,448.93
ACTIVE AUTO COLLISION	CHECK	12/22/2023	3,599.10
ACWA/JPIA	ACH	12/22/2023	275,611.00
ACWA-JPIA	ACH	12/22/2023	98,657.35
AIRGAS USA, LLC	ACH	12/22/2023	343.81

Description	Bank Transaction Code	Issue Date	Amount
ARAMARK UNIFORM SERVICES	CHECK	12/22/2023	641.57
ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	ACH	12/22/2023	775.00
ASPIRE FINANCIAL SERVICES, LLC	CHECK	12/22/2023	300.00
AT&T	CHECK	12/22/2023	158.21
AT&T	CHECK	12/22/2023	712.61
AT&T LONG DISTANCE	CHECK	12/22/2023	96.86
BABCOCK LABORATORIES, INC	ACH	12/22/2023	802.93
BANNER BANK	CHECK	12/22/2023	17,732.67
BASSETT COMMUNICATIONS, INC	CHECK	12/22/2023	4,839.10
BONSALL PEST CONTROL	CHECK	12/22/2023	210.00
BP BATTERY INC.	ACH	12/22/2023	254.12
CLAUDE HAMILTON	CHECK	12/22/2023	111.35
COLONIAL LIFE & ACCIDENT INS.	CHECK	12/22/2023	60.71
COPY 2 COPY	CHECK	12/22/2023	147.35
CORE & MAIN LP	CHECK	12/22/2023	9,432.43
COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	CHECK	12/22/2023	574.00
COUNTY OF SAN DIEGO DEPT OF PUBLIC WORKS	CHECK	12/22/2023	2,042.50
CRAIG SHOBE	CHECK	12/22/2023	510.00
DAWN WASHBURN	CHECK	12/22/2023	75.23
DENNIS MENDEZ	CHECK	12/22/2023	220.00
DIAMOND ENVIRONMENTAL SERVICES	CHECK	12/22/2023	483.12
EMANUEL OLIVAS	CHECK	12/22/2023	125.00
FALLBROOK AUTO PARTS	CHECK	12/22/2023	1,007.52
FERGUSON WATERWORKS #1083	CHECK	12/22/2023	21,644.74
FLYERS ENERGY LLC	ACH	12/22/2023	6,481.48
FREEWAY TRAILER SALES	ACH	12/22/2023	154.84
GARDA CL WEST, INC	CHECK	12/22/2023	94.40
GERARDO CANCINO	CHECK	12/22/2023	60.00
HAAKER EQUIPMENT CO.	ACH	12/22/2023	183.04
HELIX ENVIRONMENTAL PLANNING INC	ACH	12/22/2023	1,005.00
HILL BROTHERS CHEMICAL CO.	CHECK	12/22/2023	6,549.11
HOUSTON AND HARRIS	CHECK	12/22/2023	8,418.50
IB CONSULTING, LLC	CHECK	12/22/2023	5,175.00
INFOR PUBLIC SECTOR, INC.	ACH	12/22/2023	154,711.57

Description	Bank Transaction Code	Issue Date	Amount
INFOSEND, INC.	CHECK	12/22/2023	1,865.40
JAMES W FOWLER CO	ACH	12/22/2023	336,920.81
JULIE JOHNSON	CHECK	12/22/2023	605.82
KNOCKOUT PEST CONTROL& TERMITE, INC.	CHECK	12/22/2023	100.00
KYOCERA DOCUMENT SOLUTIONS AMERICA, INC.	CHECK	12/22/2023	14.00
LINCOLN NATIONAL LIFE INSURANCE COMPANY	CHECK	12/22/2023	5,555.30
MICHAEL MACK	CHECK	12/22/2023	336.67
MOBILE MINI, INC	CHECK	12/22/2023	1,261.86
MOBILE MODULAR	CHECK	12/22/2023	4,383.11
MONSERATE PLACE LLC	CHECK	12/22/2023	147.07
O'REILLY AUTO PARTS	CHECK	12/22/2023	314.22
PACIFIC METROLOGY	ACH	12/22/2023	308.00
PACIFIC PIPELINE SUPPLY	CHECK	12/22/2023	1,901.11
PERRAULT CORPORATION	CHECK	12/22/2023	2,710.90
PRECISION MOBILE DETAILING	ACH	12/22/2023	435.89
PRINCIPAL LIFE INSURANCE COMPANY	ACH	12/22/2023	7,902.37
QUALITY CHEVROLET	ACH	12/22/2023	343.39
RIVCOMM, INC.	CHECK	12/22/2023	6,569.92
RT LAWRENCE CORPORATION	ACH	12/22/2023	615.65
RUBEN LOPEZ	CHECK	12/22/2023	108.00
SAN DIEGO GAS & ELECTRIC	CHECK	12/22/2023	53,354.77
SOUTHWEST VALVE & EQUIPMENT	CHECK	12/22/2023	1,826.36
TEMECULA TROPHY CO.	CHECK	12/22/2023	32.08
THE ALCHEMY GROUP INC	CHECK	12/22/2023	42,000.00
TIAA COMMERCIAL FINANCE, INC.	CHECK	12/22/2023	6,273.55
US BANK	ACH	12/22/2023	291.67
VALLEY CONSTRUCTION MANAGEMENT	ACH	12/22/2023	102,492.78
VERIZON WIRELESS	CHECK	12/22/2023	6,654.34
WATER WISE PRO TRAINING LLC	CHECK	12/22/2023	3,600.00
WATERLINE TECHNOLOGIES INC.	CHECK	12/22/2023	13,901.38
WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	ACH	12/22/2023	532.51
WHITE CAP CONSTRUCTION SUPPLY	CHECK	12/22/2023	91.22
WILLIAM J. RASP	CHECK	12/22/2023	1,020.81
ZION BANCORPORATION, NATIONAL ASSOCIATION	CHECK	12/22/2023	44,823.63

Description	Bank Transaction Code	Issue Date	Amount
WEX - ADMIN FEES (NOV 2023)	EFT	12/26/2023	85.00
		TOTAL:	4,980,447.51

**Director's Expenses
FY 2023-2024**

Disbursement Date	Description	Miguel Gasca	Claude Hamilton	Julie Johnson	Michael Mack	Pam Townsend-Smith
07/31/23	WATER AGENCIES ASSOC OF S.D. CSDA, SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 150.00	\$ 150.00	\$ 300.00	\$ 150.00	\$ 150.00
	TRAVEL EXPENSES MILEAGE EXPENSE			\$ 40.61		
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	<u>\$ 150.00</u>	<u>\$ 150.00</u>	<u>\$ 340.61</u>	<u>\$ 150.00</u>	<u>\$ 150.00</u>
08/31/23	WATER AGENCIES ASSOC OF S.D. CSDA, SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00
	TRAVEL EXPENSES MILEAGE EXPENSE			\$ 675.00	\$ 675.00	
	TRAVEL EXPENSES MILEAGE EXPENSE	\$ 450.00	\$ 300.00	\$ 900.00	\$ 900.00	\$ 450.00
	TRAVEL EXPENSES MILEAGE EXPENSE			\$ 1,673.46	\$ 1,708.46	
	TRAVEL EXPENSES MILEAGE EXPENSE				\$ 131.00	\$ 48.47
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	<u>\$ 520.00</u>	<u>\$ 370.00</u>	<u>\$ 3,318.46</u>	<u>\$ 3,484.46</u>	<u>\$ 568.47</u>

**Director's Expenses
FY 2023-2024**

Disbursement Date	Description	Miguel Gasca	Claude Hamilton	Julie Johnson	Michael Mack	Pam Townsend-Smith
09/30/23	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS TRAVEL EXPENSES MILEAGE AND EXPENSES REIMBURSEMENT FROM DIRECTORS	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
	Monthly Totals	<u>\$ 300.00</u>	<u>\$ 300.00</u>	<u>\$ 300.00</u>	<u>\$ 300.00</u>	<u>\$ 300.00</u>
10/31/23	WATER AGENCIES ASSOC OF S.D. CSDA,SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS TRAVEL EXPENSES MILEAGE AND EXPENSES REIMBURSEMENT FROM DIRECTORS				\$ 150.00	
	Monthly Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150.00</u>	<u>\$ -</u>

**Director's Expenses
FY 2023-2024**

Disbursement Date	Description	Miguel Gasca	Claude Hamilton	Julie Johnson	Michael Mack	Pam Townsend-Smith
11/30/23	WATER AGENCIES ASSOC OF S.D. CSDA, SAN DIEGO CHAPTER CONFERENCES (CSDA, ACWA, etc.) TRAINING	\$ 815.00			\$ 815.00	
	COUNCIL OF WATER UTILITIES DIRECTORS' PER DIEMS	\$ 750.00	\$ 600.00	\$ 600.00	\$ 900.00	
	TRAVEL EXPENSES	\$ 1,570.94	\$ 523.14		\$ 2,131.85	
	MILEAGE EXPENSE	\$ 151.96	\$ 111.35	\$ 165.06		
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	\$ 3,287.90	\$ 1,234.49	\$ 765.06	\$ 3,846.85	\$ -
12/31/23	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
	TRAVEL EXPENSES					
	MILEAGE EXPENSE					
	REIMBURSEMENT FROM DIRECTORS					
	Monthly Totals	\$ -	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00

**Director's Expenses
FY 2023-2024**

2023 Total	Miguel Gasca	Claude Hamilton	Julie Johnson	Michael Mack	Pam Townsend-Smith
WATER AGENCIES ASSOC OF S.D.	\$ -	\$ -	\$ -	\$ -	\$ -
CSDA, SAN DIEGO CHAPTER	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00
CONFERENCES (CSDA, ACWA, etc.)	\$ 815.00	\$ -	\$ 675.00	\$ 1,490.00	\$ -
TRAINING	\$ -	\$ -	\$ -	\$ -	\$ -
COUNCIL OF WATER UTILITIES	\$ -	\$ -	\$ -	\$ -	\$ -
DIRECTORS' PER DIEMS	\$ 1,650.00	\$ 1,500.00	\$ 2,250.00	\$ 2,550.00	\$ 1,050.00
TRAVEL EXPENSES	\$ 1,570.94	\$ 523.14	\$ 1,673.46	\$ 3,840.31	\$ -
MILEAGE EXPENSE	\$ 151.96	\$ 111.35	\$ 205.67	\$ 131.00	\$ 48.47
REIMBURSEMENT FROM DIRECTORS	\$ -	\$ -	\$ -	\$ -	\$ -
REPORT TOTAL FOR 2023:	\$ 4,257.90	\$ 2,204.49	\$ 4,874.13	\$ 8,081.31	\$ 1,168.47



American Express
December 2023

GL Finance Code	GL Transaction Amount	Description
GL 03 42 56513	139.18	1-800-FLOWERS
GL 01 35 72000	584.30	ADVANCE PRODUCTS
GL 03 44 60100	290.91	AMAZON #111-8175593-9842633
GL 03 44 60100	73.24	AMAZON #112-0724156-0673005
GL 03 44 60100	299.55	AMAZON #112-1224471-7968236
GL 03 44 60100	63.42	AMAZON #112-2860125-1551422
GL 03 44 60100	(294.73)	AMAZON #112-5513972-5561805
GL 03 44 60100	215.49	AMAZON #112-5834388-3493050
GL 03 44 60100	290.91	AMAZON #112-5902547-7376218
GL 03 44 60100	408.36	AMAZON #112-7211493-7565001
GL 03 44 60100	74.29	AMAZON #112-9057084-3666647
GL 03 44 60100	148.70	AMAZON #112-9670636-4441823
GL 03 44 60100	28.75	AMAZON #112-9960110-4373047
GL 02 61 72000	258.96	AMAZON #113-0374394-3847454/PO# 13426
GL 01 31 72000	322.16	AMAZON #113-1441632-9150602
GL 01 34 72000	716.88	AMAZON #113-2514822-7268212/PO# 13417
GL 01 34 72000	264.04	AMAZON #113-3192665-5536216/PO# 13411
GL 03 41 63400	199.88	AMAZON #113-3645805-6313021
GL 03 91 72200	33.38	AMAZON #113-4468969-7315437
GL 01 34 72000	282.72	AMAZON #113-4720294-6029858/PO# 13416
GL 03 41 63400	598.67	AMAZON #113-7293306-9528238
GL 03 41 63400	149.97	AMAZON #113-7293306-9528238
GL 02 61 72000	81.08	AMAZON #113-7456671-9426657
GL 03 41 63401	(27.00)	AMAZON #113-8112645-4061040
GL 03 41 63401	91.09	AMAZON #113-8112645-4061040
GL 03 41 63401	80.80	AMAZON #113-8656366-9334630
GL 03 44 72000	0.54	AMAZON WEB SERVICES

GL Finance Code	GL Transaction Amount	Description
GL 03 44 72000	4.99	APPLE.COM
GL 03 91 75300	72.64	ASPEN PUBLISHING
GL 03 44 72400	98.20	ATLASSIAN
GL 03 44 60100	55.00	AUTHORIZE.NET
GL 03 44 60100	3,132.60	BEST BUY/PO# 13457
GL 03 20 75300	66.38	BOARD MEETING LUNCH
GL 03 41 75300	72.73	BOARD MEETING LUNCH
GL 03 51 56512	119.00	CALCPA
GL 03 44 72000	695.99	CAT5CABLEGUY.COM
GL 03 44 72400	20.00	CORELOGIC
GL 03 44 72400	192.50	CORELOGIC
GL 03 44 72000	147.62	CSCD INC
GL 03 20 75300	490.00	CSDA
GL 03 20 75300	720.00	CSDA
GL 03 43 72000	270.00	CTC-VIS
GL 03 43 72000	8.07	CTC-VIS
GL 01 34 56512	319.00	CWEA
GL 03 44 72000	134.14	DIGI-KEY
GL 03 44 72400	24.00	DIGITAL RIVER
GL 03 44 72400	30.00	DIGITAL RIVER
GL 03 44 72400	87.99	DIRECT TV
GL 01 32 72000	269.00	EJ FLOW TEST - FLOW TEST SUMMARY
GL 03 42 56513	45.00	FAST FIX - DH WATCH REPAIR
GL 03 41 63400	48.25	FRUIT GUYS #192157
GL 03 41 63400	96.50	FRUIT GUYS #193278
GL 03 41 63400	48.25	FRUIT GUYS #194230
GL 03 41 63400	96.50	FRUIT GUYS #194894
GL 03 41 63400	48.25	FRUIT GUYS #195573
GL 03 41 74100	1,255.60	GOTOCONNECT
GL 03 36 63421	405.33	GRAINGER #9880942355/PO# 13356
GL 01 34 72000	1,249.62	GRAINGER #9880942355/PO# 13356
GL 03 43 72500	336.18	GRAINGER #9884582629/PO# 13360
GL 03 43 72500	233.28	GRAINGER #9884582637/PO# 13360
GL 03 43 72500	182.32	GRAINGER #9885470527/PO# 13360

GL Finance Code	GL Transaction Amount	Description
GL 01 32 72000	16.73	GRAINGER #9913150273/PO# 13393
GL 01 34 72000	253.04	GRAINGER #9913150273/PO# 13393
GL 01 33 72000	147.62	GRAINGER #9913150273/PO# 13393
GL 02 61 72000	31.12	GRAINGER #9926489445
GL 01 34 72000	1,666.46	GRAINGER #9933380785/PO# 13436
GL 03 44 72400	3,830.70	HEXNODE/PO# 11978
GL 03 20 75300	523.14	HYATT - BOARD MEMBER HOTEL STAY
GL 03 20 75300	965.12	HYATT - BOARD MEMBER HOTEL STAY
GL 03 20 75300	995.12	HYATT - BOARD MEMBER HOTEL STAY
GL 03 42 75500	335.97	INDEED
GL 03 44 72000	495.00	INTERNATIONAL BRONZE PLAQUE
GL 03 45 72000	210.00	ISTOCK PHOTO
GL 01 34 72000	3,629.39	LEER TRUCK
GL 03 42 75500	169.99	LINKED IN
GL 03 42 75500	61.67	LINKED IN
GL 03 42 75500	516.49	LINKED IN
GL 03 42 75500	515.98	LINKED IN
GL 03 44 72000	538.75	MANY CIRCUIT BREAKERS
GL 03 41 75300	40.95	MEETING LUNCH
GL 03 44 72400	184.96	MICROSOFT
GL 03 42 75500	345.00	NEOGOV
GL 03 41 70300	7,739.00	NOSSAMAN #555492
GL 03 91 70300 700029	852.00	NOSSAMAN #555492
GL 60 99 70300 600037	2,414.00	NOSSAMAN #555492
GL 62 99 70300 600013	248.50	NOSSAMAN #555492
GL 03 42 70300	1,136.00	NOSSAMAN #555492
GL 53 99 70300 530001	35.50	NOSSAMAN #555492
GL 03 41 70300	2,297.76	NOSSAMAN #555493
GL 03 41 70300	1,755.00	NOSSAMAN #555494
GL 60 99 70300 600037	6,525.00	NOSSAMAN #555494
GL 62 99 70300 600013	1,080.00	NOSSAMAN #555494
GL 03 42 70300	405.00	NOSSAMAN #555494
GL 53 99 70300 530001	405.00	NOSSAMAN #555494
GL 03 91 70300	990.00	NOSSAMAN #555494

GL Finance Code	GL Transaction Amount	Description
GL 03 41 70300 300024	14,940.40	NOSSAMAN #555495
GL 03 41 70300 300022	806.00	NOSSAMAN #555496
GL 03 41 70300 300024	33,541.86	NOSSAMAN #555497
GL 03 41 70300	7,987.10	NOSSAMAN #556524
GL 03 91 70300	319.50	NOSSAMAN #556524
GL 60 99 70300 600037	284.00	NOSSAMAN #556524
GL 62 99 70300 600013	355.00	NOSSAMAN #556524
GL 03 91 70300 700027	319.50	NOSSAMAN #556524
GL 03 91 70300 700029	142.00	NOSSAMAN #556524
GL 03 41 70300 300020	1,035.00	NOSSAMAN #556525
GL 03 91 70300 300020	4,095.00	NOSSAMAN #556525
GL 62 99 70300 600013	5,580.00	NOSSAMAN #556525
GL 60 99 70300 600037	3,825.00	NOSSAMAN #556525
GL 03 91 70300 700027	2,880.00	NOSSAMAN #556525
GL 03 91 70300 700029	1,890.00	NOSSAMAN #556525
GL 03 41 70300 300024	19,302.00	NOSSAMAN #556526
GL 03 41 70300 300024	80,415.51	NOSSAMAN #556527
GL 03 41 72900	172.95	OFFICE DEPOT #337262555001
GL 03 41 72900	77.71	OFFICE DEPOT #342232025001
GL 03 41 72900	6.45	OFFICE DEPOT #342232025002
GL 03 41 72900	32.79	OFFICE DEPOT #342521138001
GL 03 41 72900	137.15	OFFICE DEPOT #344679384001
GL 03 91 75300	68.39	PIZZA NOVA - LUNCH W/ CONSULTANT
GL 03 41 75300	17.65	PREPASS
GL 03 91 75300	248.00	PRYOR
GL 03 44 72400	10.00	RING
GL 03 42 56513	78.14	SAENA LLC
GL 03 91 72000 700050	31.50	SD COUNTY RECORDER-DOUD QUITCLAIM
GL 01 32 72000	125.47	SMART & FINAL
GL 03 42 56513	36.53	SNAPFISH -DR BOOK
GL 03 42 56513	36.53	SNAPFISH -DW BOOK
GL 03 99 12121	74.35	TLARGENT ACCIDENTAL CHARGE
GL 03 45 72000	1,925.00	TRUE BLUE BRANDING
GL 03 44 72400	20.03	TWILIO

GL Finance Code	GL Transaction Amount	Description
GL 03 44 72400	127.24	WASABI
GL 01 34 75300	1,800.00	WATERWISE PRO
GL 03 36 72000	484.00	WHIP AROUND
GL 01 35 72000	40.25	ZOHO
GL 03 44 72400	325.87	ZOOM
	241,400.30	

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

Active Funding Requests

Grant or Loan applications that are in the process or being submitted, or awaiting selection announcement

Program Name & Agency	Status	Funding Requested	Important Dates	Purpose
<p>State and Local Cybersecurity Grant Program (SLCGP)</p> <p>CalOES</p>	<p>10/03/23</p> <p>State plan submitted to CISA in September. Awaiting further work group sessions.</p>	TBD	TBD	To address issues identified in State's Cybersecurity Plan. Funds will be passed down from the state (grantee) to eligible agencies (sub-grantees). Per first committee meeting on 12/16/22, the amount of federal funds allocated for California is not substantial. The type of projects they are looking to fund will be one-off projects that help establish more of an organized approach and framework for addressing cybersecurity projects, as opposed to individual projects.
<p>Regional Conservation Partnership Program</p> <p>USDA Natural Resources Conservation Service</p>	<p>02/21/23 Partners to hold meeting within week</p>	\$368,832	Project Start: 03/01/2023	Evaluation of irrigation system uniformity and efficiency through on-farm irrigation audits. Soil quality limitation improvements on 400 acres will be measured as soil organic matter and soil respiration rates and sequestered carbon.
<p>Regional Resilience Planning Grant Program</p> <p>CA Governor's Office of Planning and Research</p>	<p>Drafting additional scope for multi-agency cooperation section</p>	\$650,000	<p>TBD</p> <p>Awaiting second funding term</p>	The Regional Resilience Grant Program (RRGP) is a new grant program that funds projects led by partnerships that involve multiple jurisdictions working together to address the most significant climate change risks in their regions, especially in communities that are most vulnerable to climate change impacts. These impacts could include but are not limited to wildfires, rising sea levels, droughts, floods, increasing temperatures, and extreme heat events.
<p>Community Partnering Program</p> <p>Metropolitan Water District</p>	<p>10/25/2023</p> <p>Application Submitted</p>	\$2,902	Rolling application process	For supplies for the District-hosted educational field trips for STEM students from Bonsall High School.
<p>Innovative Water Infrastructure Workforce Development Program</p> <p>EPA</p>	<p>In progress</p>	TBD	Due November 17, 2023	For expanding public awareness about job opportunities in the drinking water and wastewater utility sector, and address the workforce needs of drinking water and wastewater utilities. May be achieved by developing and implementing targeted internship, apprenticeship, pre-apprenticeship, and post-secondary bridge programs for priority water utility trades.

Awarded Funding Requests

Approved Grant or Loan applications that are awaiting award or post-award reporting

Program Name	Status	Funding Awarded	Important Dates	Purpose
MWD Conservation Funding San Diego Integrated Regional Water Management	09/17/2023 Funding MOU executed	\$15,000	Expend funds by March 2024	Proposed project will assist HOA for the Terrace at San Luis Rey to conduct a pilot turf replacement project in a 3500 square foot communal space on their property. This pilot project includes irrigation system retrofits and upgrades and the installation of drought efficient landscaping.
Wellness Grant JPIA ACWA	07/12/2023 Award Notification	\$2,000	Expend funds by June 24, 2024	Funds will be used to enhance the well-being of our employees through two key initiatives: providing flu shots and massage canes.
Community Grants Program EPA	07/14/2023 Award Notification	\$1,596,762	Expend funds by September 30, 2024	Funds will be put towards the Thoroughbred Lift Station and Sewer Improvements project, including the replacement and expansion of a critical lift station, two gravity mains, and one force main.
Leadership Program JPIA ACWA	07/25/2023 Award Notification	All costs for selected attendee	TBD	To pay for participation in JPIA's Leadership Essentials for the Water Industry program for our selected attendee.
Wildfire Prevention Grant CalFire	10/02/2023 Grant Agreement signed & returned	\$161,840	Expend funds by March 15, 2029	To pay for vegetation mitigation around District infrastructure.

BOARD INFORMATION

BOARD OF DIRECTORS

SUBJECT **REPORTS**

DESCRIPTION

This is placed on the agenda to provide the opportunity for individual Board members, Legal Counsel, and the General Manager to convey information to the Board and the public. This is intended for informational purposes only, and no discussion or action is to be taken by the Board of Directors.

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



Jake Wiley, General Manager



TO: Rainbow Municipal Water District

FROM: Alfred Smith

DATE: February 27, 2024

RE: Attorney Report: Taxpayer Protection and Government Accountability Act
501668-0002

I. INTRODUCTION.

This attorney report provides an update on a ballot measure that has generated statewide concern among local public agencies. The Taxpayer Protection and Government Accountability Act would amend the California Constitution to restrict the ability of water districts, the state, counties, and other local agencies to approve or collect fees, taxes, and other revenues necessary to provide essential services to the public.

The ballot measure would restrict the fee authority of water districts and other local agencies by requiring voter approval of various fees and charges; and by limiting fee or rate increases to the “minimum amount necessary” to provide government services. The ballot measure would also make it easier to challenge local revenue measures by increasing the burden of proof on local agencies while disallowing an agency’s characterization of a measure from being considered in court.

The ballot measure proposes to expand the definition of “taxes,” thereby broadening the application of tax approval requirements to local agencies for various fees and administrative charges. The ballot measure would further raise the threshold for voter approval of local revenue measures proposed by initiative to two-thirds, although the proposed initiative itself would only require majority approval to be adopted.

The ballot measure would also *retroactively* cancel other revenue measures passed by voters or approved by the agency between January 1, 2022, and the time the ballot measure goes into effect -- if the agency’s prior revenue measure did not comply with the requirements of this new ballot measure. This ballot measure would then give those cancelled revenue measures twelve months to “re-comply.”

This ballot measure is sponsored by the California Business Roundtable, an association comprised of executives for the largest corporations in California. The ballot measure is opposed by dozens of public agencies across the state, including the Association of California Water Agencies, the California Special Districts Association, the California State Association of Counties, the League of California Cities, and others.

II. BACKGROUND.

Under current law, local revenue authority is limited by both statute and a number of voter-approved constitutional provisions, including those added by Proposition 13 in 1978, Proposition 218 in 1996, and Proposition 26 in 2010. Notwithstanding the numerous restrictions set forth in these laws, the stated purpose of this new ballot measure is to make it more difficult for water districts, counties, cities, schools, the state and other local agencies to raise revenue. The ballot measure seeks to place new and increased restrictions on the ability of local and state agencies to increase fees or raise revenue. The California State Association of Counties (“CSAC”) stated:

“The ballot measure places new and increased restrictions on every manner of revenue measure and narrows exceptions to its most onerous requirements. Its provisions are so broad that while the proponents cite specific examples they are targeting for change, the measure would have many unintended consequences.

The effect will be to increase local agency costs, reduce tax and fee revenues by subjecting them to voter approval requirements, and open more government actions to legal challenges while simultaneously making those challenges more difficult to defend against. Further, as is the case with many ballot measures, the initiative would write into the California Constitution contradictory and confusing language that cannot be changed or clarified without another future ballot measure that receives voter approval.”

The ballot measure’s fundamental provision seeks to designate every levy, charge, or exaction of any kind imposed by the state or a local agency as either a tax or an “exempt charge.” Every revenue measure not defined as an exempt charge would be subject to voter approval requirements.

The list of exempt charges is based on the provisions of Proposition 26, with some changes, and requires that even if a charge is exempt, the charge must still be imposed by an ordinance of an elected governing body. The exempt list includes charges for the actual cost of a government service, fees for the regulatory costs of issuing licenses and performing related inspections and audits, charges for the lease or sale of government property, fines and penalties imposed for violations of law, and charges imposed as a condition of property development.

As proposed, every local and state revenue measure not defined as an exempt charge would need to be submitted to the voters for approval. Those measures would be required to include in the title, summary and ballot label the type and amount or rate of the tax, the duration of the tax, and the use of the revenue derived from the tax. In the case of local revenues, the phrase “for general government use” would be required.

By specifying that a duration must be provided, the proposed ballot measure appears to require taxes to be time limited.

Local voter initiatives that impose special taxes are currently subject to lower voting thresholds than those initiated by county and city governing boards. This measure would increase those thresholds from a majority vote to two-thirds.

This initiative would also *retroactively* cancel other revenue measures passed by voters or approved between January 1, 2022, and the time this initiative goes into effect -- if they do not comply with this measure's provisions, even if those prior local revenue measures complied with all laws in effect at the time they passed. The proposed initiative would give those cancelled revenue measures twelve months to re-comply. However, local revenue measures can only be put to voters at regular elections where governing board members can also be elected, unless the governing board unanimously calls a special election, and no regular elections would take place in the twelve months after the initiative would take effect.

Another provision of the law broadly provides that local agencies must act by ordinance to impose "any kind of charge" without voter approval. The measure also proposes that for most local revenues, the fees cannot exceed the "actual cost" (as opposed to a reasonable cost) and defines actual cost to "the minimum amount necessary," opening up local agencies to litigation and judicial second-guessing about the agency's level of service and cost calculations.

"Actual cost" is defined as the (i) the minimum amount necessary to reimburse the agency for the cost of providing the service or product to the payor; and (ii) where the amount charged is not used by the agency for any purpose other than reimbursing that cost. In computing "actual cost" the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.

In addition, the proposed measure would increase the burden of proof on local agencies to prove that a revenue measure is not subject to voter approval requirements—and that the amount of the charge is reasonable and does not exceed the "actual cost," or "minimum amount necessary"—from a preponderance of evidence to clear and convincing evidence. Furthermore, the measure prohibits a court from considering how a local agency describes, or characterizes, a revenue measure in making its determination, and the use of the funds is required to be a factor in that determination.

III. STATEWIDE OPPOSITION.

The ballot measure has received statewide opposition from dozens of water and other local agencies. The California Special Districts Association (“CSDA”) stated the ballot measure will “impose draconian, retroactive restrictions on all local revenues, from special taxes to fees and fines.”

A coalition of local agencies filed an *amicus* brief to the Supreme Court arguing that this ballot measure would disrupt essential services. The coalition includes the following agencies:

- The Association of California Water Agencies (“ACWA”)
- The California Special Districts Association
- California State Association of Counties
- California Air Pollution Control Officers Association
- California Association of Sanitation Agencies
- California Fire Chiefs Association
- California Municipal Utilities Association
- City and County of San Francisco
- City of Los Angeles
- Fire Districts Association of California
- League of California Cities

The local agency *amicus* brief opposes the ballot measure. The *amicus* brief argues that the ballot measure is unlawful because it improperly revises the state constitution via initiative, and it would impair essential government services. The brief further argues that the measure is an unlawful revision of the state constitution because of the ways the measure would redistribute power between state and local governments; the measure would undermine essential functions of local governments; and because the ballot measure is so poorly drafted that it raises many interpretive issues that will not be simply resolved without requiring extensive litigation after passage.

In addition, the *amicus* brief supports the State’s emergency petition to the California Supreme Court for a pre-election challenge to the ballot measure on the

grounds that the ballot measure will disrupt the ability of the state as well as special districts and other local agencies to provide essential services and infrastructure. The *amicus* brief urges the Court to act before the measure is placed on the ballot for the November election because planning impacts are being felt now and could impair essential government services.

The *amicus* brief concludes by urging the Supreme Court to grant pre-election review, given the anticipated adverse impact to local agency finances statewide if the measure passes. The *amicus* brief provides:

“The so-called Taxpayer Protection and Government Accountability Act (“Measure”) seeks to rewrite the entire constitutional structure of government finance in California, at both state and local levels. Section 3 of the Measure states its purpose to require voter approval of “any new or higher tax” and to require legislative, not administrative, action on “all fees or other charges.” Such sweeping changes are not merely an amendment to our Constitution, but a revision that cannot be achieved by initiative.

Because the Measure is intended to greatly restrict government’s ability to raise and spend revenues, it trades clarity for breadth, creating a host of interpretive issues that will take years for courts to resolve. Over the next decade, local public entities will face the Hobson’s choice of significantly restricting their spending to avoid challenge, or instead risk expensive litigation in which they may pay both their own and the plaintiffs’ legal fees. In the near term, the mere threat of the Measure impairs local governments’ ability to borrow. These factors will together impair essential government services as previous tax initiatives have not, constraining the ability of local governments to make prudent long-term planning and budgetary decisions for their communities. Indeed, the Measure greatly expands those earlier initiatives to achieve its unconstitutional result.

In addition, the Measure transforms the constitutional relationship of state and local governments, making the latter dependent on the State for fiscal survival but stripping the State of the ability to provide necessary funding. It alters the separation of powers between the legislative and executive branches provided by Article III. It also deprives local government and the State alike of essential powers to tax, spend, plan, and delegate financial authority to the executive branch. These fundamental changes in our form of government require more deliberation than the initiative process allows. To avoid the immediate harm that would result from the Measure, the Petition should be granted and the Measure removed from the November 2024 ballot.”

The California Supreme Court is expected to rule on the pre-election challenge before the end of June, when the Secretary of State is anticipated to formally consider qualifying the measure for the November 2024 ballot.

AES



SUMMARY OF SPECIAL BOARD OF DIRECTORS' MEETING JANUARY 11, 2024

1. Draft Proposed 2024 Legislative Policy Guidelines.
The Board adopted the 2024 Legislative Policy Guidelines, with the removal of Item 7 under Colorado River, Imported Water.

SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING JANUARY 25, 2024

1. Professional services contract for Capital Improvement Program outreach services, as-needed.
The Board awarded an as-needed professional services contract, with such non-material modifications as approved by the General Counsel or General Manager, to provide as-needed outreach support for Board-approved Capital Improvement Program projects for a period of one year, with options to extend the contract for up to two additional one-year periods to Katz & Associates, Inc. in the not-to-exceed amount of \$500,000, and authorized the General Manager, or designee, to execute the contract.
2. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.
3. Vote Entitlement Resolution for Calendar Year 2024 (Amended).
The Board adopted Resolution 2024-01 establishing the vote and representative entitlements of each member agency effective January 1, 2024.
4. Professional services contracts for construction cost estimating and constructability review services, as-needed.
The Board awarded professional services contracts, with such non-material modifications as approved by the General Manager or General Counsel, to Leland Saylor & Associates, Inc. for a not-to-exceed amount of \$300,000 and Butier Engineering, Inc. for a not-to-exceed amount of \$300,000, for construction cost estimating and constructability review services, as-needed, for a period of four years, with the option to extend one year, and authorized the General Manager, or designee, to execute the contracts.
5. Amendment with Black & Veatch Corporation for San Vicente Energy Storage Facility Owners' Representative Professional Services.
The Board approved Amendment 10, with such non-material modifications as approved by the General Manager or General Counsel, to the professional services contract with Black & Veatch Corporation for San Vicente Energy Storage Facility Owners' Representative professional services for a period of 24 months in the amount of \$2,400,000, increasing the contract amount from \$2,322,000 to \$4,722,000, and authorized the General Manager, or designee, to execute the amendment.



6. Professional Services Contract with Hazen and Sawyer for the Long-Range Demand Forecast Update Project.
The Board awarded a professional services contract, with such non-material modifications as approved by the General Manager or General Counsel, with Hazen and Sawyer for a not-to-exceed amount of \$592,123, for the Long-Range Demand Forecast Update Project, and authorized the General Manager, or designee, to execute the contract.

7. Professional services contract amendment with AECOM associated with ongoing environmental consulting services for the proposed San Vicente Energy Storage Facility Project.
The Board approved Amendment No. 4, with such non-material modifications as approved by the General Counsel or General Manager, to the professional services agreement with AECOM Technical Services, Inc. (AECOM) increasing the total contract funding by \$638,362, from \$4,603,578 (former maximum) to \$5,241,940 (new maximum), and extending the contract duration by two years, from February 28, 2027, to February 28, 2029, and authorized the General Manager, or designee, to execute the amendment.

8. Retirement of Director.
The Board adopted Resolution No. 2024-02 honoring Tom Kennedy upon his retirement from the Board of Directors.

9. Approval of Minutes.
The Board approved the minutes of the Formal Board of Directors' meeting of November 16, 2023.