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

RAINBOW MUNICIPAL WATER DISTRICT BOARD MEETING

Tuesday, December 5, 2023

Closed Session 12:30 p.m.

Open Session 1:00 p.m.

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

District Office 3707 Old Highway 395 Fallbrook, CA 92028

Board Agenda Policies

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

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

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

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

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

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

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

<u>Board meetings</u> will be audio and video recorded with copies available upon request. Requests for audio recordings will be fulfilled once draft minutes for such meeting have been prepared. There are no costs associated with obtaining copies of audio and video recordings; however, these recordings will only be retained according to the policies provided in the District's Administrative Code. Copies of public records are available as a service to the public; a charge of \$.10 per page up to 99 pages will be collected and \$.14 per page for 100 pages or more.

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

(*) - Asterisk indicates a report is attached.

Notice is hereby given that the Rainbow Municipal Water District Board of Directors will hold Closed Session at 12:30 p.m. and Open Session at 1:00 p.m. Tuesday, December 5, 2023, at the District Office located at 3707 Old Highway 395, Fallbrook, CA 92028. At any time during the session, the Board of Directors Meeting may adjourn to Closed Session to consider litigation or to discuss with legal counsel matters within the attorney client privilege.

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| | 2. | ROLL CALL: | Gasca | Hamilton | Johnson | Mack | Townsend-Smith |
|--|----|-------------------|-------|----------|---------|------|----------------|
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- 3. ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)
- 4. INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE

CHAIR TO READ ALOUD - "If at any point, anyone would like to ask a question or make a comment and have joined this meeting with their computer, they can click on the "Raise Hand" button located at the bottom of the screen. We will be alerted that they would like to speak. When called upon, please unmute the microphone and ask the question or make comments in no more than three minutes.

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

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

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

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

6. CLOSED SESSION

- A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))
 - * One Item
- 7. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION
 - (*) Asterisk indicates a report is attached.

Time Certain: 1:00 p.m.

- 8. REPEAT CALL TO ORDER
- 9. PLEDGE OF ALLEGIANCE
- 10. REPEAT ROLL CALL
- 11. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION
- 12. REPEAT ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)
- 13. REPEAT INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE

CHAIR TO READ ALOUD - "If at any point, anyone would like to ask a question or make a comment and have joined this meeting with their computer, they can click on the "Raise Hand" button located at the bottom of the screen. We will be alerted that they would like to speak. When called upon, please unmute the microphone and ask the question or make comments in no more than three minutes.

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

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

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

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

*15. EMPLOYEE RECOGNITIONS

- **A.** Service Awards
 - 1. David Hill 25 Years
- B. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 23-29 A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT COMMENDING EDWARD BRADLEY FOR 35 YEARS OF SERVICE

(Resolution No. 23-29 recognizes Ed Bradley for his 35 years of service to the District and its customers.)

^{(*) -} Asterisk indicates a report is attached.

*16. APPROVAL OF MINUTES

- A. November 1, 2023 Adjourned Regular Board Meeting
- B. November 15, 2023 Special Board Meeting

*17. BOARD OF DIRECTORS' COMMENTS/REPORTS

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

- **A.** President's Report (Director Hamilton)
- **B.** Representative Report (Appointed Representative)
 - 1. SDCWA
 - **A.** Summary of Board Meeting October 26, 2023
 - **B.** Summary of Board Meeting November 16, 2023
 - 2. CSDA
 - 3. LAFCO
 - 4. Santa Margarita River Watershed Watermaster Steering Committee
 - 5. ACWA
- **C.** Meeting, Workshop, Committee, Seminar, Etc. Reports by Directors (AB1234)
 - 1. Board Seminar/Conference/Workshop Training Attendance Reports
- **D.** Directors Comments
- E. Legal Counsel Comments
 - 1. Attorney Report: Surplus Land Act 62353835-1

18. COMMITTEE REPORTS

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

CONSENT CALENDAR ITEMS

*19. APPROVAL OF RESOLUTION NO. 23-30 ESTABLISHING CHECK SIGNING RESPONSIBILITIES AND DESIGNATING AUTHORIZED SIGNERS OF CHECKS

(As part of the payroll and accounts payables process, RMWD designates specific individuals as authorized signers of checks.)

*20. CONSIDER ACCEPTANCE OF MINOR FACILITIES CONSTRUCTED BY CUSTOMERS AND FILE NOTICE OF COMPLETIONS (DISTRICT-WIDE)

(Fire hydrants were constructed, inspected, and tested per District standards and specifications. Upon acceptance by the Board, the installation costs will be added to the District's total valuation. Following a one-year warranty period, the District takes over the operation and maintenance of facilities.)

*21. CONSIDER APPROVAL TO QUITCLAIM EASEMENT FOR THE DOUD WATERLINE EXTENSION (DIVISION 5)

(The Developer was required to grant an easement to the District for a proposed fire hydrant. The Developer presented the use of a fire access road in lieu of the proposed fire hydrant, which was approved by the fire department. Therefore, the Developer is requesting to quitclaim the easement back to the owner.)

^{(*) -} Asterisk indicates a report is attached.

BOARD ACTION ITEMS

*22. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 23-31 — A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT IN COMMEMORATION OF 70 YEARS OF PUBLIC SERVICE

(Resolution No. 23-31 commemorates the District's 70 years of public service to its customers.)

*23. PRESENTATION AND ACCEPTANCE OF THE ANNUAL AUDIT REPORT FISCAL YEAR ENDING JUNE 30, 2023

(Annually, the District contracts for the preparation of an independent audit and compilation of the year-end financial statements with a Certified Public Accountant (CPA) firm. The Board of Directors will consider accepting the June 30, 2023 audit of the District by the CPA firm of Lance, Soll & Lunghard, LLP.)

*24. DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 23-07, OPTING INTO PARTICIPATION IN THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT, AND UPDATE THE PROCUREMENT CODE TO COINCIDE WITH THE INCREASED THRESHOLDS

(The CUPCCA provides alternative procedures for the bidding and awarding of public contracts that may also be utilized for maintenance work and other work that does not fall within the definition of "public project". Any local California agency may opt into the Act and participation is voluntary.)

*25. CONSIDER APPROVAL OF CHANGE ORDER #2 WITH VALLEY C.M. FOR CONSTRUCTION MANAGEMENT & INSPECTION SERVICES FOR THE LIFT STATION-1 PROJECT IN THE AMOUNT OF \$216,413 (DIVISIONS 1 & 2)

(Lift Station -1 Project completion date will be extended due to supply chain issues. The change order is needed to cover unanticipated costs for the extended project completion time and additional geotechnical work.)

*26. CONSIDER APPROVAL OF CHANGE ORDER #4 WITH HAZARD CONSTRUCTION ENGINEERING FOR THE LIVE OAK PARK ROAD BRIDGE WATER MAIN IMPROVEMENT PROJECT (600037) IN THE AMOUNT OF \$232,500 (DIVISION 5)

(After multiple weeks of ongoing negotiations, a settlement between the County, Hazard Construction, and the District was reached. The District agreed to pay a settlement offer of \$232,500.00, which includes the resolution of all outstanding claims related to the construction of the 16" waterline on this project.)

- *27. CONSIDER ACTION TO APPROVE A THREE-YEAR CONTRACT RENEWAL WITH SOFTCHOICE, INC. FOR THE LICENSING OF MICROSOFT OFFICE 365, OFFICE ADVANCED THREAT PROTECTION, AZURE SECURITY, SQL SERVER, AND WINDOWS LICENSING
 - (The District's existing three-year contract with Microsoft Licensing through Softchoice, slated to end on January 31, 2024, requires approval for a three-year extension to sustain access to Microsoft Services and Products.)
- *28. DISCUSSION AND POSSIBLE ACTION TO APPROVE CONTRACT FOR MANAGED PRINT SERVICES WITH KYOCERA DOCUMENT SOLUTIONS WEST LLC IN THE AMOUNT OF \$2,143.00 PER MONTH FOR 63 MONTHS

(The District has looked into multiple options for Managed Print Services which will be reviewed for Board consideration.)

*29. CONSIDER ESTABLISHING THE 2024 REGULAR BOARD MEETING SCHEDULE

(The Board will consider establishing the 2024 Regular Board Meeting schedule with the November and December combined meeting to be held on the second Tuesday in December to avoid scheduling conflicts due to the 2024 ACWA Fall Conference scheduled for December 3-5, 2024.)

*30. CONSIDER ADOPTING RESOLUTION NO. 23-28 DESIGNATING VALLEY CENTER MUNICIPAL WATER DISTRICT AS PROXY VOTE TO THE SAN DIEGO COUNTY WATER AUTHORITY IN THE ABSENCE OF THE RAINBOW MUNICIPAL WATER DISTRICT REPRESENTATIVE

(The Board will consider adopting Resolution No. 23-28 designating a proxy vote to the SDCWA in the absence of RMWD's representative.)

*31. DISCUSSION AND POSSIBLE APPOINTMENT OR RAINBOW MUNICIPAL WATER DISTRICT'S REPRESENTATIVE AT THE LOCAL AGENCY FORMATION COMMISSION (LAFCO)

(Due to the October 4, 2023, retirement of General Manager Tom Kennedy, resulting in a vacancy to the Board-appointed representative to LAFCO and in accordance with Administrative Code Section 3.01.030, the Board may want to consider appointing a new RMWD representative to LAFCO.)

- 32. BOARD MEMBER REQUESTS FOR AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS
 - **A.** Director Johnson Appointment to California Special Districts Association Financial Corporation (CSDAFC) Board of Directors

BOARD INFORMATION ITEMS

- 33. CROPSWAP PROGRAM UPDATE PRESENTATION
- *34. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS
 - A. General Manager Comments
 - 1. Meetings, Conferences and Seminar Calendar
 - B. Operations Comments
 - 1. Operations Report
 - C. Engineering Comments
 - **1.** Engineering Report
 - 2. As-Needed Services Expenditures Summary
 - 3. RMWD Sewer Equivalent Dwelling Units (EDU's) Status
 - E. Administrative Services Comments
 - 1. Administrative Services Report
 - F. Finance Comments
 - **1.** Board Information Report
 - A. Budget vs. Actuals
 - **B.** Fund Balance & Developer Projections
 - **C.** Treasury Report
 - **D.** Five Year Water Purchases Demand Chart
 - E. Water Sales Summary
 - F. Check Register
 - **G.** Directors' Expenses Report
 - H. Credit Card Breakdown
 - I. RMWD Properties
 - J. Grant Progress Report
- 35. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING

^{(*) -} Asterisk indicates a report is attached.

36. ADJOURNMENT - To Tuesday, January 23, 2024, at 1:00 p.m.

ATTEST TO POSTING:

Julie Johnson

Secretary of the Board

11-30-23 @ 10:00 a.m.

Date and Time of Posting Outside Display Cases

^{(*) -} Asterisk indicates a report is attached.



BOARD ACTION

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 23-29 — A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT COMMENDING EDWARD BRADLEY FOR 35 YEARS OF SERVICE

BACKGROUND

After 35 years of exemplary service to the Rainbow Municipal Water District, Edward Bradley has served the District for half its existence. Mr. Bradley has been forward-thinking during his tenure, not surrendering to the status quo. He has been upgrading and renewing electrical and SCADA panels since he has worked here. He also started the Pump Station and Lift Station Maintenance program to do preventative maintenance.

Mr. Bradley has made significant contributions to the Rainbow Municipal Water District, even beyond his assigned role of ensuring the District's electrical systems run properly. For example:

- Mr. Bradley's dependability can be counted on in an emergency. His calm demeanor is always welcome in stressful situations.
- Mr. Bradley has assisted the Wastewater department by volunteering for its after-hours on-call duty.
- Mr. Bradley's contributions to the wastewater department during extreme weather events helped prevent sanitary sewer overflows.
- In 1992 he taught new employees how to read meters for the meters department.
- Mr. Bradley's love of reptiles has made him the go-to guy whenever a critter is found on District property so that he may humanely remove it from harm's way.
- His certification by the California Water Environment Association, helps the District stay on track with the State Water Resources Board.
- He has held an Electrical & Maintenance Certification Grade III since 2008 and a Plant Maintenance Certification Grade II since 2009.

Perhaps Mr. Bradley's most notable achievements have been alerting the District that the Rainbow Heights Pump Station needs to be replaced. When the old station was being decommissioned, he responded to an emergency failure while he was on leave. During this time, the Rainbow Heights Pump Station needed to pump water to the tank before being decommissioned and replaced with a new modern pump station. The pump station had a failure that none of the electrical contractors could figure out due to the age of the equipment. Mr Bradley interrupted his time off and pinpointed the issue, and the project was back on schedule.

Acknowledging Mr. Bradley for his dedicated service to Rainbow Municipal Water District and its customers as the longest-serving employee of the District is appropriate.

DESCRIPTION

Resolution No. 23-29 recognizes Ed Bradley for his 35 years of service to the District and its customers.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Workforce Development

BOARD OPTIONS/FISCAL IMPACTS

Option 1: Approve Resolution 23-29

Option 2: Do not approve Resolution 23-29

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff defers to the Board for discussion and possible action.

Karleen Harp

Administrative Services Manager

December 5, 2023

RESOLUTION NO. 23-29

RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT COMMENDING EDWARD BRADLEY FOR 35 YEARS OF SERVICE

WHEREAS, Edward Bradley was hired by the Rainbow Municipal Water District as a Preventative Maintenance Technician I on December 15, 1988; and

WHEREAS, Edward Bradley earned his Grade 1 and Grade 2 Water Distribution Operators Certifications in 1992 and Grade 3 certification in 1993; and

WHEREAS, Edward Bradley was promoted to Electrician on December 10, 1992, and promoted to Technical Services Team Lead on July 30, 2019; and

WHEREAS, Edward Bradley has demonstrated unwavering commitment and expertise in the field of electricity in service to our ratepayers; and

WHEREAS, Edward Bradley's dedication, skill, and safety-first approach has not only illuminated our facilities but the lives of his colleagues; and

WHEREAS, Edward Bradley's legacy as a true master of his craft serves as an inspiration to all of our team members:

WHEREAS, the Board of Directors of Rainbow Municipal Water District (RMWD) wishes to recognize Edward Bradley for his 35 years of service to the District; and

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED, AND ORDERED that the Board of Directors, on behalf of the ratepayers of Rainbow MWD, hereby commends Edward Bradley and thanks him for keeping our District powered, safe, and bright.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Rainbow Municipal Water District held on the 5th day of December 2023 by the following vote, to wit:

| AYES: NOES: ABSENT: ABSTAIN: | |
|--------------------------------|----------------------------------|
| ATTEST: | Hayden Hamilton, Board President |
| Dawn Washburn, Board Secretary | |

MINUTES OF THE ADJOURNED REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT NOVEMBER 1, 2023

1. **CALL TO ORDER -** The Adjourned Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on November 1, 2023, was called to order by Vice President Gasca at 11:03 a.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Vice President Gasca presiding.

2. ROLL CALL

Present: Director Gasca, Director Hamilton (via video conference), Director

Johnson, Director Mack, Director Townsend-Smith (arrived at 12:05

p.m.).

Also Present: General Manager Wiley, Executive Assistant Washburn,

Information Technology Manager Khattab, Engineering and CIP

Manager Williams, Senior Project Manager Parra.

Also Present Via Teleconference or Video Conference:

Legal Counsel Smith, Legal Counsel Pellman, Legal Counsel

Klebaner, Consultant Kennedy.

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).

The meeting adjourned to Closed Session at 11:05 a.m.

- 6. CLOSED SESSION
 - A. Conference with Legal Counsel-Anticipated Litigation (Government Code §54956.9(d)(2))
 - * Two Items
 - (*) Asterisk indicates a report is attached.

The meeting reconvened at 12:20 p.m.

7. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

This item was addressed under Item #11.

Time Certain: 11:30 a.m.

8. REPEAT CALL TO ORDER - The Adjourned Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on November 1, 2023, was called to order by Vice President Gasca at 12:21 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Vice President Gasca presiding.

9. PLEDGE OF ALLEGIANCE

10. REPEAT ROLL CALL

Present: Director Gasca, Director Hamilton (via video conference),

Director Johnson, Director Mack, Director Townsend-Smith.

Also Present: General Manager Wiley, Executive Assistant Washburn,

Information Technology Manager Khattab, Finance Manager Largent, Engineering and CIP Manager Williams, Administrative Services Manager Harp, Operations

Manager Gutierrez.

Also Present Via Teleconference or Video Conference:

Legal Counsel Smith, Wastewater Superintendent Zuniga, Customer Service and Meters Supervisor Lagunas, Senior Project Manager Parra, Administrative Analyst Barrow, Administrative Analyst Rubio, Grant Specialist Kim, Administrative Assistant Montano.

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

11. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel reported the Board met in Closed Session to discuss two items. He stated after reviewing and considering multiple claims submitted by Hazard Construction regarding change orders and cost issues on the Live Oak Bridge project, the Board rejected all claims received to date by Hazard Construction.

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

There were no amendments to the agenda.

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

Vice President Gasca 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).

There were no comments.

*15. APPROVAL OF MINUTES

A. September 26, 2023 - Regular Board Meeting

Motion:

To approve the minutes.

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

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

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

*16. BOARD OF DIRECTORS' COMMENTS/REPORTS

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

A. President's Report (Director Hamilton)

President Hamilton encouraged everyone to communicate with any ratepayer that they need to vote however they choose.

- **B.** Representative Report (Appointed Representative)
 - 1. SDCWA
 - **A.** Summary of Board Meeting September 28, 2023

Mr. Wiley reported there was nothing involving RMWD discussed at the SDCWA's November meeting. He mentioned a new operations and maintenance building has been approved for the Escondido location. He also noted there was discussion regarding proposed legislative priorities for the upcoming year of which the most interesting was related to amending the voting structure at SDCWA not just by weight of total monies over the history of their existence, but also a two-stage vote over a shorter period of contributions to SDCWA as well as a majority vote which would require a change to the County Water Act.

2. CSDA

Director Mack provided a report on the governance training he attended at Elsinore Valley Municipal Water District on October 30th. He stated this was a very informative refresher course.

3. LAFCO

There was no report given.

4. Santa Margarita River Watershed Watermaster Steering Committee

President Hamilton stated he was unable to attend the October meeting.

5. ACWA

Vice President Gasca noted the 2023 ACWA Fall Conference will take place in November in Indian Wells as well as mentioned some topics of interest provided in the ACWA News publication including a water bond for the November 24, 2023, ballot with focus on providing approximately \$15.5 billion in funding for various water natural resources issues that RMWD way want to stay apprised of to determine whether there are some monies RMWD may want to pursue. He also pointed out there was an article about one agency getting students involved in volunteering to do advocacy work in communicating with their ratepayers in terms of assisting them with signing up to acquire Flume for their system through the district and how RMWD may want to consider implementing something similar.

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

President Hamilton announced he completed the required AB1234 certificate renewal last week.

D. Directors Comments

Director Townsend-Smith stated she had the pleasure of attending the Hoover Dam tour which she found fascinating. She encouraged anyone who may have an opportunity to take this tour.

Director Johnson thanked Ms. Largent for allowing her to meet with the finance department last month, noting the team was very impressive.

E. Legal Counsel Comments

1. Attorney Report: Conflict of Interest and Water Rights Update 62310139 1

Legal Counsel summarized the information provided in the written report. He also extended an invitation to anyone attending the 2023 ACWA Fall Conference to join him at the reception being hosted by Nossaman and Water Education Foundation on Tuesday, November 28th from 6:30-8:30 p.m.

17. COMMITTEE REPORTS

A. Budget and Finance Committee

Mr. Nelson reported the committee met on October 10th at which time the members reviewed a couple of items (#26 and #27) before the Board today for consideration and how the committee recommended the Board adopt the staff recommendations provided for each. He also noted the committee had the opportunity to receive an excellent presentation on Item #18 which the Board will appreciate hearing.

B. Engineering and Operations Committee

Mr. Nelson reported the committee did not meet in October but will meet today immediately following this meeting. He mentioned he received a phone call from Helene Brazier who, after many years as a public activist around RMWD, served as a Board Member, and a sitting volunteer committee member, resigned. He said Ms. Brazier made it clear she could not be talked into continuing to serve, that he thanked her very much for her service, and how this was a classic case of somebody who has probably devoted a couple of decades of her life attempting to make RMWD a better place for ratepayers. He stated he was sorry about her departure and wished her the very best.

Director Johnson acknowledged Ms. Brazier's presence and involvement in the community, especially in Division 1. She agreed with what Mr. Nelson had to say about Ms. Brazier and was saddened to learn of her decision.

Vice President Gasca suggested the Board prepare a resolution acknowledging Ms. Brazier and her efforts for publication. He acknowledged Ms. Brazier has never been a big fan of receiving commendations; however, in this case he thinks it would be very appropriate as a means of expressing thankfulness for all she has done for the district. President Hamilton and Director Johnson agreed.

C. Communications and Customer Service Committee

Ms. Harp reported the committee met on October 5th at which time discussions took place regarding community events including scaling back on the 70th anniversary spending outside of repurposing some of the content readily available such as the historical video Ms. Gray had worked on previously and a press release. She also provided updates on recent and upcoming community events as well as newsletter content. Mr. Wiley mentioned he received positive feedback following the recent student field trip provided by RMWD.

PRESENTATION

*18. CASH RESERVE POLICY 5.03.220 COMPLIANCE REPORT PRESENTATION

Ms. Largent explained that per RMWD's Administrative Code, staff was required to report out the cash reserve balances every year following the year-end close and the audit. She noted the audit will be presented at the December Board meeting. She shared a presentation titled "Cash Reserve Balance & Mid Year Budget Review" starting with review of the recent successes and challenges, respectively, while providing a high-level overview of what RMWD was looking at for January 2024.

Ms. Largent displayed the cash balances by fund noting for FY22 RMWD ended with approximately \$20 million in cash and approximately \$17 million for FY23. She talked about the target reserves pointing out in the first couple of years, RMWD was really aiming to get towards the minimum level of sixty days of operating and maintenance expenses in the operating funds. She noted the Administrative Code states RMWD will do sixty days less the cost of purchased water; however, this is not adequate, so it was increased in the Cost of Service Study and how the Administrative Code may need to be updated for that as well. She explained the information for the various reserve funds as well as the operating and debt service fund balances noting the total for operating was \$8 million.

Ms. Largent reviewed the information provided for the water operating budget noting the sales were budgeted at 12,700-acre feet; however, due to projections, the sales may only be 10,000-acre feet. She explained the management team met to determine which adjustments and cuts could be made including leaving the engineering position vacant, cutting travel and training by 50%, pull back on contractor and consultants in administration and public relations department, as well as some other various department level savings that were identified as being able to be delayed.

Ms. Largent talked about the wastewater capital fund balances, noting the Thoroughbred Lane Lift Station and Pipeline Repair (LS1 Replacement) was the only one currently active. She pointed out there was some spending budgeted last year that has not happened as of yet; therefore, staff will suggest that be rolled over into next year. She reviewed the information displayed and how there will be approximately \$2.6 million going into Year 2. She noted the wastewater capital fund was adequately funded and how it is unlikely the \$9.5 million funding will not be needed in Year 3. She displayed both the wastewater capital fund and operating reserve balance together, noting there will be just over \$3 million projected for FY25.

Ms. Largent transitioned to the water capital fund projects as she explained what staff will be proposing for January including the reason for such. She shared her concerns with the water capital fund balance projections and what adjustments will be proposed for consideration in January. She displayed the water operating and capital fund balance projections explaining the planning was for a worst-case scenario. She pointed out the projected cash balance by fund for FY24 is significantly lower than she would be comfortable; therefore, she was presenting some recommendations as to what could be done to assist with this matter.

Director Mack asked whether the Board would have a better idea in January as to how things are going. Mr. Wiley stated it was unclear as to the timing of the savings; therefore, this was why Ms. Largent was putting forward worst-case assumptions which are prudent for planning ahead and how debt issuance may be key. Ms. Largent added there will be more information in terms of water sales in January as well.

Director Johnson inquired as to whether there was any indication of the cost of the detachment to the ratepayers at this time. Ms. Largent stated nothing definitive. Ms. Johnson asked if it was appropriate for the Board to have this information. Ms. Largent explained there would be a better indication of everything in January. President Hamilton asked if there was a means of estimating detachment costs. Discussion ensued.

Director Johnson said she would appreciate the Board having a better understanding of the costs related to the detachment including legal, consultants, etc. in January at the very latest so that they could better answer ratepayer questions. Ms. Largent clarified she was recommending holding a budget workshop at the regularly scheduled Budget and Committee meeting date in January.

(*) - Asterisk indicates a report is attached.

Director Johnson asked about RMWD having a healthy reserve fund. Ms. Largent answered noting RMWD was well below where it should be and how she hoped to at least have the water operating at the \$6 million minimum; however, it will be closer to \$4 million at year end if sales are at 10,000-acre feet. She explained the water capital should be one year of the six-year average, but if the \$14 million is spent this year, the reserve fund will be zero at the end of the year. Mr. Wiley stated hence the recommendation to take on some debt. Discussion followed.

Director Johnson requested a copy of this presentation be provided to the Board. Ms. Largent acknowledged this request.

Vice President Gasca asked whether the look presented includes the wind down of the meter replacement program. Ms. Largent explained there has been some additional work involved with this project which is aggressively being addressed to reduce water loss and how the costs have been pulled out.

Director Townsend-Smith inquired as to whether selling off some assets has been taken into consideration. Mr. Wiley stated this was something staff were already looking into this possibility for those properties owned by RMWD that have no intended use now or in the future.

Director Johnson asked if there were any action plans for those recommendations listed in the presentation. Mr. Wiley pointed out these were general guidelines for what is already being implemented. Discussion followed.

Director Townsend-Smith asked if there were any plans of getting money from developers. Mr. Williams replied the staff was working on this as well.

President Hamilton inquired as to what type of responses were received to the financial Requests for Proposals. Ms. Largent pointed out the due date for responses is not until November 10th; therefore, she will provide an update and share the results with the Board at their December meeting.

CONSENT CALENDAR ITEMS

- *19. CONSIDER APPROVAL OF A JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION COUNTY OF SAN DIEGO TRACT NO. 5354-5 (VTM5354R2, PDS2019-LDMJIP-50069, PA-5) FOR CITRO DEVELOPMENT (DIVISION 4)
- *20. NOTICE OF COMPLETION AND ACCEPTANCE OF INFRASTRUCTURE FOR THE HORSE CREEK RIDGE DEVELOPMENT UNIT 5-R4 BY D.R. HORTON (DIVISION 4, 5)
- *21. NOTICE OF COMPLETION AND ACCEPTANCE OF INFRASTRUCTURE FOR THE HORSE CREEK RIDGE DEVELOPMENT UNIT 6-R5 BY RICHMOND AMERICAN HOMES (DIVISION 5)
- *22. CONSIDER ACCEPTANCE OF MINOR FACILITIES CONSTRUCTED BY CUSTOMERS AND FILE NOTICE OF COMPLETIONS (DISTRICT-WIDE)

Motion:

To approve Option 1 for each of the Consent Calendar Items.

(*) - Asterisk indicates a report is attached.

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

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

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

BOARD ACTION ITEMS

*23. CONSIDER APPROVAL TO QUITCLAIM EASEMENTS FOR PROVENCE DEVELOPMENT, TM4736-1 (DIVISION 1)

Mr. Williams explained this was an active development; however, he was recently informed this would be changing again. He pointed out RMWD was not giving anything away for free, but rather trading the location of the existing easements with another location.

Motion:

To approve Option 1 - Make a determination that the action defined herein does not constitute a "project" as defined by CEQA, authorize the General Manager to execute the quitclaim deeds associated with the easements which are no longer required by the District, and to have these items included as part of the Consent Calendar in the future unless there are financial impact is involved.

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

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

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

*24. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 23-26 — A RESOLUTION ESTABLISHING CLASSIFICATIONS AND MONTHLY PAY RANGES FOR DISTRICT EMPLOYEES AND THE GENERAL MANAGER EFFECTIVE OCTOBER 24, 2023, THROUGH JUNE 30, 2024

Ms. Harp announced Ms. Washburn, who has been with RMWD for nearly 20 years, has given notice of her intent to retire in January. She said as is customary when a single-incumbent position becomes vacant, she conducted an updated market analysis to ensure when RMWD is hiring in a successor, it is being done at the appropriate market rate. She reported RMWD's current pay grade was significantly above market 30% overall and 15% for the senior level hourly classification that do not supervise other employees; therefore, her recommendation was to create a series classification with adding two levels to this position under the existing level so that RMWD can hire in at a market-appropriate rate for this position without negatively impacting the incumbent prior to retiring. She said assuming the Board approves this resolution, the position has already been posted at the recommended pay rate to know an appropriate response is received. Discussion followed.

Motion:

To adopt Resolution No. 23-26.

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

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

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

*25. DISCUSSION AND POSSIBLE ACTION TO APPROVE ORDINANCE NO. 23-06 — AMENDING AND UPDATING ADMINISTRATIVE CODE TITLE 4 – PERSONNEL RULES AND REGULATIONS SECTION 4.01.140 – SERVICE AWARDS

Ms. Harp stated RMWD currently has service awards in its Administrative Code for up to thirty years and how there is one employee will reach 35 years of service. She explained after conducting a survey involving other agencies within the area to find out what other programs are in place, she found most went up to forty years, which is what was being recommended for RMWD.

Mr. Wiley said the type of value that those individuals bring to the organization and their institutional knowledge is invaluable.

Motion:

To adopt staff recommendation Option 1 - Adopt Ordinance No. 23-06 amending and updating the Administrative Code, Title 4 - Personnel Rules and Regulations, Section 4.01.140 - Service Awards.

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

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

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

*26. DISCUSSION AND POSSIBLE ACTION FOR A VARIANCE REQUEST FOR CUSTOMER CREDIT FOR THE DIFFERENCE IN ACCOUNT CLASS RATES FROM SEPTEMBER 2020 TO NOVEMBER 2022 (Division 2)

Mr. Wiley noted this was presented at the Budget and Finance Committee during which time the committee members voted to recommend the Board adopt the staff recommendation. He provided some background related to the dialog and correspondence exchanged between the customer and RMWD and how the customer was requesting a credit that is not allowable within the Administrative Code; therefore, this was brought to the Board for consideration.

President Hamilton noted it was not RMWD's responsibility to educate the ratepayers when the information is readily available to them. Mr. Wiley agreed as well as mentioned information regarding this matter is continually published in the District newsletter.

Director Johnson pointed out there are requests that continue to come to RMWD and how consistency would be critical.

Motion:

To approve Option 2 - Deny the request.

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

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

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

*27. DISCUSSION AND POSSIBLE ACTION TO APPROVE A BILL ADJUSTMENT FOR ACCOUNT 018412-000 FOR AMOUNT OF TIME A CONSTRUCTION METER WAS NOT BEING USED FROM OCTOBER 2022 TO PRESENT AND WAIVE LATE FEES (Division 3)

Mr. Wiley explained there was a construction meter provided by RMWD upon request of the customer which they were done utilizing in July. He noted although the customer said they had contacted RMWD to remove the construction meter; however, this could not be confirmed with the data available. He stated because it was unclear as to whether the request for removal was made as well as the fact invoices were being sent to an incorrect address, staff was recommending the Board authorize a refund of that the Board authorize refund in the amount of \$4,111.70.

Motion:

To support Option 1 – Approve the variance to issue a billing adjustment credit on the customer's account of \$4,111.70.

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

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

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

*28. APPOINTMENT OF OFFICER AND REPRESENTATIVES

Mr. Wiley stated most often, staff will bring a recommendation for the Board to consider; however, in this case staff will support Board direction. He pointed out Mr. Kennedy currently represents RMWD on the SDCWA Board of Directors as he has for the past several years; however, with Mr. Kennedy's current retirement, this item was being brought forward for discussion as to what the Board would like to do going forward in terms of representation on the SDCWA Board of Directors. He mentioned SDCWA provides a per diem of \$150 per day and nothing more. He reiterated Mr. Kennedy has been representing RMWD for some time at SDCWA and would be willing to continue doing so should the Board desire in conjunction with other as-needed assistance to the general manager as a package for which a contract is before RMWD in the amount of \$3,000 per month.

Mr. Wiley acknowledged the Board has the option of appointing whoever they desire to serve as their representative at SDCWA; therefore, this item was to provide the Board with the opportunity to select who they would like to represent RMWD on SDCWA's Board of Directors. He clarified he was not advocating in any way.

Director Townsend-Smith asked Mr. Wiley if this was something he would be willing to do. Mr. Wiley stated he would be willing to serve at the pleasure of the Board.

Director Johnson stated she was not in favor of another consultant contract. She said if there were no other candidates then she would volunteer to serve. President Hamilton stated he agreed with Director Johnson in that he was not in favor or hiring anyone to sit in a chair for RMWD unless there are other activities for which that individual could be compensated. He noted his observation over the past several years in regards to SDCWA, is that those that are most effective are either general managers or board members who have been involved with water for multiple years and that other representatives on that Board do not contribute to the effective management of SDCWA; therefore, if RMWD was going to have a participant serve on SDCWA's Board, he would recommend it be someone very familiar with water and has been involved for a while throughout the politic aspects of what has been transpiring; therefore, he recommended continuing with the general manager.

Vice President Gasca pointed out RMWD is engaged in discussions with SDCWA to work things out, it would be beneficial for Mr. Wiley being present to support those efforts. He said on the other hand, discussions are being cranked up with the Eastern Municipal Water District; therefore, he wanted to hear from Mr. Wiley as to where his time may be better spent and whether someone else should serve as RMWD's representative at SDCWA. Mr. Wiley stated having a staff member would be unnecessarily burdensome and how the idea was to have someone capable of discerning whether it is worth their time or not. Vice President Gasca inquired as to whether an alternate be appointed to attend in the representative's absence. Mr. Wiley explained there is a proxy in place which will be brought to the December meeting for reconsideration.

Director Mack pointed out this appointment could potentially be for a short period of time depending on the election results. This was confirmed to be correct.

Director Johnson stated she volunteered because although she has the least amount of water knowledge, she was not comfortable with a consultant contract especially after hearing about the District finances earlier in this meeting. Mr. Wiley clarified, the \$150 included in the proposal was the meeting per diem and the other charges were for other services provided in what was a package deal.

Motion:

To approve Option 1 - Adopt Resolution No. 23-27 with the appointment of Jake Wiley as the new representative to the SDCWA Board of Directors on behalf of the District.

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

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

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

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

Director Mack and President Hamilton expressed their interest in attending the November SDCSDA Quarterly Dinner Meeting.

Directors Johnson and Townsend-Smith both stated they would like to attend the Special District Leadership Academy in April 2024.

BOARD INFORMATION ITEMS

*30. RECEIVE AND FILE INFORMATION AND FINANCIAL ITEMS

- A. General Manager Comments
 - 1. Meetings, Conferences and Seminar Calendar
- B. Operations Comments
 - 1. Operations Report
- C. Engineering Comments
 - **1.** Engineering Report
 - 2. As-Needed Services Expenditures Summary
 - 3. RMWD Sewer Equivalent Dwelling Units (EDU's) Status
- D. Administrative Services Comments
 - 1. Administrative Services Report
 - 2. Organizational Chart
- E. Finance Comments
 - **1.** Board Information Report
 - A. Budget vs. Actuals
 - **B.** Fund Balance & Developer Projections
 - **C.** Treasury Report
 - **D.** Five Year Water Purchases Demand Chart
 - **E.** Water Sales Summary
 - F. Check Register
 - **G.** Directors' Expenses Report
 - H. Credit Card Breakdown
 - I. RMWD Properties
 - J. Grant Progress Report

The information and financial items were received and filed.

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

It was noted establishment of the 2024 Board Meeting schedule, appointment of a proxy at SDCWA, and a CropSwap update should be on the next meeting agenda. Director Johnson recommended there be some form of celebration recognizing the upcoming retirements at the December Board meeting as well.

32. ADJOURNMENT

The meeting was adjourned by Vice President Gasca to a regular meeting on December 5, 2023, at 1:00 p.m.

| The meeting was adjourned at 1:43 p.m. | |
|--|------------------------------------|
| | |
| | Miguel Gasca, Board Vice President |
| Dawn M. Washburn, Board Secretary | |

MINUTES OF THE SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT NOVEMBER 15. 2023

- 1. CALL TO ORDER The Special Meeting of the Board of Directors of the Rainbow Municipal Water District on November 15, 2023, was called to order by President Hamilton at 12:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Hamilton presiding.
- 2. ROLL CALL:

Present: Director Hamilton, Director Johnson, Director Mack, Director Gasca

(arrived at 12:05 p.m. via video conference), Director Townsend-

Smith (joined at 1:20 p.m.)

Also Present: General Manager Wiley, Legal Counsel Smith, District Secretary

Washburn, Information Systems Specialist Espino.

Also Present Via Teleconference or Video Conference:

Legal Counsel Pellman, Legal Counsel Klebaner, Consultant

Kennedy.

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)

Legal Counsel requested that the Board vote to approve adding one matter to Closed Session item listed based on the Brown Act exception a matter to Closed Session based on new information that came to the attention of the District after the agenda was posted which requires immediate action

Motion:

To approve adding one item to the Closed Session.

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

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

Ayes: Director Hamilton, Director Johnson, Director Mack.

Absent: Director Gasca, Director Townsend-Smith.

(*) - Asterisk indicates a report is attached.

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 12:02 p.m.

6. CLOSED SESSION

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

Two Items

The meeting reconvened at 1:26

7. REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Time Certain: 1:00 p.m.

REPEAT CALL TO ORDER - The Special Meeting of the Board of Directors of the Rainbow Municipal Water District on November 15, 2023, was called to order by President Hamilton at 1:27 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: Director Gasca (via video conference), Director Hamilton, Director

Johnson, Director Mack, Director Townsend-Smith.

Also Present: General Manager Wiley, Legal Counsel Smith, District Secretary

Washburn, Information Systems Specialist Espino.

Also Present Via Teleconference or Video Conference:

Safety and Risk Management Officer Johnson.

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

(*) - Asterisk indicates a report is attached.

11. REPEAT REPORT ON POTENTIAL ACTION FROM CLOSED SESSION

Legal Counsel report the Board met in Closed Session to discuss two items and there was no reportable action.

12. ADJOURNMENT

The meeting was adjourned by President Hamilton to a regular meeting on December 5, 2023, at 1:00 p.m.

| 2023, αι 1.00 μ.π. | | |
|--|----------------------------------|--|
| The meeting was adjourned at 1:28 p.m. | | |
| | Hayden Hamilton, Board President | |
| Dawn M. Washburn, Board Secretary | | |

^{(*) -} Asterisk indicates a report is attached.



SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING OCTOBER 26, 2023

- Monthly Treasurer's Report on Investments and Cash Flow.
 The Board noted and filed the Treasurer's report.
- Establish 2024 Board meeting dates.

The Board approved combining the November and December Board meeting dates to November 21, 2024, and approved the 2024 Board meeting dates calendar.

 Amendment to Agreement with Kinnectics, LLC, for As-Needed Organizational Support Consulting Services.

The Board authorized the General Manager, or designee, to execute a second amendment to the professional services contract with Kinnectics, LLC, to provide as-needed organizational support services for an additional two years, for an additional amount of \$182,013.

 Amendment to extend the agreement with Industrial Scientific Corporation for Lease of Air Monitoring Equipment System.

The Board approved amending the agreement with Industrial Scientific Corporation for continued services to the Water Authority through December 31, 2024 by \$60,189.78 for a period of 14 additional months; increasing total contract funding to an amount not to exceed \$206,364.96.

- Maximo Application Suite License Renewal.
 - The Board authorized the General Manager to renew a licensing agreement with Second-to-None Solutions, Inc. (STONS), for a second year of Maximo Application Suite software licenses for an additional \$107,760. The renewal will increase the licensing agreement from \$135,643.20 to a new, cumulative two-year total of \$243,403.20.
- 6. Resolution considering the Final Environmental Impact Report (EIR) for Escondido Research and Technology Center Specific Plan; approving the project and authorizing the filing of a Notice of Determination; and authorizing the General Manager to execute the Purchase and Sale Agreement for the real property and improvements, located at, or to be located at, 1960 Citracado Parkway, Escondido for use as the Operations and Maintenance Facility.

The Board adopted Resolution No. 2023-31 that: a. Resolves that the Final Environmental Impact Report (EIR) adopted by the City of Escondido as Lead Agency complies with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines; that no further environmental analysis is required for the action of the San Diego County Water Authority (Water Authority), and approves the project and authorizes the filing of a Notice of Determination (NOD); and, b. Authorizes the General Manager to execute a purchase and sale agreement, in the form provided, with such minor modifications as subsequently approved by the General Manager and General Counsel, to purchase the real property and improvements located at, or to be located at, 1960 Citracado Parkway, Escondido, for an amount not-to-exceed \$38,760,360, plus customary closing costs and fees.



7. <u>Construction contract with Kiewit Infrastructure West Co. for the Southern First Aqueduct Structures Rehabilitation project.</u>

The Board authorized the General Manager, or designee, to award a construction contract to Kiewit Infrastructure West Co.in the amount of \$41,554,000 for the Southern First Aqueduct Structures Rehabilitation project.

8. <u>Professional services contracts with Pure Technologies U.S. Inc., and Pipeline Inspection and Condition Analysis Corporation for pipeline condition assessment of the First Aqueduct.</u>

The Board approved the following actions to support the condition assessment of the First Aqueduct pipelines: a. authorized the General Manager to award a professional services contract to Pure Technologies U.S. Inc., for a not-to-exceed amount of \$1,999,000 for pipeline condition assessment services for a period of three years; and, b. authorized the General Manager to award a professional services contract to Pipeline Inspection and Condition Analysis Corporation, for a not-to-exceed amount of \$3,170,000 for pipeline condition assessment services for a period of three years.

9. <u>Construction contract with Kiewit Infrastructure West Co. for the Helix 9 Flow Control Facility project.</u>

The Board authorized the General Manager, or designee, to award a construction contract to Kiewit Infrastructure West Co. in the amount of \$9,017,500 for the Helix 9 Flow Control Facility project.

10. Approval of Minutes.

The Board approved the minutes of the Special Board of Directors' meeting of September 7, 2023 and the Formal Board of Directors' meeting of September 28, 2023.

11. ACTION FOLLOWING CLOSED SESSION

The Board approved a salary adjustment of 8.75% for the General Counsel to match cost-of-living increase provided to represented employees on June 30, 2023, and a mid-year evaluation in June 2024.



SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING NOVEMBER 16, 2023

- 2023 Energy Management Policy.
 The Board adopted the 2023 Energy Management Policy.
- Wholesale Market Access Tariff Agreement with Clean Energy Alliance.
 The Board authorized the General Manager, or designee, to execute a Wholesale Market Access Tariff Agreement with Clean Energy Alliance for providing energy to Claude "Bud" Lewis Carlsbad Desalination plant.
- Amend Agreement for Consulting Services with M Strategic Communications.
 The Board approved an agreement amendment with M Strategic Communications for continued consulting services for the Water Authority through February 29, 2026, by \$370,000 for a period of 24 additional months with total contract funding not to exceed \$2,370,000.
- Sponsor legislation amending the California Public Contract Code Section 20642.
 The Board approved to sponsor legislation amending the California Public Contract Code Section 20642.
- Monthly Treasurer's Report on Investments and Cash Flow.
 The Board noted and filed the Treasurer's report.
- Vote Entitlement Resolution for Calendar Year 2024.
 The Board adopted Resolution No. 2023-32 establishing vote and representative entitlements of each member agency to be effective January 1, 2024.
- Contract Amendment for Montague DeRose and Associates, LLC, for as-needed financial advisor services.
 The Board authorized the General Manager to amend the Montague DeRose and Associates, LLC.

The Board authorized the General Manager to amend the Montague DeRose and Associates, LLC, professional services contract to extend the agreement term for an additional two years, in the amount of \$100,000, for continued as-needed financial advisor services, increasing the authorized contract amount from \$149,000 to \$249,000.

- Adopt resolution designating authorized officers to act on behalf of the San Diego County Water
 <u>Authority with respect to banking and investment accounts</u>.
 The Board adopted Resolution 2023-33 designating authorized officers to act on behalf of the
 Water Authority with respect to certain banking and investment accounts.
- Adopt the Annual Statement of Investment Policy, as amended, and continue to delegate authority
 to the Treasurer to invest Water Authority funds for calendar year 2024.
 The Board adopted the Annual Statement of Investment Policy, as amended, and continue to
 delegate authority to the Treasurer to invest Water Authority funds for calendar year 2024.



10. Audit Committee Annual Report.

The Board accepted and filed the Audit Committee Annual Report pursuant to the Administrative Code, Section 2.00.066; and accepted and filed the Annual Comprehensive Financial Report (ACFR) for fiscal year ended June 30, 2023, prepared in accordance with Generally Accepted Accounting Principles (GAAP).

11. Approval of Minutes.

The Board approved the minutes of the Special Board of Directors' meeting of October 12, 2023 and the Formal Board of Directors' meeting of October 26, 2023.

12. CLOSED SESSION.

The Board directed the General Counsel and General Manager to finalize and execute a settlement agreement with Fallbrook and Rainbow in material conformity with documents reviewed during the Closed Session.



TO: Rainbow Municipal Water District

FROM: Alfred Smith

DATE: December 5, 2023

RE: Attorney Report: Surplus Land Act

501668-0002

I. <u>INTRODUCTION.</u>

This attorney report provides an update on recent legislation amending the Surplus Lands Act ("the Act"). Governor Newsom recently signed Senate Bill 747 and Assembly Bill 480. These two bills provide additional flexibility for local public agencies disposing of surplus lands by (1) clarifying the type of leases subject to the Act; (2) expanding the definition of "exempt" surplus land; and (3) clarifying the definition of "valid legal housing restrictions" for which surplus land exemptions apply under the Act.

II. THE SURPLUS LANDS ACT.

The Surplus Lands Act, codified in Government Code Sections 54220 *et. seq.*, establishes requirements for public agencies intending to sell or lease surplus property. Under the Act, public agencies must take a formal action declaring property "surplus;" provide advance notice to certain interested parties of the proposed disposition; and negotiate in good faith with interested parties, with a particular emphasis on prioritizing the development of affordable housing.

The Act was passed by the California Legislature in 1968 in response to land availability and affordability concerns in the State's housing market. The Act's stated intent is to increase the availability of real property in California for affordable housing development by requiring the prioritization of affordable housing when disposing of public lands no longer necessary for agency use. The Act seeks to serve this purpose by imposing requirements on public agencies disposing of land that in turn essentially grants affordable housing developers a priority right to acquire the land. Some other groups (e.g., school districts, parks and recreation districts, etc.) are also granted priority rights under the Act.

Recent legislation and regulations have significantly broadened the scope of the Act. Most notably, legislation and guidance published by the California Department of Housing and Community Development ("HCD") imposed new requirements on public agencies and penalties for dispositions that violate the Act (See Assembly Bill 1486,

Ting, 2019). This legislation created additional notification and procedural requirements, including a broader set of formal governing board actions to declare properties "exempt surplus land." These modifications expanded the State's regulatory authority under the Act and created confusion among public agencies, particularly surrounding guidance by HCD that the Act applied to leases of more than 5 years, where no such requirement was found in the text of the Act.

III. SENATE BILL 747 and ASSEMBLY BILL 480

Together, Senate Bill 747 and Assembly Bill 480 provide much-needed clarification and increased flexibility for public agencies disposing of surplus property. Among other changes, the amendments:

- Clarify that while the Act does apply to certain leases, it does not apply to leases
 of 15 years or less (including any renewal options); nor does the Act apply to
 leases under which no development or demolition will occur, regardless of lease
 term.
- Create new categories of "exempt" surplus land, including where the property sold for development includes a required minimum percentage of affordable housing units; for parcels that are under half an acre in size which are not contiguous to land owned by a state or local agency and used for open space or affordable housing purposes; land owned by public-use airports; certain lands owned by agencies whose primary mission relates to public transportation; and certain lands transferred to community land trusts.
- Clarify that "valid legal restrictions" for purposes of determining whether land is exempt surplus land include contractual rights agreed to prior to Sept. 30, 2019, which prevent the use of the property for housing.
- Permit agencies to issue 30 day notices of exemption findings, instead of requiring formal governing board action for certain exemption categories.
- Clarify the restrictions on certain activities agencies may take prior to the noticing
 process to allow agencies to obtain appraisals and conduct other due diligence;
 and, for certain affordable housing projects covered by exemptions, to issue
 Requests for Qualifications or Requests for Proposals and enter into leases,
 options and exclusive negotiating agreements.
- Clarify that property that is retained for the "agency's use" (and therefore not surplus land) includes property owned by a port that is used to support logistics uses, sites for broadband equipment or wireless facilities, and waste disposal sites.

Memorandum December 5, 2023 Page 3

> Prohibit the imposition of financial penalties for violating the Act for nonsubstantive violations that do not impact the availability or construction of affordable housing.

Assembly Bill 480 recognizes that the selling and leasing of publicly owned land can be a long, drawn-out process. The bill accordingly provides public agencies with an extended timeline to take advantage of a special exception to the Act. For public agencies that entered into an exclusive negotiating agreement ("ENA") prior to the passage of AB 1486, AB 480 allows those agencies to comply with the pre-AB 1486 version of the Act for such dispositions (the "ENA exception"). This is helpful because the prior version of the Act was much less stringent.

Prior to the passage of AB 480, the deadline to utilize the ENA exemption was Dec. 31, 2022. This means that if an agency and a developer (or other entity) were party to an ENA prior to the passage of AB 1486 but did not complete the contemplated disposition by Dec. 31, 2022, then the ENA was essentially deemed null and void, and the agency was forced to comply with the new version of the Act (thereby completely disregarding the contractual rights of not only the agency but also the developer or other third-party). Now, the deadline to utilize the ENA exemption has been extended to December 31, 2027, which means that any of these "dead" ENAs will be revived, and the parties to the ENA can move forward with their contemplated transaction.

IV. CONCLUSION.

Together Senate Bill 747 and Assembly Bill 480 provide additional flexibility for local public agencies disposing of surplus lands by clarifying the type of leases subject to the Act, expanding the definition of "exempt" surplus land, and clarifying the definition of "valid legal housing restrictions" for exemption purposes. In addition, private developers which saw their ENAs with public agencies expire as a result of AB 1486 now have their contractual rights restored (at least until Dec. 31, 2027).

AES



CONSENT CALENDAR

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

APPROVAL OF RESOLUTION NO. 23-30 ESTABLISHING CHECK SIGNING RESPONSIBILITIES AND DESIGNATING AUTHORIZED SIGNERS OF CHECKS

BACKGROUND

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

DESCRIPTION

The purpose of this resolution is to update established check signing responsibilities with a current list of designated authorized signers.

Resolution No. 23-30 will replace Resolution No. 23-25.

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

Option 1: Approve attached Resolution No. 23-30.

Option 2: Approve attached Resolution No. 23-30 with Board recommended revisions.

STAFF RECOMMENDATION

Staff supports direction.

Jake Wiley, General Manager

December 5, 2023

RESOLUTION NO. 23-30

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 Miguel Gasca, Director Patricia "Patti" Townsend-Smith, Director Julie Johnson, Director Jacob Wiley, General Manager Renee Poole, Interim Finance Manager

Payroll Authorized Signers:

Jacob Wiley, General Manager Renee Poole, Interim Finance Manager

- 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 23-30 rescinds Resolution 23-25.

PASSED AND ADOPTED at a Regular meeting of the Board of Directors of Rainbow Municipal Water District held on the 5th day of December 2023 by the following vote, to wit:

| AYES: NOES: ABSENT: ABSTAIN: | |
|---------------------------------------|----------------------------------|
| ATTEST: | Hayden Hamilton, Board President |
| Dawn Washburn, Board Secretary | |



CONSENT CALENDAR

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

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

BACKGROUND

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

DESCRIPTION

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

Facilities constructed and ready for acceptance include the following:

 Fire Hydrant located at 28742 Twin Oaks Valley Road (Division 1), constructed by Nick Keserovich.

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

POLICY/STRATEGIC PLAN KEY FOCUS AREA

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

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

The construction costs of the improvements, totaling \$26,634, will be added to the District's asset valuation.

Option 1:

- Accept the Appurtenances Constructed by Small Developers as complete and as shown on the District's Standard Drawings.
- Approve filing the Notice of Completion.
- Add installation costs to the District's total valuation.
 - \$26,634, Fire Hydrant located at 28742 Twin Oaks Valley Road, constructed by Nick Keserovich.
- Make a finding that the action herein does not constitute a "project" as defined by CEQA.

Option 2:

Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.

nad Williams 12/05/23

Engineering & CIP Program Manager



CONSENT CALENDAR

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

CONSIDER APPROVAL TO QUITCLAIM EASEMENT FOR THE DOUD WATERLINE EXTENSION (DIVISION 5)

BACKGROUND

The Doud Waterline Extension project is a single residential development located on Mount Olympus Valley Road and Rainbow Heights Road. The Developer was required to grant the District a 20-foot-wide non-exclusive easement. This easement was granted to the District and recorded on April 5, 2022, Document Number 2022-0148659, Official Records in the office of the County Recorder of San Diego County, State of California. The Developer was required to add the easement date and document number to Note "B" of the plans, prior to the District's final approval and signature. Improvement plans for this development were reviewed by the District during four plan check submittals. On December 6, 2021, all items from the previous plan reviews were addressed by the developer and the District had no further comments on the plans.

In February 2023, the Developer, Mr. Doud, informed District staff that he was searching for an alternative to the North County Fire Protection District's requirement for the installation of a fire hydrant due to the California Fire Code's 600-foot restriction. He explained there was a new road design using geo-web and gravel that could be used for fire access and planned on proposing to cut a new fire access only road using this design method. He informed District staff that the development would be delayed a few months as he pursued this alternative.

DESCRIPTION

In October 2023, Mr. Doud informed District staff that he received final approval from the North County Fire Protection District to use a fire access road in lieu of installing the proposed fire hydrant. Mr. Doud is requesting to remove the previously recorded easement dated April 5, 2022, Document Number 2022-0148659 where the planned fire hydrant was to be installed. The fire department approval is provided as Attachment 1.

District staff have reviewed the project plans and confirmed that the easement is no longer needed, due to the removal of the proposed fire hydrant. The legal description of the land to be quitclaimed is provided as Attachment 2. The Board of Directors has the authority to quitclaim this easement back to the owner of the parcel, and Staff recommends the District do so.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. The District maintains infrastructure and easements. The quitclaim of easement with no infrastructure or plans for future infrastructure eliminates unnecessary maintenance of the easement and allows the District to redirect resources to be used for other assets.

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

The action results in no fiscal impacts to the District. The Developer is responsible for paying all costs associated with the development.

Option 1:

- Make a determination that the action defined herein does not constitute a "project" as defined by CEQA.
- Authorize the General Manager to execute the quitclaim deed associated with the easement, which is no longer required by the District.

Option 2:

Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.

Chad Williams 12/5/2023

Engineering and CIP Program Manager



BOARD ACTION

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 23-31 — A RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT IN COMMEMORATION OF 70 YEARS OF PUBLIC SERVICE

BACKGROUND

The Rainbow Municipal Water District was formed on December 28, 1953, as a Special District organized under Section 71000 of the California Water Code. Since then, the District's services have expanded to include 320 miles of water main, four reservoirs, and 13 storage tanks to deliver safe and reliable water to the community and 60 miles of sewer main and six lift stations to provide wastewater services to a portion of the District.

The 70th anniversary of the District's founding is an opportunity to celebrate the progress made over the past seven decades thanks to the dedication of the elected Board members and employees who have executed the District's mission in accordance with its core values of integrity, innovation, responsibility, teamwork, and professionalism.

DESCRIPTION

Resolution No. 23-31 commemorates the District's 70 years of public service to its customers.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

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: Approve Resolution 23-31

Option 2: Do not approve Resolution 23-31

STAFF RECOMMENDATION

Staff defers to the Board for discussion and possible action.

Karleen Harp

Administrative Services Manager

December 5, 2023

RESOLUTION NO. 23-31

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT IN COMMEMORATION OF 70 YEARS OF PUBLIC SERVICE

WHEREAS, Rainbow Municipal Water District is celebrating its 70th Anniversary throughout 2024, to commemorate its founding on December 28, 1953, by members of the community and local landowners; and

WHEREAS, Rainbow Municipal Water District was established as a Special District, organized under Section 71000 of the California Water Code; and

WHEREAS, Rainbow Municipal Water District provides water and sanitation services to the unincorporated San Diego County communities of Rainbow, Bonsall, and portions of Vista, Oceanside, and Fallbrook; and

WHEREAS, Rainbow Municipal Water District has expanded to service 320 miles of water main, seven pump stations, four reservoirs, and 13 storage tanks to deliver safe and reliable water to its ratepayers; and

WHEREAS, Rainbow Municipal Water District has expanded to provide sewer services to parts of the District and maintains six lift stations and 60 miles of sewer main; and

WHEREAS, Rainbow Municipal Water District has experienced tremendous growth through improvements and modernizations in its 70 years of service to the community and looks forward to continued expansion and growth; and

WHEREAS, this 70th-year anniversary is celebrated with the dedicated and hardworking public servants who have committed to excellence since 1953. The success of the District would not be possible without the support of staff and the Board of Directors that have served in the past 70 years;

NOW, THEREFORE, IT IS HEREBY RESOLVED, the Board of Directors does recognize and celebrate the 70th Anniversary Commemoration of the founding of the Rainbow Municipal Water District.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 5th day of December 2023 by the following vote, to wit:

| AYES: NOES: ABSENT: ABSTAIN: | | |
|---------------------------------------|----------------------------------|---|
| | Hayden Hamilton, Board President | _ |
| ATTEST: | | |
| Dawn Washburn, Board Secretary | | |



BOARD ACTION

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

PRESENTATION AND ACCEPTANCE OF THE ANNUAL AUDIT REPORT FISCAL YEAR ENDING JUNE 30, 2023

BACKGROUND

Attached for the Boad's acceptance is the final draft audit report of the Rainbow Municipal Water District (District). The District contracted the preparation of the independent audit with Lance, Soll & Lunghard, LLP for the fiscal year 22-23 annual audit.

DESCRIPTION

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

The annual financial report has been compiled into an Annual Comprehensive Financial Report (ACFR). The ACFR includes three sections: 1.) Introductory Section, 2.) Financial Section, including the financial statements and notes; and 3.) Statistical Section.

The statements present a picture of the District's financial condition. The following are highlights of the District's financial condition that are depicted within the Fiscal Year 22-23 audit.

- The District had a gain from operations in the amount of \$758,129 in the current year compared to a loss from operations of \$562,639 in the previous year.
- Nonoperating income, net of expenses, for the current year was \$191,320 compared to \$758,669 for the prior year.
- Operating revenues were \$44,733,216 compared to \$46,585,720 for the prior year.
- Operating expenses were \$43,975,087 compared to \$47,148,359 for the prior year.
- The District's net position from the prior fiscal year **increased** by **\$9,655,068** or 8.7%.
- This year the District had \$13,212,007 worth of net additions to capital assets compared to \$17,148,578 last year. The additions in the current year are largely due to the progress on the Thoroughbred Lift Station (LS1) and the Rice Canyon Transmission Line.

There were no major audit findings for FY 22-23. The audit received an unqualified opinion of the representation of the financial records. An unqualified opinion indicates that the financial records have been maintained in accordance with the standards known as Generally Accepted Accounting Principles (GAAP).

ATTACHMENTS

- Annual Comprehensive Financial Report FY 22-23 DRAFT
- Audit Communication Letter
- Audit Report on Internal Controls

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

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

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

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

STAFF RECOMMENDATION

Staff recommends the Board of Directors accept the June 30, 2023 audit of the District by the CPA firm of Lance, Soll & Lunghard, LLP.

Tracy Largent, CPA
Finance Manager

December 5, 2023





October 25, 2023

To the Board of Directors Rainbow Municipal Water District Fallbrook, California

We have audited the financial statements of the Rainbow Municipal Water District (The District) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 27, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the notes to the financial statements. As described in the notes to the financial statements, the District changed accounting principles related to subscription-based information technology arrangements and by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 96, in fiscal year 2022-2023. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Annual Comprehensive Financial Report. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimates of the net pension liability and net other postemployment benefits liability are based on actuarial valuation estimates. We evaluated the methods, assumptions, and data used to develop the actuarial valuation estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We are pleased to report that no such misstatements were identified during the course of our audit.





Brea. CA 92821

(714) 672-0022





Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated XXXXX, 2023.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis the required pension and other postemployment benefits schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on other information included in the annual report which is comprised of the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Future GASB Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements will be effective for the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal Year 2023-2024

GASB Statement No. 99, Omnibus 2022

Fiscal Year 2024-2025

GASB Statement No. 101, Compensated Absences





Future Projects

Comprehensive Project, Financial Reporting Model

Comprehensive Project, Revenue and Expense Recognition

Major Project, Going Concern Uncertainties and Severe Financial Stress

Major Project, Infrastructure Assets

Lance, Soll & Lunghard, LLP

Practice Issue, Classification of Nonfinancial Assets

Practice Issue, Risks and Uncertainties Disclosures

Pre-Agenda Research Activities, Subsequent Events

Restriction on Use

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

Very truly yours,

Brea, California





INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors Rainbow Municipal Water District Fallbrook, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rainbow Municipal Water District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 25, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.





Lance, Soll & Lunghard, LLP



Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brea, California October 25, 2023





Fallbrook, California Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2023





COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year ending June 30, 2023

Current Board of Directors:

Division 1: Director Julie Johnson

Division 2: Director Hayden Hamilton

Division 3: Director Miguel Gasca

Division 4: Director Patricia Townsend-Smith

Division 5: Director Michael Mack

Prepared by District Finance and Administration Department:

General Manager - Jake Wiley

Finance Manager - Tracy Largent, CPA



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RAINBOW MUNICIPAL WATER DISTRICT

Fallbrook, California

Annual Comprehensive Financial Report

June 30, 2023

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RAINBOW MUNICIPAL WATER DISTRICT

Fallbrook, California

Annual Comprehensive Financial Report

June 30, 2023

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October 25, 2023

To our Ratepayers, the Board of Directors, and Members of the Budget & Finance Committee of Rainbow Municipal Water District:

We are pleased to present the Rainbow Municipal Water District's (RMWD, District), Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This document, which contains a complete set of basic financial statements, is presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. State law requires that all special-purpose local governments publish these basic financial statements within six months of the close of the agency's fiscal year. This report is published to fulfil that requirement and to provide the Board of Directors (Board), the public, and other interested parties these basic financial statements.

This report contains management's representations concerning the finances of the District. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that have been established for this purpose. These controls are designed to protect the District's assets from loss, theft, or misuse, and to ensure sufficiently reliable information for the preparation of the District's basic financial statements inconformity with GAAP. The District's internal controls have been designed to provide appropriate assurance that the basic financial statements will be free from material misstatements. There are inherent limitations in internal control; the costs associated with a control should not exceed the benefits to be derived. The objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. As management, we assert that this financial report is complete and reliable in all material respects.

The Districts basic financial statements have been audited by Lance, Soll & Lunghard, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor rendered an unmodified option that the District's basic financial statements for the fiscal year ended June 30, 2023, are fairly presented, in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

A profile of the District is presented in the Introductory Section. In the Financial Section, Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides an overview and analysis of the basic financial statements. The letter of transmittal and introduction is designed to complement the MD&A and should be read in conjunction with it. This report includes all disclosures management believes necessary to enhance your understanding of the financial condition of the District.

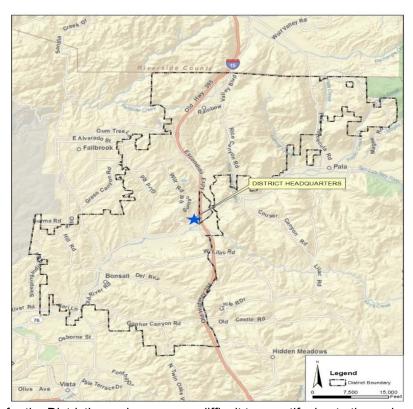
DISTRICT PROFILE

The Rainbow Municipal Water District was organized on December 20, 1953, under the Municipal Water District Act of 1911 (commencing with section 71000 of the California Water Code). The Board of Directors is composed of five members who are elected by divisions of the District for four-year alternating terms, with the president being elected by the Board from among its members. Advisory Committees composed of residents from all divisions of the District assist the Board in water issues and financial planning. Operation, maintenance, and administration of the system is carried out by a staff of 56.5 full time employees under the direction of the General Manager, Jake Wiley.



The Rainbow Municipal Water District, comprising a total area of 82 square miles, is located in northeast San Diego County, approximately two hours driving time from Los Angeles and one hour from San Diego. It is approximately 40 miles northeast of downtown San Diego, California and 90 miles southeast of the City of Los Angeles. The District shares common boundaries with Riverside County, Camp Pendleton Marine Corps Base, the unincorporated community of Fallbrook and the City of Oceanside. The District boundaries encompass the unincorporated communities of Rainbow and Bonsall, as well as portions of Pala, Fallbrook and Vista.

The principal activity of the District is the development and operation of a water transmission and distribution system capable of delivering potable water throughout the District. The District's area of service is predominantly agricultural and includes approximately 5,300 homes and a total metered service of 8,954. In addition to water service, the District provides sewerage collection and disposal service to approximately 3,628 accounts.



SERVICE AREA AND LOCAL ECONOMY

San Diego County is the second-most populous county in the state and the fifth-most populous in the United States. The District is located in the north-east region of the county and is rural in character with agriculture being the top industry within the district boundaries. The District borders the U.S. Marine Corps Base Camp Pendleton, making the District's service area a suburb for Camp Pendleton's active military and civilian-service workers as well commuters that work to the south in San Diego and to the North in Riverside and Orange Counties. The service area's population is estimated to be 23,536 based on the 2020 census. The District's population has grown recently with the addition of developments. housing The median household income in Bonsall was \$86,442 for 2021, which is higher than the state median of \$84,097 and higher than the national average of \$74,580. Demographics

for the District's service area are difficult to quantify due to the various towns and unincorporated areas covered by the District. The San Diego Association of Governments (SANDAG) projects that the County's population will approach 4.4 million residents in 2050, up from 3.3 million in 2016. The District's 2050 housing density is expected to increase slightly as housing demands increase.

DISTRICT POWERS

The District has broad general powers to perform all necessary or proper acts, including but limited to the authority to acquire, plan, construct, maintain, improve, operate and repair necessary works for the transmission and distribution of water for irrigation and other purposes and for reclamation of such water; the right of eminent domain; authority to levy taxes or, in lieu thereof, to fix and collect charges for water, including standby charges made to holders of title to land to which water may be made available, whether or not the water is actually used; authority to establish rules and regulations for the sale and distribution of water including rules for providing that water shall not be furnished to persons against whom there are delinquent water charges; authority to contract with the United States, the State and the agencies of either; and the power to join with one or more public agencies, private corporations or other persons for the purpose of carrying out any of the powers of the District.



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FINANCIAL POLICIES

The District maintains certain policies that govern aspects of the District's financial management. The District's maintains the following policies:

- Debt Management Policy Defines the District's debt management.
- Investment Policy Establishes permitted investments in compliance with State Code.
- Fund Balance/Reserve Policies Set target balances for reserves and working capital.
- Capitalization Policy Establishes the parameters for defining an operating or capital expenditure.
- Purchasing Policy Establishes rules and limits for approval of purchases to ensure efficient buying and control of District assets.

These policies can be found on the District's website as part of the District's Administrative Code.

WATER SUPPLY OPERATIONS

Since Rainbow Municipal Water District began water service in 1954, the District's source of supply has been water purchased from the San Diego County Water Authority (SDCWA). About 66% of the water is used for agricultural purposes; all water is of domestic quality.

SDCWA is a County Authority organized on June 9, 1944 under the County Authority Act, California Statutes 1943, Chapter 545, as amended. SDCWA's primary purpose is to supply water to areas in the County for distribution to the SDCWA's member agencies in order to meet their respective needs. SDCWA's service area encompasses 1,418.2 square miles, which represents about one-half of the land acreage of the County. There are currently 24 member agencies served by the SDCWA consisting of 6 cities, 17 special districts and the US Marine Corps base at Camp Pendleton. The SDCWA receives its water from the Metropolitan Water District of Southern California, of which the Authority is a member agency. Delivery of this water is made by San Diego County Water Authority through aqueducts, all of which traverse the District.

Historically, SDCWA depended almost exclusively on water supplies imported from the Colorado River and Northern California by the Metropolitan Water District of Southern California. That changed in 2003 with the start of the largest farm-to-urban water conservation and transfer agreement in the nation with the Imperial Irrigation District, which now accounts for about one-third of San Diego County's water supply. In late 2015, the Water Authority added a new water source to its portfolio with the completion of the nation's largest seawater desalination plant in Carlsbad. Today, the Water Authority and its member agencies have identified potable reuse of recycled water as the next major source of local water supply, while continuing to aggressively promote water conservation as a civic responsibility.

The Water Authority is governed by a 36-member Board of Directors representing the 24-member agencies. A member of the San Diego County Board of Supervisors also serves as a non-voting member to the Water Authority Board.

The Metropolitan Water District is a regional wholesaler that delivers water to 26 member public agencies 14 cities, 11 municipal water districts, one county water authority which in turn provides water to more than 19 million people in Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura counties. The Metropolitan Water District, to supplement its water supply from the Colorado River, has entered into a contract with the State of California for the delivery of water via the State Water Project. Metropolitan is governed by a 38-member board of directors who represent their respective member agencies ensuring each member agency is part of the governance of Metropolitan.

To supply the more than 300 cities and unincorporated areas in Southern California with reliable and safe water, Metropolitan owns and operates an extensive water system including: The Colorado River Aqueduct, 16 hydroelectric facilities, nine reservoirs, 819 miles of large-scale pipes and five water treatment plants. Four of



these treatment plants are among the 10 largest plants in the world. In fact, Metropolitan is the largest distributor of treated drinking water in the United States. Metropolitan imports water from the Feather River in Northern California and the Colorado River to supplement local supplies. It also helps its member agencies develop water recycling, storage and other local resource programs to provide additional supplies and conservation programs to reduce regional demands.

Metropolitan currently delivers an average of 1.7 billion gallons of water per day to a 5,200-square-mile service area.

WATER SYSTEM DESCRIPTION

RMWD's existing water distribution system is comprised of 12 major pressure zones with storage facilities. Four of the major zones are supplied directly from SDCWA aqueduct connections and the remaining major zones are supplied through pressure reducing stations or booster pump stations. In addition to the major zones, there are 30 reduced pressure areas that are supplied from the major zones through pressure reducing stations. The existing distribution system has over 320 miles of pipelines ranging in size from 4-inches to 42-inches in diameter.

WATER SYSTEM OPERATIONS

Operation of the RMWD water distribution system is very complex due to the large number of pressure zones, supply locations, and large capacity storage facilities which require frequent cycling or turnover to maintain water quality. Furthermore, the water distribution system is flexible in that supply from the eight aqueduct connections can be routed to different parts of the distribution system by making changes to several key valve settings. Reservoir water levels are connected to the RMWD Supervisory Control and Data Acquisition (SCADA) system, such that the water operators are able to monitor the system throughout the day at the water operations center.

Tank water levels in several pumped zones are operated in a fill/drain mode with water levels set low to improve the turnover rate. In addition to normal supply operations, system operators have several documented procedures for alternative supplies to zones. In the event that pump stations fail or when aqueducts are shut down for service, tanks need to be removed from service. During planned shutdowns of the SDCWA Second Aqueduct (Connections 3, 6, 7, 8, 9, and 11), water from the North and Northside Reservoirs is supplied down to the Canonita Zone through bypass valves and pressure reducing stations. The remaining zones normally supplied from the Second Aqueduct are supplied from excess storage capacity in the Morro Reservoir via temporary diesel-powered pumps.

Four portable pumps are utilized to pump water from the Morro Zone to the South Zone. Supply to the South Zone can also be supplemented from the City of Oceanside's Weese Water Filtration Plant from a portable pump. The Northside Zone, North Zone, and all zones that are pumped from the North Zone are normally supplied from Connections 1 and 10 on the First Aqueduct and Connection 9 on the Second Aqueduct. During a shutdown of both aqueducts, these zones rely on water from in-zone tank storage, the North and Northside Reservoirs, and additional supply from FPUD's Red Mountain Reservoir, which is pumped into the North Reservoir. An emergency pump station at the Beck Reservoir site can also be utilized during a shutdown of both aqueducts to supply the Canonita Zone from the Pala Mesa Zone.

WASTEWATER FACILITIES

The District provides sewerage collection and disposal service to approximately 3,059 accounts, maintains 6 lift stations and 60 miles of sewer main. On February 13, 2002, Rainbow Municipal Water District entered into a contract with the City of Oceanside, California to provide for the construction, operation, maintenance, and replacement of a wastewater system to service the needs of both The City and the District. The City owns the wastewater conveyance, treatment, and disposal facilities and the District has the contractual right to discharge wastewater into the City's system.



LONG RANGE PLANNING

At the April 26, 2016, Board Meeting the 2016 Water and Wastewater Master Plan Update was adopted by the Board of Directors. The purpose of the Master Plan Updates is to identify potential system deficiencies, confirm transmission main sizing and identify future capital improvement projects based on updated ultimate demand projections. The District's most recent water and wastewater master plans were prepared in 2006. There is the potential for a considerable amount of new development both within and outside the current District boundaries in the near future. The water and wastewater master plans serve as the basis for critical infrastructure decisions and capital fees. The master plans consider both existing, and ultimate, year 2030, conditions.

The District implemented a Strategic Plan in 2016 with specific Goals. It is a living document as the condition in the area of water supply and reclamation change over time. The Strategic Plan is reviewed by the Board annually along with various goals and objectives presented by staff. At intervals not to exceed five years, the Board will revisit the Mission Statement, Values, and Strategic Focus Areas to ensure that they remain aligned with the needs of the District at that time. A full update of the status of the goals and sub goals is published on the District website annually in the Budget document.

The district is in the process of implementing a strategic capital improvement plan to facilitate prioritization within the District's key focus areas: Water Pipeline Rehabilitation/Replacement, Wastewater System Upgrades/Expansion, Water System Storage, Water System Pump Stations, District Headquarter Facility, and Wholesale Water Efficiency Projects.

Wholesale Water Efficiency Projects are a major focus for the district as 100% of our water is imported through the SDCWA. Since the resolution of a lawsuit brought by North County member agencies against the San Diego County Water Authority, the two northernmost districts, Rainbow MWD and the Fallbrook Public Utilities District, have not had to pay the SDCWA transportation charge on water delivered through our direct connections to the MWD Aqueduct system. Currently, that fee is \$177 per acre foot, a substantial sum. Over the last few years, the Districts System Operators have been shifting as much of our demands to those connections as possible. Currently, about 75% of our water purchases come from these northerly MWD connections, with 100% expected by FY 2025. The transportation charge on the remaining 25% of the water amounts to about \$1 Million per year and that transportation cost is going up every year. It is in the best interest of the District's ratepayers to move as much demand as possible onto our northerly MWD connections in order to provide the same water at a lower cost. The challenge is moving water from these connections, two on the east of I-15 and two on the west, into the southerly service area. A key east/west connector from the Rice Canyon Tank down to the Citro development is currently in contract and was completed as part of that project in early FY24. This pipeline will greatly increase the amount of water that can be delivered from our connection 10 east of Rice Canyon Road into the main service area in Bonsall.

In March 2020, the District, in collaboration with Fallbrook Public Utility District, initiated a formal process to switch wholesale water providers from the SDCWA to the Eastern Municipal Water District. This transition, approved in July 2023 by the Local Agency Formation Committee (LAFCO), is expected to save the District \$7-\$10 million annually or up to \$95 million over a decade.

AWARDS AND ACKNOWLEDGEMENTS

The District was awarded the District of Distinction Accreditation by the Special District Leadership Foundation (SDLF) for its sound governance and fiscal management practices and policies. To receive the award, a special district must undergo regular financial audits and have no major deficiencies. Board members and management staff must undergo extensive training in sound governance practices and management. Their operations must conform to all statutes and regulations under state law as reflected in a clear and robust set of policies and procedures. They must also have completed SDLF's District Transparency Certificate of Excellence which is awarded every other year and was presented to Rainbow MWD in 2015, 2017, 2019, 2021 and 2023. To receive the Transparency Certificate of Excellence, a special district must demonstrate the completion of essential



governance transparency requirements, including conducting ethics training for all board members, properly conducting open and public meetings, and filing financial transactions and compensation reports to the State Controller in a timely manner.

The Government Finance Officers Association of the United States and Canada (GFOA) presented the award of Distinguished Budget Presentation to Rainbow Municipal Water District for the annual budget for the fiscal year June 30, 2023. In order to receive this award a governmental unit must publish a budget document of the very highest quality that adheres to the program standards set by the GFOA. The award is valid for a period of one year only. We believe the FY 2024 budget continues to meet the program requirements and will be submitted to the GFOA to determine its eligibility for another award.

The Government Finance Officers Association of the United States and Canada (GFOA) presented the award of Distinguished Annual Comprehensive Financial Report (ACFR) Presentation to Rainbow Municipal Water District for the annual finances for FY 2020, 2021, and 2022. In order to receive this award a governmental unit must publish an ACFR of the very highest quality that adheres to the program standards set by the GFOA. The award is valid for a period of one year only. We believe the FY 2023 ACFR continues to meet the program requirements and will be submitted to the GFOA to determine its eligibility for another award.

We would like to thank the Board of Directors for providing the direction and support necessary for the preservation of the District's internal controls, financial sustainability, and high standard of financial management.

General Manager

Finance Manager



RAINBOW MUNICIPAL WATER DISTRICT MISSION STATEMENT & CORE VALUES





"To provide our customers reliable, high quality water and water reclamation service in a fiscally sustainable manner."

Background

RMWD's adopted Strategic Plan's strategic focus area of Workforce Development calls for the implementation of cost-effective employee recognition programs to acknowledge performance, encourage development and improve morale.

The Operations Manager, Human Resources Manager, and Administrative Analyst partnered to design a program that would not only increase pride in serving the District, but also use the design of the coins to reinforce the District's newly articulated values and strategic focus areas. The program will give employees the ability to recognize one another for performance and behaviors in alignment with these goals.

Overview of the Excellence Coin Program

The program includes a series of six Excellence Coins, each designed to symbolize a particular District focus area. The first coin in the series "Commitment to Excellence" will be issued to all new employees, Board Members, and Citizen Committee members upon joining the District as a tangible welcome gift and reminder of our purpose. Each of the remaining coins will only be issued after nomination and selection by management or peer employee groups.





Innovation:

We realize that good ideas can come from many sources, and we continually encourage new and better ways of doing our work. Our goal is not innovation for innovation's sake, but for finding ways to improve service and lower costs.



Integrity:

We believe in openness, trust, ethics and transparency. We practice direct and honest communication in all of our day-to-day interactions.



Professionalism:

We have open and respectful communication and interactions, both internally and with our customers. Our employees will always exhibit professionalism in all of their day-to-day interactions.



Responsibility:

Individual and organizational responsibility and accountability for accomplishing the District's mission is a core value. We focus on doing our work in an efficient, reliable, and costeffective manner.



Teamwork:

Our focus is on supporting one another to collectively be our best. We encourage communication and collaboration. We focus on quality and have pride in the work we do in service to our customers.



MISSION STATEMENT & CORE VALUES

RAINBOW MUNICIPAL WATER DISTRICT OFFICIAL DRAFT



Hayden Hamilton President



Miguel Gasca - Vice President



Julie Johnson - Director



Michael Mack - Director



Patricia Townsend-Smith - Director



Jake Wiley General Manager



Tracy Largent Finance Manager



Robert Gutierrez
Operations Manager



Ahmed Khattab IT Manager



Karleen Harp
Administrative Services Manager



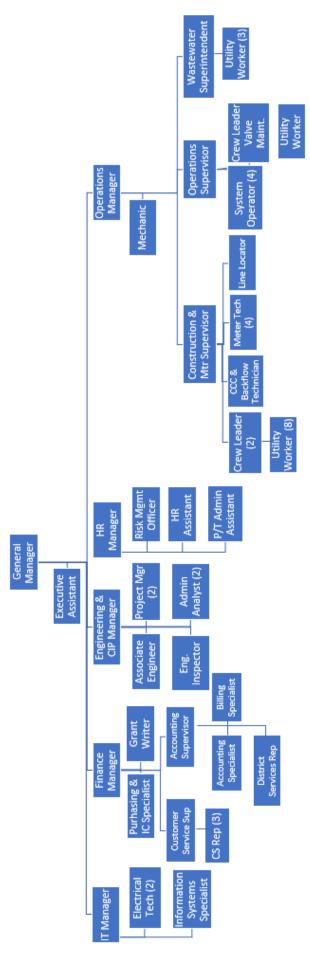
Chad Williams
Engineering & CIP Manager



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RAINBOW MUNICIPAL WATER DISTRICT ORGANIZATIONAL CHART - 57.5 FTE's





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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Rainbow Municipal Water District California

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors Rainbow Municipal Water District Fallbrook, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Rainbow Municipal Water District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Standards for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the District adopted new accounting guidance, GASB Statement No. 96, Subscription Based Information Technology Arrangements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.







Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards for California Special Districts will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards for California Special Districts, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or
 error, and design and perform audit procedures responsive to those risks. Such procedures include
 examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are
 appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of
 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting
 estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required pension and other postemployment benefits schedules, as listed on the table of contents, presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.





Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

Tance, Soll & Tunghard, LLP

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Brea, California October 25, 2023

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As management of the Rainbow Municipal Water District (the District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements, which begin immediately following this analysis. This annual financial report consists of three main parts (1) Management's Discussion and Analysis, (2) Basic Financial Statements, and (3) Required Supplemental Information.

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

FINANCIAL HIGHLIGHTS

The District's ending net position was \$111,061,252.

The change in net position for the fiscal year was an increase of \$9,550,068.

The District had a gain from operations in the amount of \$758,129 in the current year compared to a **loss** from operations of \$562,639 in the previous year. Nonoperating income, net of expenses, for the current year was \$191,320 compared to \$758,669 for the prior year.

This year the District had \$13,212,007 worth of net additions to capital assets compared to \$17,148,577 last year. The current year's additions were largely due to expenditures on work in progress for the Thoroughbred Lane Lift Station and the Rice Canyon Transmission line. The prior year's increase was largely due to the meter replacement project and Rainbow Heights pump station, as well as pipeline replacement and pressure regulating stations.

The District secured financing of \$5M at 5.49% in FY 2023 to fund the completion of the Thoroughbred Lane Lift Station.

The current debt and capital asset balances can be found in the notes to these financial statements.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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



OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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

DISTRICT'S FINANCIAL ANALYSIS

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

The District's net position from the prior fiscal year increased by \$9,655,068 or 9.5%.

Operating revenue for this fiscal year decreased by \$1,852,504 or 4.0% compared to the prior year.

Operating expenses decreased by \$3,173,272 or 6.7% from the prior year as a result of the

Decrease in water sales. Non-operating revenue decreased by \$574,976 due mainly to Investment returns decreasing. Non-operating expenses totaled \$1,314,580, similar to the prior year, due to Interest and Investment expense.

Statement of Net Position

To begin our analysis, a summary of the District's Condensed Statement of Net Position is presented in Table 1 for the current year and the prior year.

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

Net position may serve over time, as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$111,061,252 as of June 30, 2023.

The fiscal year 2023 Net Pension Liability had an increase of \$5,253,120 compared to fiscal year 2022. Net Pension Liability is reported at \$9,678,141 for fiscal year 2023 and it is based on the District's proportionate share of the net pension liability for the Miscellaneous Classic and PEPRA plans under the CalPERS retirement program. The District's Net Pension Liability was \$4,425,021 and \$8,158,280 for fiscal years 2022 and 2021, respectively. Actuarial reporting for pension liabilities are always one year behind, so this significant increase in liability is due to the unfavorable market conditions in FY22.

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



DISTRICT'S FINANCIAL ANALYSIS (CONTINUED)

Table 1
Condensed Statement of Net Position

| | Co | naensea Statem | ent o | i Net Position | | |
|--|----|----------------|-------|----------------|-------------------|----------|
| Assets | | FY 2023 | | FY 2022 | \$ Change | % Change |
| Current Assets | \$ | 27,679,794 | \$ | 31,203,197 | \$ (3,523,403) | -11.3% |
| Capital Assets | | 130,349,228 | | 117,137,221 | 13,212,007 | 11.3% |
| Total Assets | | 158,029,022 | | 148,340,418 | 9,688,604 | 6.5% |
| Deferred Ouflows of Resources Liabilities | | 3,922,248 | | 1,753,248 | 2,169,000 | 123.7% |
| Current Liabilities | | 10,301,564 | | 10,326,885 | (25,321) | -0.2% |
| Noncurrent Liabilities | | 39,257,743 | | 33,543,896 | 5,713,847 | 17.0% |
| Total Liabilities | | 49,559,307 | | 43,870,781 | 5,688,526 | 13.0% |
| Deferred Inflows of Resources | | 1,330,711 | | 4,712,201 | (3,381,490) | -71.8% |
| Net Position | | | | | | |
| Net Investment in Capital Assets | | 102,832,804 | | 87,086,283 | 15,746,521 | 18.1% |
| Restricted for Capital Projects | | 649,293 | | 629,599 | 19,694 | 3.1% |
| Restricted for Debt Service | | 876,584 | | 850,130 | 26,454 | 3.1% |
| Unrestricted | | 6,702,571 | | 12,944,672 | (6,242,101) | -48.2% |
| Total Net Position | \$ | 111,061,252 | \$ | 101,510,684 | \$ 9,550,568 | 9.4% |

Statement of Revenues, Expenses and Changes in Net Position

The District's total operating revenues for the fiscal year ended June 30, 2023, excluding inter- fund transfers, decreased by \$1,852,504 to \$44,733,216. This was primarily due to decreased demand during a rainier than usual winter and spring.

The District's total operating expenses decreased by \$3,173,272 to \$43,975,087 as a result of the a decrease in wholesale water costs due to reduced water sales.

The gain from operations was \$758,129 compared to a \$562,639 loss in the prior year. Nonoperating income for the current year was \$191,320 compared to \$758,669 for the prior year.



DISTRICT'S FINANCIAL ANALYSIS (CONTINUED)

The following table presents a summary of the Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year ended June 30, 2023:

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

| | FY 2023 | FY 2022 | \$ Change | % Change |
|-----------------------------|-------------------|-------------------|-------------------|----------|
| Operating Revenues | \$ 44,733,216 | \$ 46,585,720 | \$ (1,852,504) | -4.0% |
| Operating Expenses | (43,975,087) | (47,148,359) | (3,173,272) | 6.7% |
| Non-operating Revenues | 1,505,900 | 2,080,876 | (574,976) | -27.6% |
| Non-operating Expenses | (1,314,580) | (1,322,207) | (7,627) | 0.6% |
| Income Before Capital Cont | 949,449 | 196,030 | 753,419 | 384.3% |
| Capital Contributions | 8,705,619 | 5,238,350 | 3,467,269 | 66.2% |
| Change in Net Position | 9,655,068 | 5,434,380 | 4,220,688 | 77.7% |
| Total Net Position (Beg) | 101,406,184 | 96,076,304 | 5,329,880 | 5.5% |
| Prior Period Adjustment | (104,500) | - | (104,500) | - |
| Net Position (Beg) Restated | 101,301,684 | 96,076,304 | 5,225,380 | 5.4% |
| Total Net Position, End | \$ 110,956,752 | \$ 101,510,684 | \$ 9,446,068 | 9.3% |

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 3
Changes in Capital Assets

| | J | | | |
|--------------------------------|-------------------|-------------------|------------------|----------|
| | FY 2023 | FY 2022 | \$ Change | % Change |
| Land | \$ 2,853,225 | \$ 3,202,675 | \$ (349,450) | -10.9% |
| Construction in Progress | 29,017,039 | 16,265,605 | 12,751,434 | 78.4% |
| Buildings & Improvements | 7,705,160 | 7,224,994 | 480,166 | 6.6% |
| Reservoirs, Pipelines, & Tanks | 157,950,669 | 155,424,608 | 2,526,061 | 1.6% |
| Meters | 6,317,752 | 6,230,061 | 87,691 | 1.4% |
| Equipment | 10,872,430 | 10,755,661 | 116,769 | 1.1% |
| Invest in Sewer Rights | 9,775,522 | 9,775,522 | - | - |
| Right-to-use SBITA assets | 908,671 | - | - | - |
| Less: Accumulated Depreciation | (95,051,240) | (91,741,905) | (3,309,335) | 3.6% |
| Total Capital Assets | \$ 130,349,228 | \$ 117,137,221 | \$ 13,212,007 | 11.3% |

Debt

Table 4
Changes in Debt

| U | | | | | |
|------------------|--|---|---|--|--|
| FY 2023 | | FY 2022 | | \$ Change | % Change |
| \$ 6,651,722 | \$ | 7,134,611 | \$ | (482,889) | -6.8% |
| 5,019,244 | | 5,383,620 | | (364,376) | -6.8% |
| 2,955,761 | | 3,494,832 | | (539,071) | -15.4% |
| 2,802,106 | | 3,311,793 | | (509,687) | -15.4% |
| 9,418,199 | | 9,750,000 | | (331,801) | 100.0% |
| \$ 26,847,032 | \$ | 29,074,856 | \$ | (2,227,824) | -7.7% |
| \$ | \$ 6,651,722 5,019,244 2,955,761 2,802,106 9,418,199 | \$ 6,651,722 \$ 5,019,244 2,955,761 2,802,106 9,418,199 | \$ 6,651,722 \$ 7,134,611 5,019,244 5,383,620 2,955,761 3,494,832 2,802,106 3,311,793 9,418,199 9,750,000 | \$ 6,651,722 \$ 7,134,611 \$ 5,019,244 5,383,620 2,955,761 3,494,832 2,802,106 3,311,793 9,418,199 9,750,000 | \$ 6,651,722 \$ 7,134,611 \$ (482,889) 5,019,244 5,383,620 (364,376) 2,955,761 3,494,832 (539,071) 2,802,106 3,311,793 (509,687) 9,418,199 9,750,000 (331,801) |



FACTORS BEARING ON THE DISTRICT'S FUTURE

The District's Board of Directors and management considered many factors when setting the fiscal year 2023 budget, user fees, and charges. These indicators were taken into consideration when adopting the District's budget for fiscal year 2024.

CONTACTING THE DISTRICT

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

Statement of Net Position June 30, 2023



| ASSETS | |
|---|-------------------------|
| Current assets: | |
| Cash and cash equivalents | \$ 6,150,658 |
| Restricted cash and cash equivalents Investments | 1,576,002 10,270,979 |
| Accounts receivable - water and sewer, net | 6,394,267 |
| Interest receivable | 71,942 |
| Taxes and assessments receivable | 6,912 |
| Other receivable | 13,686 |
| Inventories | 3,085,640 |
| Prepaid costs | 109,708 |
| Total current assets | 27,679,794 |
| Noncurrent: | |
| Capital assets, net | 130,349,228 |
| Total noncurrent assets | 130,349,228 |
| Total assets | |
| Total assets | 158,029,022 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension-related | 3,922,248 |
| Total deferred outflows of resources | 3,922,248 |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | 7,092,991 |
| Accrued expenses | 81,118 |
| Accrued interest | 94,654 |
| Developer deposits | 446,467 |
| Unearned revenues | 135,666 |
| Construction meter deposits | 69,351 |
| Compensated absences | 54,582 |
| Claims and judgments Loans, leases, and subscriptions | 3,191 2,323,544 |
| Total current liabilities | |
| Total current liabilities | 10,301,564 |
| Noncurrent liabilities: | |
| Compensated absences | 491,240 |
| Loans, leases, and subscriptions | 25,192,880 |
| Prepaid capacity fees | 3,337,383 |
| Net pension liability Total OPEB liability | 9,678,141 558,099 |
| Total noncurrent liabilities | |
| Total liabilities Total liabilities | 39,257,743 |
| Total habilities | 49,559,307 |
| DEFERRED INFLOWS OF RESOURCES | |
| Pension-related | 1,330,711 |
| Total deferred inflows of resources | 1,330,711 |
| NET POSITION | |
| Net investment in capital assets | 102,832,804 |
| Restricted for capital projects | 649,293 |
| Restricted for debt service | 876,584 |
| Unrestricted | 6,702,571 |
| Total net position | \$ 111,061,252 |

Statement of Revenues, Expenses and Changes in Net Position For the Year Ended June 30, 2023



| OPERATING REVENUES | |
|---|--|
| Water sales | \$ 40,240,342 |
| Wastewater revenue | 3,534,927 |
| Other operating revenue | 957,947_ |
| Total operating revenues | 44,733,216 |
| OPERATING EXPENSES | |
| Cost of purchased water | 22,273,945 |
| Board of directors | 38,541 |
| Pumping | 896,053 |
| Operations Value maintenance | 2,757,133 |
| Valve maintenance Distribution | 414,666 2,288,854 |
| Meters | 843,475 |
| Garage | 659,229 |
| Administration | 1,745,531 |
| Human resources | 402,084 |
| Risk management | 753,304 |
| Information technology | 1,020,090 |
| Finance | 1,098,534 |
| Customer service | 591,842 |
| Wastewater | 1,309,292 |
| Engineering | 1,224,264 |
| Depreciation/amortization | 3,353,102 |
| ()thor aparating avacage | |
| Other operating expenses | 2,305,148 |
| Total operating expenses | 43,975,087 |
| | |
| Total operating expenses | 43,975,087 |
| Total operating expenses Operating income NONOPERATING REVENUES (EXPENSES) Property tax revenue | 43,975,087 758,129 777,390 |
| Total operating expenses Operating income NONOPERATING REVENUES (EXPENSES) Property tax revenue Investment income | 43,975,087 758,129 777,390 728,510 |
| Total operating expenses Operating income NONOPERATING REVENUES (EXPENSES) Property tax revenue Investment income Other nonoperating expense | 758,129 777,390 728,510 (417,310) |
| Total operating expenses Operating income NONOPERATING REVENUES (EXPENSES) Property tax revenue Investment income Other nonoperating expense Interest expense | 758,129 777,390 728,510 (417,310) (866,466) |
| Total operating expenses Operating income NONOPERATING REVENUES (EXPENSES) Property tax revenue Investment income Other nonoperating expense Interest expense Grant refunds | 758,129 777,390 728,510 (417,310) (866,466) (30,804) |
| Total operating expenses Operating income NONOPERATING REVENUES (EXPENSES) Property tax revenue Investment income Other nonoperating expense Interest expense | 758,129 777,390 728,510 (417,310) (866,466) |
| Total operating expenses Operating income NONOPERATING REVENUES (EXPENSES) Property tax revenue Investment income Other nonoperating expense Interest expense Grant refunds | 758,129 777,390 728,510 (417,310) (866,466) (30,804) |
| Total operating expenses Operating income NONOPERATING REVENUES (EXPENSES) Property tax revenue Investment income Other nonoperating expense Interest expense Grant refunds Total nonoperating revenues (expenses) | 758,129 777,390 728,510 (417,310) (866,466) (30,804) 191,320 |
| Total operating expenses Operating income NONOPERATING REVENUES (EXPENSES) Property tax revenue Investment income Other nonoperating expense Interest expense Grant refunds Total nonoperating revenues (expenses) Income before capital contributions | 43,975,087 758,129 777,390 728,510 (417,310) (866,466) (30,804) 191,320 949,449 |
| Total operating expenses Operating income NONOPERATING REVENUES (EXPENSES) Property tax revenue Investment income Other nonoperating expense Interest expense Grant refunds Total nonoperating revenues (expenses) Income before capital contributions Capital contributions | 43,975,087 758,129 777,390 728,510 (417,310) (866,466) (30,804) 191,320 949,449 8,705,619 |

Statement of Cash Flows

For the Year Ended June 30, 2023



| CASH FLOWS FROM OPERATING ACTIVITIES | |
|---|---------------|
| Receipts from customers | \$ 45,729,120 |
| Payments to suppliers and service providers | (30,877,258) |
| Payments to employees for salaries and benefits | (10,570,578) |
| Other receipts | 3,191_ |
| Net cash provided by | |
| operating activities | 4,284,475 |
| CASH FLOWS FROM NONCAPITAL | |
| FINANCING ACTIVITIES | |
| Propert taxes received | 784,370 |
| Operating grants repaid | (30,804) |
| Net cash provided by | |
| noncapital financing activities | 753,566 |
| CASH FLOWS FROM CAPITAL AND RELATED | |
| FINANCING ACTIVITIES | |
| Acquisition and construction of capital assets | (7,375,269) |
| Principal paid on capital debt | (2,571,603) |
| Interest paid on capital debt | (867,078) |
| Proceeds from sales of assets | 368,922 |
| Other nonoperating | 2,193,273 |
| Net cash used for | |
| capital and related financing activities | (8,251,755) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest on investments | 321,785 |
| Purchase of investments | (161,994) |
| Net cash provided by | |
| investing activities | 159,791 |
| Net decrease in | |
| cash and cash equivalents | (3,053,923) |
| Cash and cash equivalents-beginning | 10,780,583 |
| Cash and Cash equivalence-beginning | 10,700,303 |
| Cash and cash equivalents-ending | \$ 7,726,660 |

Statement of Cash Flows For the Year Ended June 30, 2023



| TO THE STATEMENT OF NET POSITION Cash and investments Restricted cash and investments | \$ 6,150,658 1,576,002 |
|---|------------------------------|
| Total cash and cash equivalents | \$ 7,726,660 |

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

RECONCILIATION OF CASH AND CASH EQUIVALENTS

| TO NET CASH PROVIDED BY OPERATING ACTIVITIES | |
|---|-------------|
| Operating income | \$ 758,129 |
| Adjustments to reconcile operating income to | |
| net cash provided by operating activities: | |
| Depreciation/amortization expense | 3,353,102 |
| Decrease in accounts receivable | 1,041,442 |
| Decrease in other receivables | 40,275 |
| Increase in inventories | (520,177) |
| Decrease in prepaid items | 107,897 |
| Increase in deposits | (49,789) |
| Increase in pension-related deferred outflows | (2,169,000) |
| Increase in accounts payable | 40,491 |
| Decrease in accrued liabilities | (74,999) |
| Decrease in unearned revenue | (54,274) |
| Increase in deposits payable | 18,250 |
| Decrease in compensated absences | (32,981) |
| Increase in claims and judgments | 3,191 |
| Increase in net pension liability | 5,253,120 |
| Decrease in net OPEB liability | (48,712) |
| Decrease in pension-related deferred inflows | (3,381,490) |
| Total adjustments | 3,526,346 |
| Net cash provided by | |

SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES

operating activities

| AND INVESTING ACTIVITIES | |
|--|---------------|
| Unrealized gain on fair value of investments | \$ 342,508 |
| Contributions of capital assets | 8,705,619 |

\$ 4,284,475

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

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

The District services and maintains approximately 350 miles of water main, 7 pump stations, 4 reservoirs, and 13 storage tanks to deliver water to its customers. It also provides sewer services to parts of the District and maintains 6 lift stations and 60 miles of sewer main located in northern San Diego County.

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

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

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

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

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

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

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

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

Net Investment in Capital Assets

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



Restricted Net Position

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

Unrestricted Net Position

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

C. Deferred Outflows/Inflows of Resources:

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

- Deferred outflow related to pensions for employer contributions made after the measurement date of the net pension liability.
- Deferred outflow related to pensions for changes in proportion. This amount is amortized over a closed period
 equal to the average of the expected remaining services lives of all employees that are provided with pensions
 through the Plans determined as of June 30, 2023.
- Deferred outflow related to pensions for differences between expected and actual experiences. This amount
 is amortized over a closed period equal to the average of the expected remaining services lives of all
 employees that are provided with pensions through the Plans determined as of June 30, 2023.
- Deferred outflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years.

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

- Deferred inflow related to pensions changes in actuarial assumptions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2023.
- Deferred inflow from pensions resulting from the differences between employer contributions and proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans.

D. Cash, Cash Equivalents, and Investments

Cash and cash equivalents

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



State Investment Pool

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

Investment Valuation

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

E. Water Sales

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

F. Allowance for Doubtful Accounts

The District recognizes bad debt expense relating to receivables when it is probable that the accounts will be uncollectible. Water and sewer accounts receivable at June 30, 2023, have been reduced by an allowance for doubtful accounts of \$343,664.

G. Inventories

Materials inventory is stated at the lower of current average cost or market. Water inventory is stated at its purchase cost using the first-in, first-out method. Total water inventory at June 30, 2023 is \$3,085,640.

H. Prepaid Expenses

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

I. Restricted Assets

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

J. Capital Assets and Depreciation

Capital assets are valued at cost when constructed or purchased. Donated assets, donated works of art and similar assets, and capital assets received in a service concession arrangement are valued at their acquisition value at the date of acquisition. The District capitalizes all assets with a historical cost of at least \$10,000 and a useful life of more than one year. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Depreciation on capital assets in service, excluding land, is computed using the straight-line method over the estimated useful lives of such assets and is reported as an



operating expense. Capital projects are subject to depreciation or amortization when completed and placed in service. The ranges of estimated useful lives of capital assets are as follows:

Buildings 10-50 years
Water Systems 10-50 years
Improvement of Sites 10-75 years
Equipment 5-15 years
Right-to-use SBITAs 5-20 years
Capacity Rights 17 years

K. Compensated Absences

Vacation

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from District service. The liability for such leave is reported as incurred in the statement of net position. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave

Accumulated sick leave lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists.

L. Capital Contributions and Capacity Fee Liability

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

M. Property Taxes

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

N. Pensions

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



GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. As of June 30, 2023, the following timeframes are used:

Valuation Date (VD): June 30, 2021

Measurement Date (MD): June 30, 2022

Measurement Period (MP): July 1, 2021 to June 30, 2022

O. Other Post-Employment Benefits

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

P. <u>Subscription-Based Information Technology Arrangements</u>

The District is a subscriber for a noncancellable subscription of information technology services. The District recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the statement of net position.

At the commencement of a subscription, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) lease term, and (3) subscription payments.

- The District uses the interest rate charged by the vendor as the discount rate. When the interest rate charged
 by the vendor is not provided, the District generally uses its estimated incremental borrowing rate as the
 discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included
 in the measurement of the subscription liability are composed of fixed payments that the District is reasonably
 certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

Q. Interest Expense

The District incurs interest charges on long-term debt. Interest expense for the year ended June 30, 2023, was \$866,466 and was reflected as nonoperating on the Statement of Revenues, Expenses and Changes in Net Position. The District did not capitalize any interest during the year ended June 30, 2023.



R. <u>Use of Estimates</u>

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

I. New GASB Pronouncements Effective during Fiscal Year

The following Government Accounting Standards Board (GASB) pronouncements were effective for and/or early implemented for the fiscal year ended June 30, 2023:

1. GASB Statement No. 91, Conduit Debt Obligations

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

2. GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

3. GASB Statement No. 96, Subscription-Based Information Technology Arrangements

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

4. GASB Statement No. 100, Accounting Changes and Error Corrections

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.



NOTE 2: CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and investments at June 30, 2023, are classified in the accompanying financial statements as follows:

| Statement of Net Position | |
|--------------------------------------|------------------|
| Cash and cash equivalents | \$ 6,150,658 |
| Investments | 10,270,979 |
| Restricted: | |
| Restricted cash and cash equivalents | 1,576,002 |
| Total cash and investments | \$ 17,997,639 |
| | _ |
| Cash on hand | \$ 500 |
| Deposits with financial institutions | 6,108,417 |
| Investments | 11,888,722 |
| Total cash and investments | \$ 17,997,639 |

Investments Authorized by the California Government Code and the District's Investment Policy:

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

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

| | | Maximum | Maximum |
|---|----------|--------------|---------------|
| | Maximum | Percentage | Investment |
| Authorized Investment Type | Maturity | of Portfolio | in One Issuer |
| U.S. Treasury obligations | 5 years | None | None |
| U.S. agency securities | 5 years | None | None |
| Bankers acceptances | 180 days | 40% | 5% |
| Commercial paper | 270 days | 25% | 5% |
| Certificates of deposit (nonnegotiable) | 5 years | None | None |
| Certificates of deposit (negotiable) | 5 years | 30% | None |
| Repurchase agreements | 1 year | None | 5% |
| Medium-term notes | 5 years | 30% | 5% |
| Municipal investments | 5 years | 10% | 5% |
| Money market mutual funds | N/A | 20% | 10% |
| Mortgage pass-through securities | 5 years | 20% | None |
| Local Agency Investment Fund | N/A | None | \$50 million |

Investments Authorized by Debt Agreements:

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. Investments authorized for funds held by bond trustees include US Treasury Bills, Notes and Bonds, US Treasury Obligations, Resolution Funding Corp (REFCORP), Prefunded Municipal Bonds, US Government-Sponsored Agency Securities, Commercial Paper, Money Market Mutual Funds, Certificates of Deposits, Guaranteed Investment Contracts, Banker's Acceptance, Repurchase Agreements, and Local Agency Investment Funds. There are no



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

limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed, or the maximum maturity of an investment, except for the maturity of Banker's Acceptances, which are limited to one year and Repurchase Agreements, which are limited to 30 days.

Disclosures Relating to Interest Rate Risk:

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

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity at June 30, 2023.

| | | Remaining Maturity (in Months) | | | | | |
|------------------------------------|------------------|--------------------------------|-----------|--------------------|-----------|--------------------|-----------|
| Investment Type | Total | 12 Months or Less | | 13 to 24 Months | | 25 to 60 Months | |
| U.S. Government Sponsored Entities | \$ 8,077,342 | \$ | 2,684,222 | \$ | 3,027,526 | \$ | 2,365,594 |
| Negotiable Certificates of Deposit | 1,049,593 | | 237,403 | | 812,190 | | - |
| Medium-Term Notes | 877,061 | | - | | - | | 877,061 |
| Money market Mutual Funds | 1,842,986 | | 1,842,986 | | - | | - |
| Local Agency Investment Fund | 41,740 | | 41,740 | | - | | - |
| Total | \$ 11,888,722 | \$ | 4,806,351 | \$ | 3,839,716 | \$ | 3,242,655 |

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's Investment Policy, or debt agreements, and the Moody's rating for each investment type at June 30, 2023.

| | | | Moody's Rating as of Fiscal Year End | | | | | | |
|------------------------------------|--------------|----------------------------|--------------------------------------|-----|----|----|----|---------|------------------------|
| Investment Type | Total | Minimum Legal Rating | | Aaa | | Aa | | A | Exempt or Not Rated |
| U.S. Government Sponsored Entities | \$ 8,077,342 | N/A | \$ | - | \$ | - | \$ | - | \$ 8,077,342 |
| Negotiable Certificates of Deposit | 1,049,593 | N/A | | - | | - | | - | 1,049,593 |
| Medium-Term notes | 877,061 | A2 | | - | | - | | 877,061 | - |
| Money Market Mutual Funds | 1,842,986 | N/A | | - | | - | | - | 1,842,986 |
| Local Agency Investment Fund | 41,740 | N/A | | | | - | | - | 41,740 |
| Total | \$11,888,722 | \$ - | \$ | | \$ | _ | \$ | 877,061 | \$11,011,661 |



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

Concentration of Credit Risk:

The investment policy of the District is in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. There were no investments held on June 30, 2023 in any one issuer that represent 5% or more of total District investments, except for the Local Agency Investment Fund and mutual funds which are exempt from this stipulation.

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2023, \$15,801,167 of the District's deposits with financial institutions in excess of the Federal insurance limits were held in collateralized accounts.

Fair Value Measurements:

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs. At June 30, 2023, all investments held by the District are valued using Level 2 inputs, with the exception of the Local Agency Investment Fund and money market mutual funds, which are measured at cost or net asset value and are considered uncategorized.



NOTE 3: CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2023, were as follows:

| | Balance | | | | | Balance |
|----------------------------------|----------------|--------------|---------------|------------|-----------|----------------|
| | July 1, 2022 | _Adjustments | Additions | Deletions | Transfers | June 30, 2023 |
| Governmental activities: | | | | | | |
| Capital assets, | | | | | | |
| not being depreciated/amortized | | | | | | |
| Land | \$ 3,202,675 | \$ - | \$ 75,000 | \$ 424,450 | \$ - | \$ 2,853,225 |
| Construction-in-progress | 16,265,605 | | 13,156,711 | | (405,277) | 29,017,039 |
| Total capital assets, | | | | | | |
| not being depreciated/amortized | 19,468,280 | | 13,231,711 | 424,450 | (405,277) | 31,870,264 |
| Capital assets, | | | | | | |
| being depreciated/amortized | | | | | | |
| Buildings and Improvements | 7,224,994 | - | 74,889 | - | 405,277 | 7,705,160 |
| Reservoirs Pipelines, and Tanks | 155,424,608 | - | 2,526,061 | - | - | 157,950,669 |
| Meters | 6,230,061 | - | 87,691 | - | - | 6,317,752 |
| Equipment | 10,755,661 | - | 160,536 | 43,767 | - | 10,872,430 |
| Investment in Sewer Rights | 9,775,522 | - | - | - | - | 9,775,522 |
| Right-to-use SBITA assets | | 908,671 | | | | 908,671 |
| Total capital assets, | | | | | | |
| being depreciated/amortized | 189,410,846 | 908,671 | 2,849,177 | 43,767 | 405,277 | 193,530,204 |
| Less accumulated | | | | | | |
| depreciation/amortization | | | | | | |
| Buildings | (987,699) | - | (135,331) | - | - | (1,123,030) |
| Reservoirs Pipelines, and Tanks | (84,513,333) | - | (1,895,812) | - | - | (86,409,145) |
| Meters | (717,648) | - | (401,308) | - | - | (1,118,956) |
| Equipment | (3,644,764) | - | (621,818) | - | - | (4,266,582) |
| Investment in Sewer Rights | (1,878,461) | - | (159,063) | (43,767) | - | (1,993,757) |
| Right-to-use SBITA assets | | (139,770) | | | | (139,770) |
| Total accumulated | | | | | | |
| depreciation/amortization | (91,741,905) | (139,770) | (3,213,332) | (43,767) | | (95,051,240) |
| Total capital assets, | | | | | | |
| being depreciated/amortized, net | 97,668,941 | 768,901 | (364,155) | | 405,277 | 98,478,964 |
| Total governmental activities | | | | | | |
| capital assets | \$ 117,137,221 | \$ 768,901 | \$ 12,867,556 | \$ 424,450 | \$ - | \$ 130,349,228 |

Depreciation and amortization expense for depreciable capital assets was \$3,213,332 for the year ended June 30, 2023.

NOTE 4: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

During the current fiscal year, the District entered into a three-year subscription-based information technology arrangement (SBITA) for the use of Microsoft Office 365 Software. An initial subscription liability was recorded in the amount of \$92,955. As of June 30, 2023, the value of the subscription liability is \$69,890. The District is required to make annual fixed payments of \$23,530. The subscription has an interest rate of 0.50%. The software has a three-year useful life. The value of the right-to-use-asset as of the end of the current fiscal year was \$69,716 and had accumulated amortization of \$23,239.



NOTE 4: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

During the current fiscal year, the District entered into a five-year subscription for the use of GeoViewer Online (Nobel). An initial subscription liability was recorded in the amount of \$717,087. As of June 30, 2023, the value of the subscription liability is \$514,753. The District is required to make annual fixed payments of \$104,500 and paid fiscal year 2024's amount during the current year. The subscription has an interest rate of 0.50%. The software has a five-year useful life. The value of the right-to-use-asset as of the end of the current fiscal year was \$614,646 and had accumulated amortization of \$102,441.

During the current fiscal year, the District entered into a five-year subscription for the use of ADP. An initial subscription liability was recorded in the amount of \$98,629. As of June 30, 2023, the value of the subscription liability is \$84,749. The District is required to make annual fixed payments of \$14,373. The subscription has an interest rate of 0.50%. The software has a five-year useful life. The value of the right-to-use-asset as of the end of the current fiscal year was \$84,539 and had accumulated amortization of \$14,090.

The future principal and interest SBITA payments as of June 30, 2023, were as follows:

| Year Ending June 30, | Principal | | Interest | | Total | | |
|----------------------|---------------|----|----------|----|---------|--|--|
| 2024 | \$ 37,130 | \$ | 773 | \$ | 37,903 | | |
| 2025 | 139,242 | | 3,162 | | 142,404 | | |
| 2026 | 139,938 | | 2,465 | | 142,403 | | |
| 2027 | 117,108 | | 1,765 | | 118,873 | | |
| 2028 | 117,693 | | 1,180 | | 118,873 | | |
| 2029-2033 | 118,281 | | 592 | | 118,873 | | |
| Totals | \$ 669,392 | \$ | 9,937 | \$ | 679,329 | | |

NOTE 5: LONG TERM LIABILITIES

Changes in long-term debt for the year ended June 30, 2023 were as follows:

| | J | Balance uly 1, 2022 | 2 Additions | | Deletions | | Balance June 30, 2023 | | Due Within One Year | |
|---|----|------------------------|-------------|-----------|-----------|-----------|--------------------------|------------|------------------------|-----------|
| Business-type activities | | | | | | | | | | |
| Direct Borrowings Loan Payable SRF Morro | \$ | 7,134,610 | \$ | _ | \$ | 482,888 | \$ | 6,651,722 | \$ | 493,049 |
| Loan Payable SRF Beck | * | 5,383,621 | * | - | * | 364,377 | * | 5,019,244 | * | 372,044 |
| Lease Purchase Agreement | | 3,494,833 | | - | | 539,072 | | 2,955,761 | | 555,730 |
| Installment Purchase Contract | | 3,311,792 | | - | | 509,686 | | 2,802,106 | | 525,894 |
| Contract - Western Alliance | | | | | | | | | | |
| Business | | 9,750,000 | | | | 331,801 | | 9,418,199 | | 339,697 |
| Total Direct Borrowings | | 29,074,856 | | - | | 2,227,824 | | 26,847,032 | | 2,286,414 |
| Compensated absences | | 578,803 | | 376,260 | | 409,241 | | 545,822 | | 54,582 |
| SBITAs | | | | 908,671 | | 239,279 | | 669,392 | | 37,130 |
| Total business-type activities | \$ | 29,653,659 | \$ | 1,284,931 | \$ | 2,876,344 | \$ | 28,062,246 | \$ | 2,378,126 |



NOTE 5: LONG TERM DEBT (CONTINUED)

A. SRF Morro Loan Payable

On October 31, 2012, the District entered into an agreement with the State of California Department of Public Health for a loan in the amount of \$10,246,413 pursuant to the California Safe Drinking Water State Revolving Fund Law of 1997, Part 12, Chapter 4.5, of Division 104 of Health and Safety Code (commencing with Section 116270) to assist in financing construction of a project which will enable the District to meet safe drinking water standards. The rate of interest to be paid on the principal amount of the loan shall be 2.0933% annually. On June 30, 2023, the amount outstanding was \$6,651,722.

B. SRF Beck Loan Payable

On October 31, 2012, the District entered into an agreement with the State of California Department of Public Health for a loan in the amount of \$7,731,716 pursuant to the California Safe Drinking Water State Revolving Fund Law of 1997, Part 12, Chapter 4.5, of Division 104 of Health and Safety Code (commencing with Section 116270) to assist in financing construction of a project which will enable the District to meet safe drinking water standards. The rate of interest to be paid on the principal amount of the loan shall be 2.0933% annually. At June 30, 2023, the amount outstanding was \$5,019,244.

C. Lease Purchase Agreement

On September 21, 2018, the District entered into a lease/purchase agreement with Zion Bank as lessor in the amount of \$5,523,284 to finance water meters. Payments of principal and interest are due annually on July 1. The rate of interest to be paid on the principal amount of the lease is 3.090%. At June 30, 2023, the amount outstanding was \$2,955,761.

D. Installment Purchase Contract

On October 1, 2018, the District entered into an Installment Purchase Contract with ZMFU II, Inc. in the amount of \$5,249,905 to finance the construction, acquisition, and improvements associated with a District-wide water meter replacement program. Principal payments are due annually on July 1 and interest payments are due semi-annually on July 1 and January 1. The rate of interest to be paid on the principal amount of the lease is 3.180%. At June 30, 2023, the amount outstanding was \$2,802,106.

E. Installment Purchase Agreement

On March 1, 2023 the District entered into an Installment Purchase Agreement with Western Alliance Business Trust in the amount of \$9,750,000 to finance the construction, acquisition, and improvements associated with a District-wide water pipeline upgrades. Principal payments are due annually on April 1 and interest payments are due semi-annually on April 1 and October 1. The rate of interest to be paid on the principal amount of the lease is 4.02%. At June 30, 2023, the amount outstanding was \$9,418,199

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

| Year Ending June 30, | Principal | Interest | Total |
|----------------------|------------------|-----------------|------------------|
| 2024 | \$ 2,286,414 | \$ 832,578 | \$ 3,118,992 |
| 2025 | 2,309,123 | 767,784 | 3,076,907 |
| 2026 | 2,375,618 | 701,024 | 3,076,642 |
| 2027 | 2,444,133 | 632,234 | 3,076,367 |
| 2028 | 2,514,732 | 561,351 | 3,076,083 |
| 2029-2033 | 8,419,858 | 1,948,755 | 10,368,613 |
| 2034-2038 | 4,180,256 | 914,080 | 5,094,336 |
| 2039-2042 | 2,316,898 | 267,078 | 2,583,976 |
| Totals | \$ 26,847,032 | \$ 6,624,884 | \$ 33,471,916 |



NOTE 6: INVENTORIES

Inventories at June 30, 2023, consisted of the following:

 Water Inventory
 \$ 259,816

 Materials Inventory
 2,825,824

 Total
 \$3,085,640

NOTE 7: DEFINED BENEFIT PENSION PLANS

A. General Information about the Pension Plan

Plan Description

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

Benefits Provided

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

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

| | Classic Miscellaneous | PEPRA Miscellaneous |
|---|--------------------------|-----------------------------|
| | Plan | Plan |
| Hire Date | Prior to January 1, 2013 | On or After January 1, 2013 |
| Benefit Formula | 2.5% at 55 | 2% at 62 |
| Benefit Vesting Schedule | 5 years of service | 5 years of service |
| Benefit Payments | monthly for life | monthly for life |
| Retirement Age | 50 - 63 | 52 - 67 |
| Monthly Benefits, as a % of Eligible Compensation | 2.0% - 2.5% | 1.0% - 2.5% |
| Required Employee Contribution Rates | 7.96% | 6.75% |
| Required Employer Contribution Rates | 12.20% | 7.59% |

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance



the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements are identified by the pension plan terms.

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

As of June 30, 2023, Rainbow Municipal Water District reported a net pension liability for its proportionate share of the net pension liability of the risk pools in the amount of \$9,678,141.

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The Rainbow Municipal Water District's proportionate share of the net pension liability as of the measurement date ended June 30, 2021 and 2022 was as follows:

| | Classic & |
|----------------------------|-------------|
| | PEPRA Plans |
| Proportion - June 30, 2021 | 0.0818% |
| Proportion - June 30, 2022 | 0.0838% |
| Change | 0.0020% |

For the year ended June 30, 2023, the District recognized pension expense of \$862,479. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------------|
| Pension Contributions Subsequent to Measurement Date | \$ 565,109 | \$ - |
| Differences Between Actual and Expected Experience | 194,356 | 130,171 |
| Change in Assumptions | 991,728 | - |
| Changes in Proportions | 398,278 | 41,289 |
| Difference between the Employer's Contributions and | | |
| the Employer's Proportionate Share of Contributions | - | 1,159,251 |
| Net Differences Between Projected and Actual | | |
| Earnings on Plan Investments | 1,772,777 | - |
| Total | \$ 3,922,248 | \$ 1,330,711 |



The \$565,109 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Figure 1 and add 1 and 20 | Outfl | Deferred ows/(Inflows) |
|----------------------------|-------|---------------------------|
| Fiscal year ended June 30, | 01 | Resources |
| 2024 | \$ | 390,806 |
| 2025 | | 380,891 |
| 2026 | | 170,440 |
| 2027 | | 1,084,291 |
| 2028 | | - |
| Thereafter | | - |
| Total | \$ | 2,026,428 |

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The total pension liability was based on the following assumptions:

| | Classic & PEPRA |
|----------------------------------|------------------|
| | Plans |
| Valuation Date | June 30, 2021 |
| Measurement Date | June 30, 2022 |
| Actuarial Cost Method | Entry-Age Normal |
| | Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 6.90% |
| Inflation | 2.30% |
| Projected Salary Increase | (1) |
| Mortality Rate Table | (2) |
| Post Retirement Benefit Increase | (3) |

- (1) Varies by entry age and service.
- (2) The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.
- (3) The lesser of contract COLA or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter.



Long-term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

| | Assumed Asset | |
|--------------------------------|------------------|------------------|
| Asset Class | Allocation | Real Return 1, 2 |
| Global equity-cap-weighted | 30.00% | 4.54% |
| Global equity-non-cap-weighted | 12.00% | 3.84% |
| Private equity | 13.00% | 7.28% |
| Treasury | 5.00% | 0.27% |
| Mortgage-backed securities | 5.00% | 0.50% |
| Investment grade corporates | 10.00% | 1.56% |
| High yield | 5.00% | 2.27% |
| Emerging market debt | 5.00% | 2.48% |
| Private debt | 5.00% | 3.57% |
| Real assets | 15.00% | 3.21% |
| Leverage | -5.00% | -0.59% |

¹ An expected inflation of 2.30% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of benefit payments to determine the total pension liability.

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

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

| | Discount Rate | Current | Discount Rate | |
|--|---------------|---------------|---------------|--|
| | -1 Percent | Discount Rate | +1 Percent | |
| | (5.90%) | (6.90%) | (7.90%) | |
| | | | | |
| Proportionate share of net pension liability | \$ 14,962,992 | \$ 9,678,141 | \$ 5,330,018 | |

² Figures are based on the 2021 Asset Liability Management study



Pension Plan Fiduciary Net Position

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

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS

Plan Description - Benefits

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

Employees of the District hired before July 1, 2012, retiring after the later of age 50 with 10 consecutive years of District service are eligible to receive a monthly District contribution towards the purchase of health insurance if they have not opted out. The District contribution ends after ten (10) years of benefit payments have been made, even if retiree or spouse are still under age 65 at the time. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Employees Covered

As of the June 30, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

| Measurement Date | June 30, 2022 |
|---|---------------|
| Total Eligible Active Employees | 18 |
| Inactive Employees Currently Receiving Benefit Payments | 5 |
| Total | 23 |

Total OPEB Liability

The District's total OPEB liability of \$558,099 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2023. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.



NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Other Inputs

The total OPEB liability reported at June 30, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date July 1, 2023 Measurement Date June 30, 2023

Actuarial Cost Methods Entry Age Normal Cost Method

Actuarial Assumptions:

Discount Rate 3.65%
Inflation 2.30%
Projected Salary Increase 3.80%
Expected Long Term Investment Rate of Return N/A
Healthcare Cost Trend Rates Varies

Pre-Retirement Turnover Based on Rates from 2021 CalPERS

Experience Study Report

Mortality Based on Rates from 2021 CalPERS

Experience Study Report

The discount rate of 3.65 percent was based on The Bond Buyer 20-Bond GO Index and was updated to the current fiscal year end based on changes in market conditions as reflected in the Index.

Changes in the Total OPEB Liability

The changes in the total OPEB liability are as follows:

| | Total OPEB Liability (a) | | |
|---|---|--|--|
| Balance at June 30, 2022 | \$ 606,811 | | |
| Changes recognized for the measurement period: Service cost Interest Assumption changes Actuarial experience Benefit payments from the Plan | 3,040 20,274 92,361 (96,231) (68,156) | | |
| Net changes during 2022-23 | (48,712) | | |
| Balance at June 30, 2023 | \$ 558,099 | | |



NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

The following presents the total OPEB liability of the District, calculated using the discount rate for the Plan, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.65 %) or 1-percentage point higher (4.65%) than the current rate:

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

| | Discount Rate | | Current | | Discount Rate | |
|-----------------------------|---------------|---------|---------------|---------|---------------|---------|
| | -1 Percent | | Discount Rate | | +1 Percent | |
| | (2.65%) | | (3.65%) | | (4.65%) | |
| Plan's total OPEB liability | \$ | 588,731 | \$ | 558,099 | \$ | 529,276 |

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

| | Current | | | | | |
|-----------------------------|-----------|---------|------------|--|-----------|---------|
| | 1 Percent | | Heathcare | | 1 Percent | |
| | Decrease | | Trend Rate | | Increase | |
| Plan's total OPEB liability | \$ | 558,099 | \$ | | \$ | 558,099 |

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

The District elected to use the Alternative Measurement Method for reporting GASB 74/75 for fiscal year 2023. According to the implementation guide for GASB 74/75, the changes in the total OPEB liability resulting from differences between expected and actual experience and changes in assumptions or other inputs should be recognized in OPEB expense in the periods in which the effects are first reported in the OPEB liability. Due to this, the District has recognized its deferrals arising from expected and actual experience, as well as changes of assumptions in OPEB expense. For the year ended June 30, 2023, the District recognized OPEB expense of \$48,712.

NOTE 9: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The District's workers' compensation, property, and liability risk exposure is handled by the District's participation in the Association of California Water Agencies-Joint Powers Insurance Authority (ACWA-JPIA).

ACWA-JPIA is a risk pooling joint powers authority formed under the California Government Code to provide coverage for ACWA-JPIA's member agencies. ACWA-JPIA purchases excess insurance from commercial carriers to reduce its exposure to large losses. Workers' compensation expense amounted to \$62,231 for the year ended June 30, 2023. Property and liability insurance expenses amounted to \$387,155 for the year ended June 30, 2023.

There were no instances in the past three years where a settlement exceeded the District's coverage provided through ACWA-JPIA or through the District's previous risk pool.



NOTE 9: RISK MANAGEMENT (CONTINUED)

General and Auto Liability: Total risk financing limits of \$5 million combined with single limit at \$5 million per occurrence, subject to the following deductible:

• \$1,000 per occurrence for third party auto liability property damage.

<u>Crime Coverage:</u> \$100,000 per loss includes Public Employee Theft, Depositors Forgery or Alteration, and Computer Funds Transfer Fraud. There is a \$1,000 deductible for crime coverage.

<u>Property Loss:</u> Replacement cost, for property schedule on file subject to the following deductibles:

- Buildings, personal property, fixed equipment, and unscheduled vehicles on premise: \$10,000
- Mobile equipment: \$2,500
- Vehicles: \$1,000
- Turbine Units & Associated Equipment, electrical generators, electrical power distribution: \$50,000
- All Other Boiler & Machinery Accidental Breakdown: \$25,000
- Flood: \$100,000
- Earthquake, 5% per unit of insurance, subject to \$75,000 minimum.

<u>Workers' Compensation Coverage and Employer's Liability:</u> Statutory limits per occurrence for Workers' Compensation and \$4 million for Employer's Liability Coverage, subject to the terms, conditions and exclusions as provided in the Memorandum of Coverage.

NOTE 10: DEFERRED COMPENSATION PLAN

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

All assets and income of the plans are held in trust for the exclusive benefit of the participants and their beneficiaries. The District does not meet the criteria for fiduciary fund reporting since it does not have either significant administrative involvement (e.g. custody) or perform the investment function. Therefore, the fair market value of the plan assets at June 30, 2023, in the amount of \$5,729,174, is not included in the District's financial statements.

NOTE 11: COMMITMENTS AND CONTINGENCIES

Tank Maintenance Commitments

On April 22, 2015, the District entered into a ten-year contract with Utility Service Co., Inc. to maintain twelve water tanks. The contract was updated on April 25, 2023 to maintain the tanks at an annual cost of \$1,040,498. The contract can be cancelled annually if intent to cancel is received with ninety (90) days prior to the anniversary date. Any outstanding balance for completed work would be due and payable within thirty (30) days of cancellation.

Capacity Rights for Sewage Treatment

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



NOTE 11: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Construction Project Commitments

The following construction projects had remaining commitments outstanding at June 30, 2023:

| | | | F | Remaining | |
|--------------------------------------|----|-------------|------------|-----------|--|
| Project | Sp | ent-to-Date | Commitment | | |
| Live Oak Park Bridge | \$ | 387,157 | \$ | 119,843 | |
| LS-1 Replacement Phase 1 | | 5,556,340 | | 9,624,817 | |
| Rice Canyon 18" WL | | 2,313,426 | | 2,172,303 | |
| Rainbow Valley Blvd. CP Installation | | 26,235 | | 498,468 | |

NOTE 12: PRIOR PERIOD ADJUSTMENTS

For fiscal year ended June 30, 2023, the District implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), which updated the guidance on the accounting and financial reporting for SBITAs for government end users. The effect of the implementation of the change in accounting principle is shown in column C of the table below.

During fiscal year 2023, the change in accounting principle resulted in adjustments to and restatements of beginning net position, as follows:

| | June 30, 2022 | Changes to or | | Changes in | |
|----------------------------------|----------------|------------------|------------|--------------|----------------|
| | As Previously | within the | Error | Accounting | June 30, 2022 |
| | Reported | Reporting Entity | Correction | Principle | As Restated |
| Rainbow Municipal Water District | \$ 101,510,684 | \$ - | \$ - | \$ (104,500) | \$ 101,406,184 |
| Total | \$ 101,510,684 | \$ - | \$ - | \$ (104,500) | \$ 101,406,184 |

NOTE 13: SUBSEQUENT EVENTS

The District evaluated subsequent events for recognition and disclosure through October 25, 2023, the date of which these financial statements were available to be issued. Management concluded that no material subsequent events other than the item listed below have occurred since June 30, 2023, that required recognition or disclosure in these financial statements.

A. Issuance of Wastewater Lease Financing Agreement

Subsequent to June 30, 2023, the District closed on a previously authorized but unissued lease financing agreement with First American RBC/City National Bank in the amount of \$5,000,000. The purpose of the debt issuance is to facilitate activity within the wastewater capital plan and will mature in fiscal year 2034.

RAINBOW MUNICIPAL WATER DISTRICT Schedules of Proportationate Share of Net Pension Liability As of June 30, for the Last Ten Fiscal Years ¹



| Reporting Date ² as of June 30, | Proportion of the Net Pension Liability | SI | oportionate nare of Net sion Liability | Cov | vered Payroll | Proportionate Share of the Net Pension Liability as a % of Covered Payroll | Plan's Fiduciary Net Position as a % of the Total Pension Liability |
|---|---|----|--|-----|---------------|---|--|
| 0000 | 0.00000/ | Φ. | 0.070.444 | Φ | F 407 740 | 470.00/ | 70.70/ |
| 2023 | 0.0838% | \$ | 9,678,141 | \$ | 5,407,749 | 179.0% | 76.7% |
| 2022 | 0.0818% | | 4,425,021 | | 5,036,802 | 87.9% | 88.3% |
| 2021 | 0.0750% | | 8,158,280 | | 4,935,944 | 165.3% | 75.1% |
| 2020 | 0.0007% | | 7,527,597 | | 5,212,648 | 144.4% | 75.3% |
| 2019 | 0.0716% | | 6,899,648 | | 3,887,469 | 177.5% | 75.3% |
| 2018 | 0.0709% | | 7,031,525 | | 4,118,123 | 170.7% | 73.3% |
| 2017 | 0.0694% | | 6,009,026 | | 3,679,407 | 163.3% | 74.1% |
| 2016 | 0.0668% | | 4.584.303 | | 3.829.237 | 119.7% | 78.4% |
| 2015 | 0.0552% | | 3,435,302 | | 3,873,095 | 88.7% | 79.8% |

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Benefit Changes: None

Changes of Assumptions: None

¹ Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore only nine years are shown.

² The proportions and proportionate share of the net pension liability are measured as of one year behind the reporting date. Refer to notes to basic financial statements.

RAINBOW MUNICIPAL WATER DISTRICT

Schedules of Plan Contributions

As of June 30, for the Last Ten Fiscal Years ¹



| Fiscal Year Ending June 30, | De | ctuarially etermined ntribution | E | Actual mployer ntributions | Contribution Deficiency (Excess) | | Covered/ Covered- Employee Payroll | Contribution as a % of Covered/Covered Employee Payroll |
|-----------------------------------|----|---------------------------------------|----|----------------------------------|--|---|---|--|
| | | | | | | | | |
| 2023 | \$ | 565,109 | \$ | 565,109 | \$ | - | \$ 5,737,509 | 9.8% |
| 2022 | | 562,304 | | 562,304 | | - | 5,407,749 | 10.4% |
| 2021 | | 479,387 | | 479,387 | | - | 5,036,802 | 9.5% |
| 2020 | | 512,037 | | 512,037 | | - | 4,935,944 | 10.4% |
| 2019 | | 865,241 | | 865,241 | | - | 5,212,648 | 16.6% |
| 2018 | | 743,649 | | 743,649 | | - | 3,887,469 | 19.1% |
| 2017 | | 656,639 | | 656,639 | | - | 4,118,123 | 15.9% |
| 2016 | | 369,170 | | 369,170 | | - | 3,679,407 | 10.0% |
| 2015 | | 570,649 | | 570,649 | | - | 3,829,237 | 14.9% |

RAINBOW MUNICIPAL WATER DISTRICT

Schedule of Changes in Total OPEB Liability and Related Ratios As of June 30, for the Last Ten Fiscal Years ¹



| Measurement Date | 2023 6/30/2022 | 2022 6/30/2021 | 2021 6/30/2020 |
|--|---|--|--|
| TOTAL OPEB LIABILITY Service cost Interest on total pension liability Changes of assumptions Difference between expected and actual experience Benefit payments, including refunds of employee contributions | \$ 3,040 20,274 92,361 (96,231) (68,156) | \$ 3,701 14,649 (55,645) - (68,156) | \$ 6,294 15,040 2,478 36,255 (56,698) |
| Net change in total OPEB liability | (48,712) | (105,451) | 3,369 |
| Total OPEB liability-beginning | 606,811 | 712,262 | 708,893 |
| Total OPEB liability-ending (a) | 558,099 | 606,811 | 712,262 |
| Covered-employee payroll | \$ 2,258,436 | \$ 2,318,249 | \$ 2,239,854 |
| Plan total OPEB liability/(asset) as a percentage of covered-employee payroll | 24.7% | 26.2% | 31.8% |

Notes to Schedule of Changes in the Total OPEB Liability and Related Ratios:

Benefit Changes: None

Changes of Assumptions: None

¹ Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only six years are shown.

| | 2020 | | 2040 | | 2040 |
|----|---------------------------|----|--|----|--------------------------|
| _ | 2020 6/30/2019 | _ | 2019 6/30/2018 | _ | 2018 6/30/2017 |
| | 0/00/2010 | | 0/00/2010 | | 0/00/2011 |
| \$ | 5,388 22,545 58,081 | \$ | 5,027 24,801 68,033 (108,804) | \$ | 7,607 26,991 - |
| | (42,753) | | (43,026) | | (24,866) |
| | 43,261 | | (53,969) | | 9,732 |
| | 665,632 | | 719,601 | | 709,869 |
| | 708,893 | | 665,632 | | 719,601 |
| \$ | 5,395,091 | \$ | 5,212,648 | \$ | 4,346,367 |
| | 13.1% | | 12.8% | | 16.6% |

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Statistical Section

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STATISTICAL SECTION



This section of the comprehensive annul financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

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NET POSITION BY COMPONENT

Last Ten Fiscal Years

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|--|--|---|-------------------------------------|
| Net Investment in Capital Assets Restricted for Capital Projects | \$ 85,350,581 | \$ 84,652,584 | \$ 84,881,107 6,827,952 | \$ 65,217,530 894,491 | \$ 65,399,076 894,491 | \$ 63,739,648 3,321,531 | 11,057,533 | 7,312,691 | 629,599 | 102,832,804 649,293 |
| Restricted for Debt Service Unrestricted Total Net Position | 6,697,491 \$ 92,048,072 | 2,119,562 \$ 86,772,146 | 1,544,992 \$ 93,254,051 | 17,174,049 \$ 83,286,070 | 16,586,411 \$ 82,879,978 | 16,510,984 \$ 83,572,163 | 1,129,683 3,530,574 \$ 88,081,804 | 822,428 9,124,094 \$ 96,076,304 | 850,130 12,944,672 \$ 101,510,684 \$ | 876,584 6,702,571 111,061,252 |
| Percent Change | -1.12% | -5.73% | 7.47% | ,,,- | , - ,,- | 0.84% | ,,, | 9.57% | 6.17% | 9.94% |

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Last Ten Fiscal Years

| | | | | Fiscal Year | | | | | | |
|--|------------------|---------------------------|-------------------------|---------------------------|-------------------------|-------------------------|----------------------|------------------------|--------------------|-------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Operating Revenues: | | | | | | | | | | |
| Direct Operating Renevues: | | | | | | | | | | |
| Water Sales | \$ 36,497,373 \$ | 34,037,432 \$ | 32,156,844 \$ | 33,091,641 \$ | 38,105,712 \$ | 32,810,988 \$ | 33,156,919 \$ | 41,779,797 \$ | 42,755,152 \$ | 40,240,342 |
| Wastewater Revenue | 2,553,801 | 2,677,130 | 2,632,902 | 2,548,647 | 2,520,622 | 2,843,256 | 2,621,433 | 3,461,256 | 3,033,548 | 3,534,927 |
| Other Operating Revenue | | | - 04 700 740 | 501,019 | 991,390 | 860,839 | 425,525 | 806,510 | 797,020 | 957,947 |
| Total Direct Operating Revenues | 39,051,174 | 36,714,562 | 34,789,746 | 36,141,307 | 41,617,724 | 36,515,083 | 36,203,877 | 46,047,563 | 46,585,720 | 44,733,216 |
| Indirect Operating Renevues: | | | | | | | | | | |
| Grant Revenue | 34,158 | - | - | - | - | - | - | - | 989,082 | |
| Other | 710,843 | 514,415 | 439,807 | 331,842 | - | - | - | - | - | - |
| Total Indirect Operating Revenues | 745,001 | 514,415 | 439,807 | 331,842 | - | - | - | - | 989,082 | - |
| Total Operating Revenues | 39,796,175 | 37,228,977 | 35,229,553 | 36,473,149 | 41,617,724 | 36,515,083 | 36,203,877 | 46,047,563 | 47,574,802 | 44,733,216 |
| Operating Expenses: | | | | | | | | | | |
| Water Purchases | 26,649,303 | 24,532,468 | 22,381,393 | 23,282,393 | 27,040,873 | 22,449,449 | 21,917,914 | 25,916,888 | 26,032,842 | 22,273,945 |
| Water Pumping | 3,836,825 | 3,816,915 | 631,056 | 580,556 | 591,529 | 558,989 | 530,815 | 627,681 | 823,211 | 896,053 |
| Transmission and Distribution | 1,113,721 | 1,037,420 | 4,284,981 | 4,876,960 | 4,777,964 | 4,421,571 | - | | - | - |
| Operations ¹ | ., | -,001,120 | | - | - | -, 121,011 | 2,836,404 | 2,055,704 | 2,885,796 | 2,757,133 |
| Valve Maintenance ¹ | - | - | - | - | - | - | 522,935 | 447,295 | 369,799 | 414,666 |
| | - | - | - | - | - | - | | | | |
| Distribution ¹ | | - | | | | | 2,191,712 | 2,516,855 | 2,712,092 | 2,288,854 |
| Meter Services | 768,966 | 804,140 | 1,044,631 | 1,085,553 | 1,003,899 | 868,927 | 1,893,429 | 1,190,746 | 1,407,560 | 843,475 |
| Sewer Services | 1,763,824 | 1,708,779 | 1,566,845 | 1,735,473 | 1,646,593 | 1,738,948 | 2,268,304 | 766,637 | 2,653,350 | 1,309,292 |
| Administrative and General | 3,987,687 | 3,924,311 | 2,683,658 | 2,855,623 | 4,272,246 | 4,467,521 | - | - | - | - |
| Administration ² | - | - | - | - | - | - | 3,277,178 | 2,048,907 | 1,926,423 | 1,745,531 |
| Garage ² | - | - | - | - | - | - | 544,451 | 500,127 | 597,385 | 659,229 |
| Human Resources ² | _ | - | _ | _ | _ | _ | 298,776 | 344,374 | 302,789 | 402,084 |
| Risk Management ² | _ | _ | _ | _ | _ | _ | 455,288 | 960,809 | 893,995 | 753,304 |
| | | | | | | | 100,200 | | | |
| Information Technology ³ | - | - | - | - | - | - | | 954,151 | 1,267,456 | 1,020,090 |
| Board of Directors ² | - | - | - | | | | 23,336 | 16,843 | 39,167 | 38,541 |
| Engineering | - | 24,364 | 999,844 | 1,279,194 | 1,254,293 | 1,551,506 | 1,005,437 | 1,624,801 | 1,131,446 | 1,224,264 |
| Finance | | | 612,800 | 545,976 | 601,322 | 568,091 | 632,456 | 807,352 | 926,496 | 1,098,534 |
| Customer Service | 148,438 | 816 | 339,948 | 430,850 | 549,822 | 1,519,984 | 718,066 | 701,148 | 624,732 | 591,842 |
| Depreciation | 3,295,219 | 3,318,247 | 3,110,968 | 3,445,476 | 3,648,435 | 3,656,649 | 2,189,068 | 2,327,663 | 2,394,211 | 3,353,102 |
| Other Operating Expense | | | | | | | 2,702,844 | 1,081,691 | 159,609 | 2,305,148 |
| Total Operating Expenses | 41,563,983 | 39,167,460 | 37,656,124 | 40,118,054 | 45,386,976 | 41,801,635 | 44,008,413 | 44,889,672 | 47,148,359 | 43,975,087 |
| Gain (Loss) from Operations | (1,767,808) | (1,938,483) | (2,426,571) | (3,644,905) | (3,769,252) | (5,286,552) | (7,804,536) | 1,157,891 | 426,443 | 758,129 |
| | | | | | | | | | | |
| Non-operating Revenues: | | | | | | | | | | |
| Property Tax Revenue | 831,294 | 850,802 | 870,642 | 595,250 | 616,027 | 638,539 | 653,320 | 685,562 | 720,383 | 777,390 |
| Investment Income (Loss) | - | 89,981 | 721,408 | - | - | 1,134,118 | 841,596 | (35,395) | (666,174) | 728,510 |
| Other | 831,294 | 940,783 | 1,592,050 | 595,250 | 358,026 974,053 | 506,015 2,278,672 | 282,991 1,777,907 | 1,866,928 2,517,095 | 371,411 425,620 | 1,505,900 |
| Total Non-operating Revenues | 031,294 | 940,763 | 1,592,050 | 595,250 | 974,053 | 2,210,012 | 1,777,907 | 2,517,095 | 425,620 | 1,505,900 |
| Non-operating Expenses: | | | | | | | | | | |
| Interest | 108,543 | 403,969 | 667,939 | 361,037 | 370,175 | 570,855 | 616,775 | 571,839 | 656,033 | 866,466 |
| Other | | - | - | - | - | - | - | - | - | 417,310 |
| Grant Refunds | - | _ | - | _ | _ | _ | _ | - | _ | 30,804 |
| Total Non-operating Expenses | 108,543 | 403,969 | 667,939 | 361,037 | 370,175 | 570,855 | 616,775 | 571,839 | 656,033 | 1,314,580 |
| Miscellaneous: | | | | | | | | | | |
| Capital Contribution | _ | 294,192 | 1,091,515 | 156,302 | 2,972,963 | 2,941,091 | 11,239,897 | 4,804,501 | 5,238,350 | 8,705,619 |
| Loss on Abandonment of Capital Assets | _ | 204,102 | 1,001,010 | (1,933,240) | 2,012,000 | 2,041,001 | 11,200,007 | -,00-,001 | 0,200,000 | 0,700,010 |
| Total Miscellaneous | - | 294,192 | 1,091,515 | (1,776,938) | 2,972,963 | 2,941,091 | 11,239,897 | 4,804,501 | 5,238,350 | 8,705,619 |
| Change in Net Position | (1,045,057) | (1,107,477) | (410,945) | (5,187,630) | (192,411) | (637,644) | 4,596,493 | 7,907,648 | 5,434,380 | 9,655,068 |
| | | 00.040 | | 00.054 | 00.000 | 00.075 | 00 570 : | 00.400 | 00.075 | 404 |
| Net Position, Beginning | 93,093,129 | 92,048,072 | 86,772,146 | 93,254,051 | 83,286,070 | 82,879,978 | 83,572,163 | 88,168,656 | 96,076,304 | 101,510,684 |
| Prior Period Adjustment Net Position, Beginning Restated | 93,093,129 | (4,168,449) 87,879,623 | 6,892,850 93,664,996 | (4,780,351) 88.473.700 | (213,681) 83,072,389 | 1,329,829 84,209,807 | 83,572,163 | 88,168,656 | 96,076,304 | (104,500 |
| rvet i ositioti, degiriring restated | 93,U93, 129 | 01,018,023 | 93,004,990 | 00,413,700 | 03,012,309 | 04,203,007 | 03,312,103 | 00,100,000 | 90,070,304 | 101,406,184 |

-10.69%

-0.49%

0.84%

5.50%

Source: Rainbow Municipal Water District Audited Financial Statements

Percentage Change

-5.73%

-1.12%

7.47%

14.96%

15.13%

¹Prior to FY 2020 Departments were included in Transmission and Distribution.

²Prior to FY 2020 Departments were included in Administration and General.

³Prior to FY 2021 Departments were included in Administration and General.

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Last Ten Fiscal Years

| iscal | ١. | /_ | |
|-------|----|----|----|
| Sca | 1 | re | ar |

| | | | | i loodi i odi | | | | | | |
|-------------------------------------|-------------------|-------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Operating Revenues | \$ 39,796,175 | \$ 37,228,977 | \$ 35,229,553 | \$ 36,473,149 | \$ 41,617,724 | \$ 36,515,083 | \$ 36,201,243 | \$ 46,047,563 | \$ 46,585,720 | \$ 44,733,216 |
| Operating Expenses | 41,563,983 | 39,167,460 | 37,656,124 | 40,118,054 | 45,386,976 | 41,801,635 | 44,008,413 | 44,889,672 | 47,148,359 | 43,975,087 |
| Gain (Loss) from Operations | (1,767,808) | (1,938,483) | (2,426,571) | (3,644,905) | (3,769,252) | (5,286,552) | (7,807,170) | 1,157,891 | (562,639) | 758,129 |
| Non-operating Revenue Less Expenses | 722,751 | 536,814 | 924,111 | (1,699,027) | 603,878 | 1,707,817 | 1,076,914 | 1,945,256 | 758,669 | 191,320 |
| Income Before Capital Contributions | (1,045,057) | (1,401,669) | (1,502,460) | (5,343,932) | (3,165,374) | (3,578,735) | (6,730,256) | 3,103,147 | 196,030 | 949,449 |
| Capital Contributions | - | 294,192 | 1,091,515 | 156,302 | 2,972,963 | 2,941,091 | 11,239,897 | 4,804,501 | 5,238,350 | 8,705,619 |
| Prior Period Adjustment | - | (4,168,449) | 6,892,850 | (4,780,351) | (213,681) | 1,329,829 | - | - | - | (104,500) |
| Changes in Net Position | \$ (1,045,057) | \$ (5,275,926) | \$ 6,481,905 | \$ (9,967,981) | \$ (406,092) | \$ 692,185 | \$ 4,509,641 | \$ 7,907,648 | \$ 5,434,380 | \$ 9,550,568 |

Source: Rainbow Municipal Water District Audited Financial Statements

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Last Ten Fiscal Years

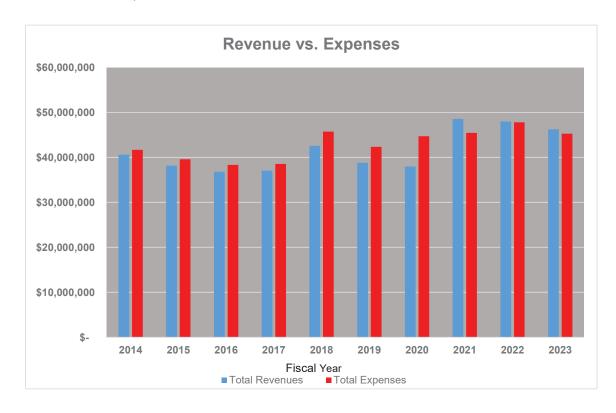
| | | | | Lact Ton Tiodai | | | | |
|------|---------------|---------------|----------------|-----------------|----------------|---------------|--------------|----------------|
| | | | Gain (Loss) | Non-operating | Income Before | | | |
| | Operating | Operating | from | Revenue Less | Capital | Capital | Prior Period | Changes in |
| | Revenues | Expenses | Operations | Expenses | Contributions | Contributions | Adjustment | Net Position |
| 2014 | \$ 39,796,175 | \$ 41,563,983 | \$ (1,767,808) | \$ 722,751 | \$ (1,045,057) | \$ - | \$ - | \$ (1,045,057) |
| 2015 | 37,228,977 | 39,167,460 | (1,938,483) | 536,814 | (1,401,669) | 294,192 | (4,168,449) | (5,275,926) |
| 2016 | 35,229,553 | 37,656,124 | (2,426,571) | 924,111 | (1,502,460) | 1,091,515 | 6,892,850 | 6,481,905 |
| 2017 | 36,473,149 | 40,118,054 | (3,644,905) | (1,699,027) | (5,343,932) | 156,302 | (4,780,351) | (9,967,981) |
| 2018 | 41,617,724 | 45,386,976 | (3,769,252) | 603,878 | (3,165,374) | 2,972,963 | (213,681) | (406,092) |
| 2019 | 36,515,083 | 41,801,635 | (5,286,552) | 1,707,817 | (3,578,735) | 2,941,091 | 1,329,829 | 692,185 |
| 2020 | 36,201,243 | 44,008,413 | (7,807,170) | 1,076,914 | (6,730,256) | 11,239,897 | - | 4,509,641 |
| 2021 | 46,047,563 | 44,889,672 | 1,157,891 | 1,945,256 | 3,103,147 | 4,804,501 | - | 7,907,648 |
| 2022 | 46,585,720 | 47,148,359 | (562,639) | 758,669 | 196,030 | 5,238,350 | - | 5,434,380 |
| 2023 | 44,733,216 | 43,975,087 | 758,129 | 191,320 | 949,449 | 8,705,619 | (104,500) | 9,550,568 |





Last Ten Fiscal Years

| Fiscal | Total | Total | |
|--------|---------------|---------------|----------------|
| Year | Revenues | Expenses | Gain (Loss) |
| 2014 | \$ 40,627,469 | \$ 41,672,526 | \$ (1,045,057) |
| 2015 | 38,169,760 | 39,571,429 | (1,401,669) |
| 2016 | 36,821,603 | 38,324,063 | (1,502,460) |
| 2017 | 37,068,399 | 38,545,851 | (1,477,452) |
| 2018 | 42,591,777 | 45,757,151 | (3,165,374) |
| 2019 | 38,793,755 | 42,372,490 | (3,578,735) |
| 2020 | 37,981,791 | 44,712,047 | (6,730,256) |
| 2021 | 48,564,658 | 45,461,511 | 3,103,147 |
| 2022 | 48,000,422 | 47,804,392 | 196,030 |
| 2023 | 46,239,116 | 45,289,667 | 949,449 |



REVENUES BY SOURCE

Last Ten Fiscal Years

| Fiscal | rear |
|--------|------|

| | | | | i iscai | 100 | ш | | | | | |
|------------------------------|------------------|------------------|------------------|------------------|-----|------------|------------------|------------------|------------------|------------------|------------------|
| | 2014 | 2015 | 2016 | 2017 | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Operating Revenues: | | | | | | | | | | | |
| Water Sales | \$ 36,497,373 | \$ 34,037,432 | \$ 32,156,844 | \$ 33,091,641 | \$ | 38,105,712 | \$ 32,810,988 | \$ 33,156,919 | \$ 41,779,797 | \$ 42,755,152 | \$ 40,240,342 |
| Wastewater Revenue | 2,553,801 | 2,677,130 | 2,632,902 | 2,548,647 | | 2,520,622 | 2,843,256 | 2,621,433 | 3,461,256 | 3,033,548 | 3,534,927 |
| Other Operating Revenue | - | - | _ | 501,019 | | 991,390 | 860,839 | 422,891 | 806,510 | 797,020 | 957,947 |
| Grant Revenue | 34,158 | - | - | - | | - | - | - | - | 989,082 | - |
| Other | 710,843 | 514,415 | 439,807 | 331,842 | | - | - | - | - | | - |
| Total Operating Revenues | 39,796,175 | 37,228,977 | 35,229,553 | 36,473,149 | | 41,617,724 | 36,515,083 | 36,201,243 | 46,047,563 | 47,574,802 | 44,733,216 |
| Non-operating Revenues: | | | | | | | | | | | |
| Property Tax Revenue | 831,294 | 850,802 | 870,642 | 595,250 | | 616,027 | 638,539 | 653,320 | 685,562 | 720,383 | 777,390 |
| Investment income | - | 89,981 | 721,408 | - | | - | 1,134,118 | 841,596 | (35,395) | (666,174) | 728,510 |
| Other | - | - | - | - | | 358,026 | 506,015 | 285,632 | 1,866,928 | 371,411 | - |
| Total Non-operating Revenues | 831,294 | 940,783 | 1,592,050 | 595,250 | | 974,053 | 2,278,672 | 1,780,548 | 2,517,095 | 425,620 | 1,505,900 |
| Total Revenues | \$ 40,627,469 | \$ 38,169,760 | \$ 36,821,603 | \$ 37,068,399 | \$ | 42,591,777 | \$ 38,793,755 | \$ 37,981,791 | \$ 48,564,658 | \$ 48,000,422 | \$ 46,239,116 |

| EXPEN | SES | ΒY | FU | INC | ΓΙΟΝ |
|-------|-----|------|----|-----|------|
| Last | Ten | Fisc | al | Yea | rs |

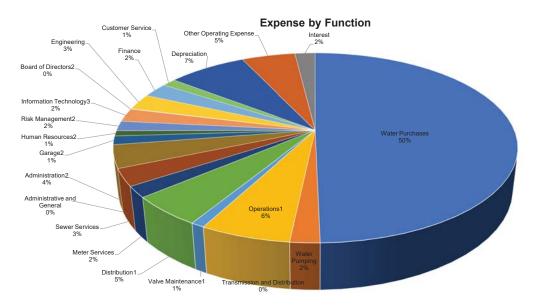
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------------|------------------|------------|------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Operating Expenses: | | | | | | | | | | |
| Water Purchases | \$ 26,649,303 | | , , | \$ 23,282,393 | , , , , , , , | , , , , , | \$ 21,917,914 | ,, | | \$ 22,273,945 |
| Water Pumping | 3,836,825 | 3,816,915 | 631,056 | 580,556 | 591,529 | 558,989 | 530,815 | 627,681 | 823,211 | 896,053 |
| Transmission and Distribution | 1,113,721 | 1,037,420 | 4,284,981 | 4,876,960 | 4,777,964 | 4,421,571 | - | - | - | - |
| Operations ¹ | - | - | - | - | - | - | 2,836,404 | 2,055,704 | 2,885,796 | 2,757,133 |
| Valve Maintenance ¹ | - | - | - | - | - | - | 522,935 | 447,295 | 369,799 | 414,666 |
| Distribution ¹ | - | - | - | - | - | - | 2,191,712 | 2,516,855 | 2,712,092 | 2,288,854 |
| Meter Services | 768,966 | 804,140 | 1,044,631 | 1,085,553 | 1,003,899 | 868,927 | 1,893,429 | 1,190,746 | 1,407,560 | 843,475 |
| Sewer Services | 1,763,824 | 1,708,779 | 1,566,845 | 1,735,473 | 1,646,593 | 1,738,948 | 2,268,304 | 766,637 | 2,653,350 | 1,309,292 |
| Administrative and General | 3,987,687 | 3,924,311 | 2,683,658 | 2,855,623 | 4,272,246 | 4,467,521 | - | - | - | - |
| Administration ² | - | - | - | - | - | - | 3,277,178 | 2,048,907 | 1,926,423 | 1,745,531 |
| Garage ² | - | - | - | - | - | - | 544,451 | 500,127 | 597,385 | 659,229 |
| Human Resources ² | - | - | - | - | - | - | 298,776 | 344,374 | 302,789 | 402,084 |
| Risk Management ² | - | - | - | - | - | - | 455,288 | 960,809 | 893,995 | 753,304 |
| Information Technology ³ | - | - | - | - | - | - | - | 954,151 | 1,267,456 | 1,020,090 |
| Board of Directors ² | - | - | - | - | - | - | 23,336 | 16,843 | 39,167 | 38,541 |
| Engineering | - | 24,364 | 999,844 | 1,279,194 | 1,254,293 | 1,551,506 | 1,005,437 | 1,624,801 | 1,131,446 | 1,224,264 |
| Finance | - | - | 612,800 | 545,976 | 601,322 | 568,091 | 632,456 | 807,352 | 926,496 | 1,098,534 |
| Customer Service | 148,438 | 816 | 339,948 | 430,850 | 549,822 | 1,519,984 | 718,066 | 701,148 | 624,732 | 591,842 |
| Depreciation | 3,295,219 | 3,318,247 | 3,110,968 | 3,445,476 | 3,648,435 | 3,656,649 | 2,189,068 | 2,327,663 | 2,394,211 | 3,353,102 |
| Other Operating Expense | | | | | | | 2,702,844 | 1,081,691 | 159,609 | 2,305,148 |
| Total Operating Expenses | 41,563,983 | 39,167,460 | 37,656,124 | 40,118,054 | 45,386,976 | 41,801,635 | 44,008,413 | 44,889,672 | 47,148,359 | 43,975,087 |
| Non-operating Expenses: | | | | | | | | | | |
| Interest | 108,543 | 403,969 | 667,939 | 361,037 | 370,175 | 570,855 | 703,634 | 571,839 | 656,033 | 866,466 |
| Other Nonoperating Expense | · - | - | · - | | - | · - | | | - | 417,310 |
| Grant Refunds | - | - | - | - | - | - | - | - | - | 30,804 |
| Loss on Abandonment of Capital Assets | | - | - | (1,933,240) | - | - | - | - | - | |
| Total Non-operating Expenses | 108,543 | 403,969 | 667,939 | (1,572,203) | 370,175 | 570,855 | 703,634 | 571,839 | 656,033 | 1,314,580 |
| Total Expenses | \$ 41,672,526 \$ | 39,571,429 | 38,324,063 | \$ 38,545,851 | \$ 45,757,151 | \$ 42,372,490 | \$ 44,712,047 | \$ 45,461,511 | \$ 47,804,392 | \$ 45,289,667 |

Source: Rainbow Municipal Water District Audited Financial Statements Footnotes:

¹Prior to FY 2020 Departments were included in Transmission and Distribution.

²Prior to FY 2020 Departments were included in Administration and General.

³Prior to FY 2021 Departments were included in Administration and General.



COMPUTATION OF LEGAL DEBT MARGIN

Last Ten Fiscal Years

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Assessed Value | \$ 3,817,371,326 | \$ 4,003,578,488 | \$ 4,185,857,090 | \$ 4,387,417,362 | \$ 4,660,295,704 | \$ 4,994,381,001 | \$ 5,283,549,089 | \$ 5,575,351,912 | \$ 6,112,121,641 | \$ 6,611,549,967 |
| Conversion Percentage | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% |
| Adjusted Assessed Valuation | 954,342,832 | 1,000,894,622 | 1,046,464,273 | 1,096,854,341 | 1,165,073,926 | 1,248,595,250 | 1,320,887,272 | 1,393,837,978 | 1,528,030,410 | 1,652,887,492 |
| Debt Limit Percentage | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| Legal Debt Limit | 143,151,425 | 150,134,193 | 156,969,641 | 164,528,151 | 174,761,089 | 187,289,288 | 198,133,091 | 209,075,697 | 229,204,562 | \$ 26,847,032 |
| Outstanding Debt | 14,135,186 | 17,978,129 | 17,615,446 | 16,875,544 | 16,119,968 | 15,348,493 | 14,160,736 | 21,171,553 | 29,074,856 | \$ 876,584 |
| Less: Amount Reserved for Debt Service | | | | | | | 1,129,683 | 822,428 | 850,130 | - |
| Net Applicable to Limit | 14,135,186 | 17,978,129 | 17,615,446 | 16,875,544 | 16,119,968 | 15,348,493 | 13,031,053 | 20,349,125 | 28,224,726 | \$ 25,970,448 |
| Legal Debt Margin | \$ 129,016,238 | \$ 132,156,064 | \$ 139,354,194 | \$ 147,652,607 | \$ 158,641,121 | \$ 171,940,795 | \$ 185,102,038 | \$ 188,726,572 | \$ 200,979,836 | \$ 221,962,676 |
| Total Debt applicable to the limit as a percentage of debt limit | 10% | 12% | 11% | 10% | 9% | 8% | 7% | 10% | 12% | 10% |

Note: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above, reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective, to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Total Assessed Value

Last Ten Fiscal Years

| | F | Assessed Value | Percent Increase/ Decrease | Tax Collected |
|------|----|----------------|----------------------------------|---------------|
| 2014 | \$ | 3,817,371,326 | 5.61% | \$ 545,556 |
| 2015 | | 4,003,578,488 | 4.88% | 555,940 |
| 2016 | | 4,185,857,090 | 4.55% | 526,292 |
| 2017 | | 4,387,417,362 | 4.82% | 595,250 |
| 2018 | | 4,660,295,704 | 6.22% | 616,027 |
| 2019 | | 4,994,381,001 | 7.17% | 641,868 |
| 2020 | | 5,283,549,089 | 5.79% | 661,209 |
| 2021 | | 5,575,351,912 | 5.52% | 685,566 |
| 2022 | | 6,112,121,641 | 9.63% | 720,383 |
| 2023 | | 6,611,549,967 | 8.17% | 1,253,585 |

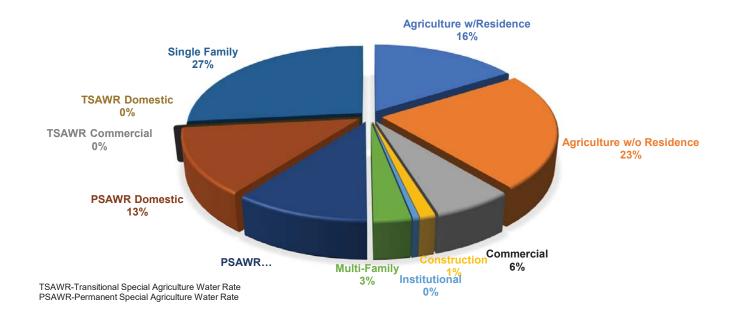
CONSUMPTION BY CUSTOMER CLASS

Last Ten Fiscal Years Acre Feet

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------|
| Agriculture w/Residence | n/a | n/a | 624 | 624 | 769 | 636 | 637 | 791 | 2,305 | 1,896 | 16% |
| Agriculture w/o Residence | 2,708 | 2,295 | 2,804 | 2,717 | 2,886 | 2,233 | 2,343 | 2,446 | 3,186 | 2,717 | 23% |
| Commercial | 1,970 | 2,003 | 571 | 629 | 845 | 791 | 745 | 867 | 889 | 740 | 6% |
| Construction | 45 | 64 | 104 | 94 | 158 | 118 | 37 | 249 | 230 | 144 | 1% |
| Institutional | n/a | n/a | 65 | 62 | 52 | 63 | 43 | 64 | 65 | 59 | 0% |
| Multi-Family | 367 | 332 | 254 | 267 | 284 | 288 | 280 | 333 | 321 | 343 | 3% |
| PSAWR Commercial | n/a | 359 | 1,795 | 1,248 | 11% |
| PSAWR Domestic | n/a | 457 | 2,006 | 1,538 | 13% |
| TSAWR Commercial | 4,784 | 4,189 | 3,239 | 3,268 | 3,731 | 2,726 | 2,486 | 2,736 | 125 | - | 0% |
| TSAWR Domestic | 6,508 | 5,823 | 4,743 | 4,530 | 5,292 | 3,681 | 3,410 | 3,704 | 198 | - | 0% |
| Single Family | 4,846 | 4,224 | 3,154 | 3,428 | 3,900 | 3,236 | 3,266 | 3,958 | 3,770 | 3,151 | 27% |
| Total Consumption | 21,227 | 18,929 | 15,558 | 15,620 | 17,917 | 13,771 | 13,247 | 15,964 | 14,890 | 11,835 | 100% |

TSAWR-Transitional Special Agriculture Water Rate

CONSUMPTION BY CUSTOMER CLASS

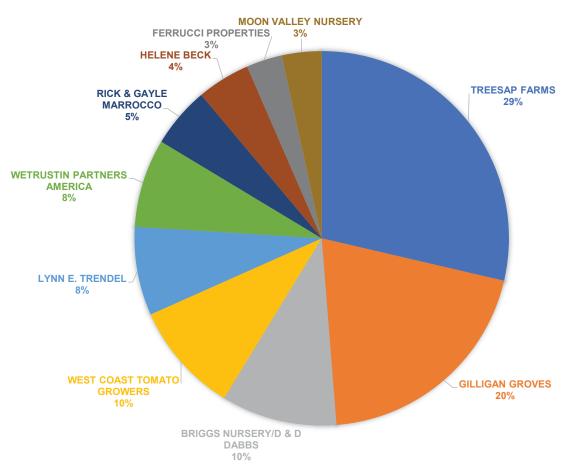




TOP TEN WATER CONSUMERS Fiscal Year 2023

| CUSTOMER | ANNUAL USAGE | PERCENTAGE |
|----------------------------------|--------------|------------|
| TREESAP FARMS | 190,539 | 3.70% |
| GILLIGAN GROVES | 133,710 | 2.59% |
| BRIGGS NURSERY/D & D DABBS | 66,452 | 1.29% |
| WEST COAST TOMATO GROWERS | 63,899 | 1.24% |
| LYNN E. TRENDEL | 50,898 | 0.99% |
| WETRUSTIN PARTNERS AMERICA | 50,824 | 0.99% |
| RICK & GAYLE MARROCCO | 34,954 | 0.68% |
| HELENE BECK | 30,590 | 0.59% |
| FERRUCCI PROPERTIES | 20,535 | 0.40% |
| MOON VALLEY NURSERY | 22,840 | 0.44% |
| | | |
| TOTAL COMBINED WATER CONSUMPTION | 665,241 | 12.90% |
| ALL OTHER WATER CONSUMPTION | 4,490,232 | 87.10% |
| TOTAL WATER CONSUMPTION | 5,155,473 | 100.00% |

TOP TEN WATER CUSTOMERS AND THEIR RELATIVE CONSUMPTION FISCAL YEAR 2023

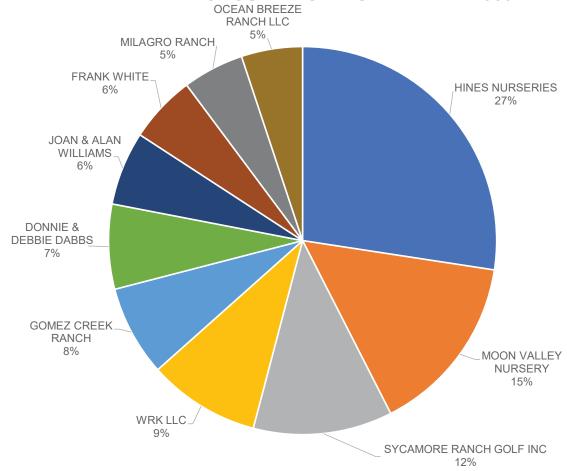


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TOP TEN WATER CONSUMERS

| TOP TEN WATER C Fiscal Year | | | RAF | T |
|----------------------------------|--------------|------------|---|---|
| CUSTOMER | ANNUAL USAGE | PERCENTAGE | 1 \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ | |
| HINES NURSERIES | 137,930 | 2.18% | | |
| MOON VALLEY NURSERY | 75,827 | 1.20% | | |
| SYCAMORE RANCH GOLF INC | 58,351 | 0.92% | | |
| WRK LLC | 46,887 | 0.74% | | |
| GOMEZ CREEK RANCH | 37,962 | 0.60% | | |
| DONNIE & DEBBIE DABBS | 35,563 | 0.56% | | |
| JOAN & ALAN WILLIAMS | 30,921 | 0.49% | | |
| FRANK WHITE | 28,297 | 0.45% | | |
| MILAGRO RANCH | 25,644 | 0.41% | | |
| OCEAN BREEZE RANCH LLC | 25,637 | 0.41% | | |
| | | | | |
| TOTAL COMBINED WATER CONSUMPTION | 503,019 | 7.96% | | |
| ALL OTHER WATER CONSUMPTION | 5,813,109 | 92.04% | | |
| TOTAL WATER CONSUMPTION | 6,316,128 | 100.00% | | |

TOP TEN WATER CUSTOMERS AND THEIR **RELATIVE CONSUMPTION FISCAL YEAR 2009**



Rate Summaries

Water Variable Rates²

| | Sing | le Family Reside | ntial | Multi Family | Commercial | Institutional | Construction |
|------|--------|------------------|--------|--------------|------------|---------------|--------------|
| | Tier 1 | Tier 2 | Tier 3 | | | | |
| 2014 | 3.00 | 3.15 | 3.15 | 3.00/3.15 | 3.00/3.15 | n/a | 3.15 |
| 2015 | 3.00 | 3.15 | 3.15 | 3.00/3.15 | 3.15 | n/a | 3.15 |
| 2016 | 3.31 | 3.48 | 3.81 | 3.40 | 3.51 | 3.58 | 3.51 |
| 2017 | 3.42 | 3.60 | 3.94 | 3.52 | 3.63 | 3.70 | 4.44 |
| 2018 | 3.64 | 3.86 | 4.27 | 3.76 | 3.89 | 3.98 | 4.87 |
| 2019 | 3.73 | 3.99 | 4.48 | 3.87 | 4.03 | 4.14 | 5.20 |
| 2020 | 3.73 | 3.99 | 4.48 | 3.87 | 4.03 | 4.14 | 5.20 |
| 2021 | 3.89 | 4.15 | 4.64 | 4.03 | 4.19 | 4.19 | 5.36 |
| 2022 | 5.00 | | | 5.00 | 5.00 | 5.00 | 5.00 |
| 2023 | 5.47 | | | 5.47 | 5.47 | 5.47 | 5.47 |

| | Agr | iculture w/Reside | ence | Agriculture w/o Residence | | SAWR ¹ Domestic | : | SAWR ¹ Commercial |
|------|--------|-------------------|--------|------------------------------|--------|----------------------------|--------|---------------------------------|
| | Tier 1 | Tier 2 | Tier 3 | | Tier 1 | Tier 2 | Tier 3 | |
| 2014 | 3.00 | 3.15 | 2.83 | n/a | n/a | n/a | n/a | n/a |
| 2015 | 3.00 | 3.15 | 3.15 | n/a | 3.00 | 3.15 | 2.83 | 2.83 |
| 2016 | 3.31 | 3.48 | 3.24 | 3.24 | 3.31 | 3.48 | 2.77 | 2.77 |
| 2017 | 3.42 | 3.60 | 3.35 | 3.35 | 3.42 | 3.60 | 2.87 | 2.87 |
| 2018 | 3.64 | 3.86 | 3.56 | 3.56 | 3.7 | 3.92 | 3.04 | 3.04 |
| 2019 | 3.73 | 3.99 | 3.63 | 3.63 | 3.94 | 4.21 | 3.15 | 3.15 |
| 2020 | 3.73 | 3.99 | 3.63 | 3.63 | 3.94 | 4.21 | 3.15 | 3.15 |
| 2021 | 3.89 | 4.15 | 3.79 | 3.79 | 4.14 | 4.41 | 3.35 | 3.35 |
| 2022 | 4.13 | | | 4.13 | 3.65 | | | 3.65 |
| 2023 | 4.56 | | | 4.56 | 4.01 | | | 4.01 |

¹SAWR-Special Agriculture Water Rate

²1 unit of water = 748 gallons

Rate Summaries

| Wa | ater Fixed Rates | | | | | | | |
|-----------|------------------|--------|------------------|-------------------|-----------------|------------|----------|----------|
| | | | Single Family, I | Multi-Family, Cor | nmercial, & Ins | titutional | | |
| 2012 | 54.68 | 63.38 | 88.36 | 138.67 | 230.58 | 386.42 | 654.05 | 1,276.37 |
| 2013 | 62.23 | 70.93 | 100.44 | 161.33 | 269.85 | 454.39 | 774.89 | 1,548.24 |
| 2014 | 58.83 | 65.93 | 94.87 | 162.34 | 282.54 | 487.01 | 842.16 | 1,699.84 |
| 2015 | 58.83 | 65.93 | 94.87 | 162.34 | 282.99 | 487.01 | 842.16 | 1,699.84 |
| 2016 | 58.84 | 58.84 | 95.57 | 187.39 | 297.57 | 646.47 | 1,160.65 | 2,391.02 |
| 2017 | 61.14 | 61.14 | 99.35 | 194.85 | 309.45 | 672.36 | 1,207.19 | 2,486.94 |
| 2018 | 61.46 | 61.46 | 99.37 | 194.12 | 307.82 | 667.85 | 1,198.46 | 2,468.09 |
| 2019 | 65.56 | 65.56 | 105.59 | 205.62 | 325.67 | 705.81 | 1,266.04 | 2,606.55 |
| 2020 | 65.56 | 65.56 | 105.59 | 205.62 | 325.67 | 705.81 | 1,266.04 | 2,606.55 |
| 2021 | 67.09 | 67.09 | 108.14 | 210.72 | 333.83 | 723.66 | 1,298.17 | 2,672.85 |
| 2022 | 68.61 | 68.61 | 114.35 | 228.70 | 365.92 | 800.45 | 1,440.81 | 2,973.10 |
| 2023 | 69.20 | 69.20 | 115.33 | 230.65 | 369.04 | 807.28 | 1,453.09 | 2,998.43 |
| | | | | Agricultu | re | | | |
| 2012 | 48.19 | 56.89 | 77.98 | 119.22 | 196.86 | 328.07 | 550.31 | 1,042.93 |
| 2013 | 49.71 | 58.41 | 80.41 | 123.78 | 204.76 | 341.74 | 574.61 | 1,097.61 |
| 2014 | 44.52 | 51.62 | 71.97 | 119.40 | 208.12 | 358.20 | 613.16 | 1,184.59 |
| 2015 | 44.52 | 51.62 | 71.97 | 119.40 | 208.12 | 358.20 | 613.16 | 1,184.59 |
| 2016 | 78.28 | 78.28 | 127.96 | 252.19 | 401.24 | 873.25 | 1,568.86 | 3,233.34 |
| 2017 | 81.06 | 81.06 | 132.53 | 261.23 | 415.66 | 904.69 | 1,625.39 | 3,349.88 |
| 2018 | 85.37 | 85.37 | 139.18 | 273.77 | 435.27 | 946.65 | 1,700.30 | 3,503.62 |
| 2019 | 94.25 | 94.25 | 153.36 | 301.20 | 478.61 | 1,040.37 | 1,868.25 | 3,849.18 |
| 2020 | 94.25 | 94.25 | 153.36 | 301.20 | 478.61 | 1,040.37 | 1,868.25 | 3,849.18 |
| 2021 | 95.78 | 95.78 | 155.91 | 306.30 | 486.77 | 1,058.22 | 1,900.38 | 3,915.48 |
| 2022 | 115.96 | 115.96 | 193.27 | 386.53 | 618.45 | 1,352.87 | 2,435.16 | 5,024.93 |
| 2023 | 118.92 | 118.92 | 198.19 | 396.37 | 634.20 | 1,387.31 | 2,497.16 | 5,152.85 |
| | | | | SAWR ¹ | | | | |
| 2012 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 2013 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 2014 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 2015 | 58.83 | 65.93 | 94.87 | 162.34 | 215.94 | 304.14 | 445.94 | 694.04 |
| 2016 | 60.31 | 60.31 | 98.01 | 192.28 | 305.39 | 663.57 | 1,191.44 | 2,454.53 |
| 2017 | 61.37 | 61.37 | 99.71 | 195.59 | 310.64 | 674.94 | 1,211.84 | 2,496.52 |
| 2018 | 68.01 | 68.01 | 110.25 | 215.89 | 342.67 | 744.10 | 1,335.70 | 2,751.27 |
| 2019 | 77.36 | 77.36 | 125.21 | 244.89 | 388.52 | 843.30 | 1,513.53 | 3,117.21 |
| 2020 | 77.36 | 77.36 | 125.21 | 244.89 | 388.52 | 843.30 | 1,513.53 | 3,117.21 |
| 2021 | 78.41 | 78.41 | 126.96 | 248.40 | 394.13 | 855.57 | 1,535.61 | 3,162.78 |
| 2022 | 98.96 | 98.96 | 164.93 | 329.87 | 527.79 | 1,154.53 | 2,078.16 | 4,288.27 |
| 2023 | 103.41 | 103.41 | 172.35 | 344.70 | 551.51 | 1,206.43 | 2,171.56 | 4,481.00 |
| 10 1140 0 | | . 5 . | | * · · · · · * | | ., | -, | ., |

Rate Summaries

Sewer Rates per Dwelling Unit

| _ | | or rated per Br | ronning ornit | |
|------|---------------|-----------------|---------------|------------|
| | Single Family | Multi Family | Sewer Only | Commercial |
| 2011 | 25.76-68.54 | 25.76-68.54 | 25.76-68.54 | 68.54 |
| 2012 | 25.76-68.54 | 25.76-68.54 | 25.76-68.54 | 68.54 |
| 2013 | 25.76-68.54 | 25.76-68.54 | 25.76-68.54 | 68.54 |
| 2014 | 28.70-75.50 | 28.70-75.50 | 28.70-75.50 | 75.50 |
| 2015 | 28.7-75.50 | 28.7-75.50 | 28.7-75.50 | 75.50 |
| 2016 | 28.7-75.50 | 28.7-75.50 | 28.7-75.50 | 75.50 |
| 2017 | 28.7-75.50 | 28.7-75.50 | 28.7-75.50 | 75.50 |
| 2018 | 55.07 | 40.51 | 54.40 | 40.51 |
| 2019 | 55.07 | 40.51 | 54.40 | 40.51 |
| 2020 | 55.07 | 40.51 | 54.40 | 40.51 |
| 2021 | 55.07 | 40.51 | 54.40 | 40.51 |
| 2022 | 55.07 | 40.51 | 54.40 | 40.51 |
| 2023 | 55.07 | 40.51 | 54.40 | 40.51 |
| | | | | |

HISTORICAL WATER DEMAND AND RECENT TRENDS

| Calendar | Deliveries | | |
|----------|------------------|--|--|
| Year | (AF) | | |
| 1987 | 27,382 | | |
| 1988 | 32,028 | | |
| 1989 | 34,828 | | |
| 1990 | 34,920 | | |
| 1991 | 24,567 | | |
| 1992 | 26,460 | | |
| 1993 | 22,997 | | |
| 1994 | 22,832 | | |
| 1995 | 20,872 | | |
| 1996 | 23,223 | | |
| 1997 | 24,906 | | |
| 1998 | 19,924 | | |
| 1999 | 28,721 | | |
| 2000 | 29,203 | | |
| 2001 | 26,803 | | |
| 2002 | 32,125 | | |
| 2003 | 30,472 | | |
| 2004 | 30,336 | | |
| 2005 | 28,911 | | |
| 2006 | 29,929 | | |
| 2007 | 31,865 | | |
| 2008 | 24,128 | | |
| 2009 | 26,894 | | |
| 2010 | 18,322 | | |
| 2011 | 19,276 | | |
| 2012 | 21,918 | | |
| 2013 | 21,526 | | |
| 2014 | 22,625 | | |
| 2015 | 17,868 | | |
| 2016 | 18,151 | | |
| 2017 | 18,151 18,123 | | |
| 2018 | 17,910 | | |
| 2019 | 13,720 | | |
| 2020 | 15,373 | | |
| 2021 | 15,838 | | |
| 2022 | 17,910 | | |

For 25 years following its founding in 1954, total SDCWA water deliveries to the District service area steadily increased, as agricultural acreage and population increased. By 1984, demands had climbed to almost 34,000-acre feet per year (AFY). Demands then dropped sharply during the drought restrictions of 1991-93, as mandatory cutbacks led to the stumping of avocado groves and other water use reductions, but by 2002 had rebounded to almost pre- 1991 conditions.

Beginning in 2008, demands again declined sharply, this time in response to economic recession, water price increases, a new round of drought restrictions, and increased adoption of water conservation measures. These factors have combined to produce a fundamental downward shift in per capita water use, with per account use declining by **35 percent** from 2006 to 2013. Per capita use reached a minimum during the period from 2010 to 2012, but this was in response to economic recession, cooler than normal summer weather, and other impermanent conditions. The region has been experiencing a mega drought which has resulted in increased sales for 2020-2021, followed by implementation of voluntary water restrictions due to a level 1 water shortage.

Considering factors of economic equilibrium, average weather conditions, and normal water supply conditions (without water use restrictions in place), the Master Plan has judged calendar year 2018 to be representative of normal water use conditions in the current era and has defined calendar year 2018 water use as an appropriate baseline condition for use in demand forecasting.



Top 10 Employers

| Fundamen | # of Familian |
|----------------------------------|----------------|
| Employers | # of Employees |
| Bonsall Unified School District | 123 |
| Rainbow Municipal Water District | 57 |
| Vallecitor School District | 30 |
| Pala Mesa Resort | 20 |
| Z Café | 15 |
| Daniel's Market | 10 |
| Armstrong Growers | less than 10 |
| West Coast Tomatoe Growers | less than 10 |
| Rainbow Oaks Restaurant | less than 10 |
| Pala Mesa Market | less than 10 |
| Village Pizza | less than 10 |
| Tekila Cocina | less than 10 |
| Fresco Grill | less than 10 |
| Jack in the Box | less than 10 |
| Subway | less than 10 |
| McDonalds | less than 10 |
| Cortez Mexican | less than 10 |
| Quality Inn | less than 10 |
| Nessy Burget | less than 10 |
| Fallbrook Rib Shack | less than 10 |
| Randy Carlson DMD | less than 10 |
| North County Fire | less than 10 |

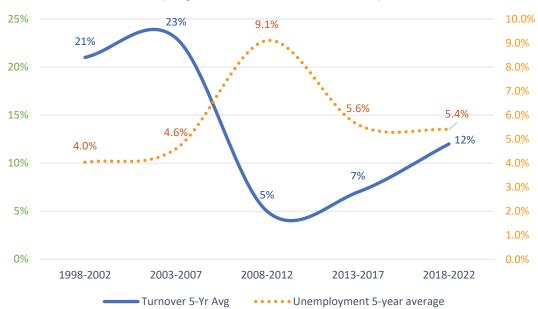
FULL-TIME EQUIVALENT EMPLOYEES BY DEPARTMENT

Last Ten Fiscal Years

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------|------|------|------|------|------|------|------|------|------|------|
| Administration | 3 | 3 | 3 | 3 | 4 | 3 | 2 | 2 | 2 | 2 |
| Information Technology | - | - | - | - | - | 2 | 4 | 4 | 4 | 4 |
| Human Resources | 3 | 2 | 3 | 2 | 2 | 3 | 3 | 3 | 3 | 4 |
| Engineering | 6 | 6 | 6 | 6 | 6 | 7 | 5 | 6 | 6 | 6 |
| Finance | 4 | 4 | 4 | 4 | 4 | 3 | 5 | 6 | 7 | 7 |
| Customer Service | 3 | 3 | 3 | 3 | 3 | 5 | 5 | 4 | 4 | 4 |
| Valve Maintenance | 5 | 3 | 5 | 5 | 5 | 5 | 3 | 2 | 2 | 2 |
| Operations | 11 | 10 | 11 | 11 | 11 | 9 | 9 | 9 | 7 | 7 |
| Wastewater | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Construction & Maintenance | 9 | 8 | 9 | 9 | 9 | 9 | 10 | 10 | 14 | 12 |
| Meters | 4 | 4 | 4 | 4 | 4 | 9 | 8 | 8 | 5 | 5 |
| Total | 51 | 46 | 51 | 50 | 51 | 58 | 58 | 58 | 58 | 57 |
| Less Temporary Employees | - | - | - | - | - | 3 | 3 | 3 | - | - |
| Total Permanent Employees | 51 | 46 | 51 | 50 | 51 | 55 | 55 | 55 | 58 | 57 |

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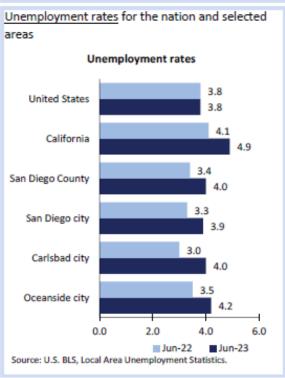
Historical Turnover (5-year rates, all reasons)



San Diego Area Economic Summary

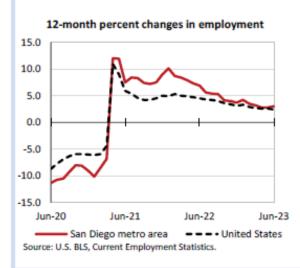
Updated August 07, 2023

This summary presents a sampling of economic information for the area; supplemental data are provided for regions and the nation. Subjects include unemployment, employment, wages, prices, spending, and benefits. All data are not seasonally adjusted and some may be subject to revision. Area definitions may differ by subject. For more area summaries and geographic definitions, see www.bls.gov/regions/economic-summaries.htm.



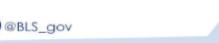


Over-the-year changes in employment on nonfarm payrolls and employment by major industry sector



| San Diego metro area employment (number in thousands) | Jun. 2023 | Change from Jun. 2022 to Jun. 2023 | | |
|---|-----------|---------------------------------------|---------|--|
| (number in triousands) | | Number | Percent | |
| Total nonfarm | 1,583.8 | 46.5 | 3.0 | |
| Mining and logging | 0.4 | 0.0 | 0.0 | |
| Construction | 89.7 | 1.7 | 1.9 | |
| Manufacturing | 117.7 | 0.4 | 0.3 | |
| Trade, transportation, and utilities | 222.2 | 1.3 | 0.6 | |
| Information | 22.1 | 0.0 | 0.0 | |
| Financial activities | 78.9 | 1.4 | 1.8 | |
| Professional and business services | 287.0 | 4.3 | 1.5 | |
| Education and health services | 240.9 | 15.6 | 6.9 | |
| Leisure and hospitality | 210.6 | 13.8 | 7.0 | |
| Other services | 60.1 | 5.9 | 10.9 | |
| Government | 254.2 | 2.1 | 0.8 | |

Source: U.S. BLS, Current Employment Statistics.





Over-the-year change in the <u>prices paid by urban</u> consumers for selected categories



Over-the-year changes in the selling prices received by producers for selected industries nationwide 12-month percent changes in PPI 40.0 30.0 20.0 10.0 0.0 -10.0 -20.0 -30.0 Jun-20 Jun-21 Jun-22 Jun-23 General freight trucking Hospitals - Hotels (exc casino hotels) and motels Source: U.S. BLS, Producer Price Index.

<u>Average annual spending</u> and percent distribution for selected categories

Average annual expenditures, United States and San Diego area, 2020-21 100% \$11,062 \$17,008 80% \$7,562 60% \$7,803 \$10,851 \$10,398 40% 20% \$32,907 \$22,046 0% San Diego area United States All other items Personal insurance & pensions Healthcare ■ Food

Average hourly wages for selected occupations

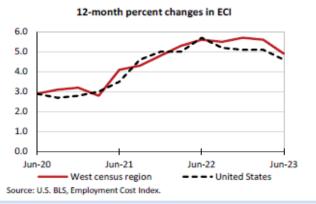
| Occupation | San Diego metro area | United States | | |
|--|-------------------------|------------------|--|--|
| All occupations | \$34.17 | \$29.76 | | |
| Human resources managers | 75.84 | 70.07 | | |
| Registered nurses | 56.65 | 42.80 | | |
| Accountants and auditors | 43.86 | 41.70 | | |
| Electricians | 33.63 | 31.39 | | |
| Construction laborers | 26.98 | 22.29 | | |
| Hotel, motel, and resort desk clerks | 17.48 | 14.57 | | |
| Source: U.S. BLS, Occupational Employment and Wage Statistics, May 2022. | | | | |

Employer costs per hour worked for wages and selected employee benefits by geographic division

■ Transportation
■ Housing
Source: U.S. BLS, Consumer Expenditure Survey.

| Private industry, March 2023 | West census region | United States |
|---------------------------------|--------------------|------------------|
| Total compensation | \$44.30 | \$40.79 |
| Wages and salaries | 31.36 | 28.76 |
| Total benefits | 12.93 | 12.02 |
| Paid leave | 3.32 | 3.04 |
| Vacation | 1.67 | 1.55 |
| Supplemental pay | 1.48 | 1.52 |
| Insurance | 3.19 | 3.01 |
| Retirement and savings | 1.47 | 1.39 |
| Legally required benefits | 3.48 | 3.06 |

Over-the-year changes in wages and salaries



Source: U.S. BLS, Employer Costs for Employee Compensation.

Western Information Office • BLSinfoSF@bls.gov • https://www.bls.gov/regions/west • 415-625-2270





CLIMATE AND TOPOGRAPHY

The Fallbrook, Bonsall and Rainbow region has an average year-round temperature of 61 degrees. Due to the prevailing ocean breezes, the humidity is relatively low and constant. The average daytime high in Fallbrook is 76 degrees, although in the summer, temperatures sometimes exceed 100 degrees. Most of the area is frost-free; during the coldest periods, the average nighttime temperature is about 42 degrees. Due to its proximity to the ocean, days often start with early morning fog; afternoons can be breezy.

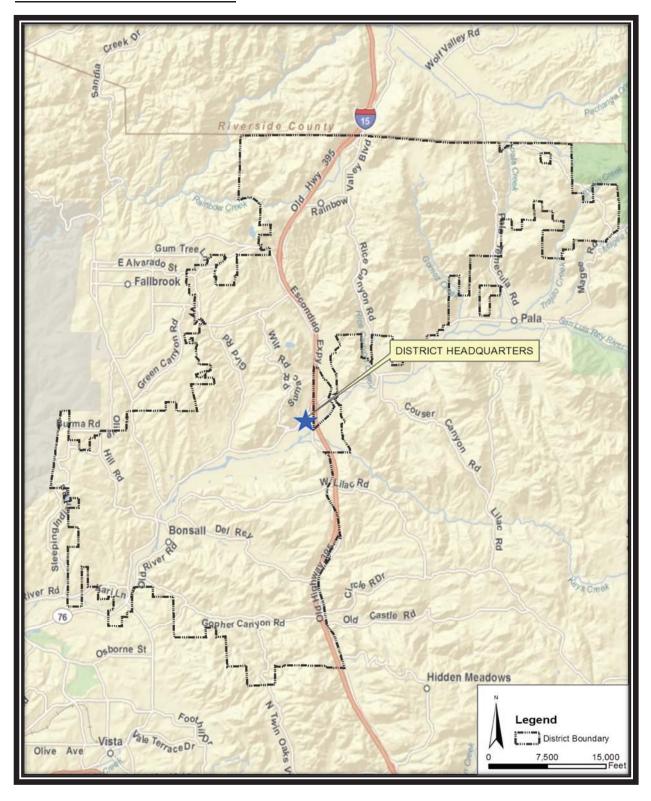
Annual rainfall is roughly 10 inches (25 cm) and comes mostly between November and April. Rainfall is higher in the surrounding hills, up to 20 inches (51 cm). The area is ideal for avocados, strawberries, tomatoes and many other sub-tropical fruits, vegetables, and flowers.

The topography of the District ranges from relatively level valley lands to steeply sloping ridges with long, narrow canyons. Elevations vary from 120 feet in the San Luis Rey River basis to mountains over 2,200 feet high. This configuration of land enables dense, cool air to slide off the valley sides, creating a continuous mild turbulence on the valley floor, which results in a low incidence of frost essential to the growth of avocados and citrus, the major crops grown in the District.

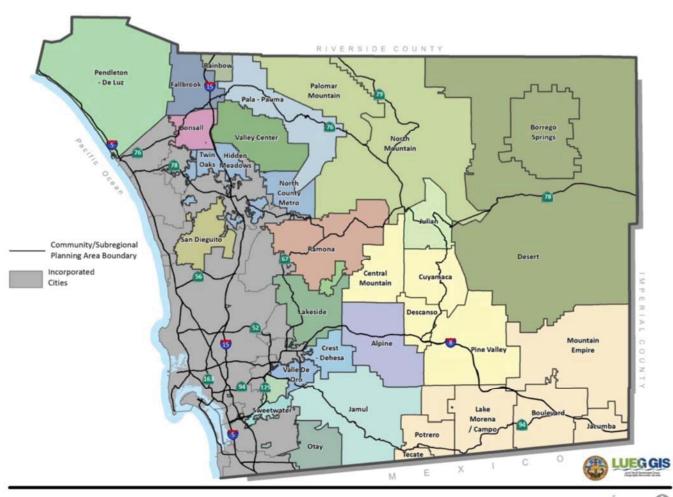
THE DISTRICT OFFICE



MAP OF DISTRICT SERVICE AREA



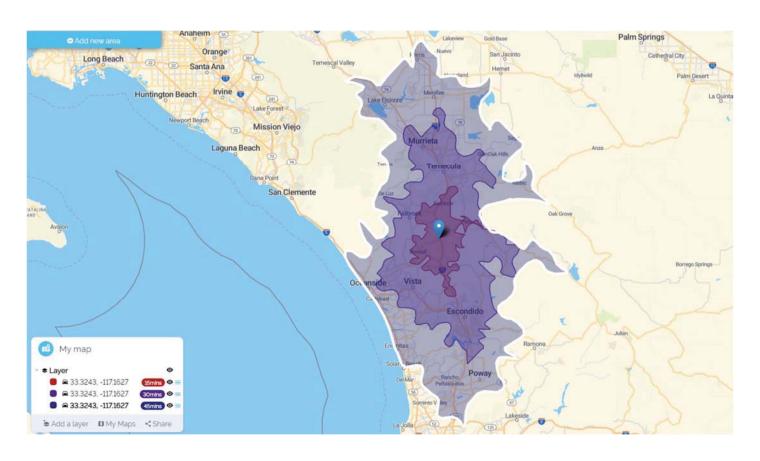
MAP OF DISTRICT LOCATION



UNINCORPORATED COMMUNITIES WITHIN COUNTY OF SAN DIEGO



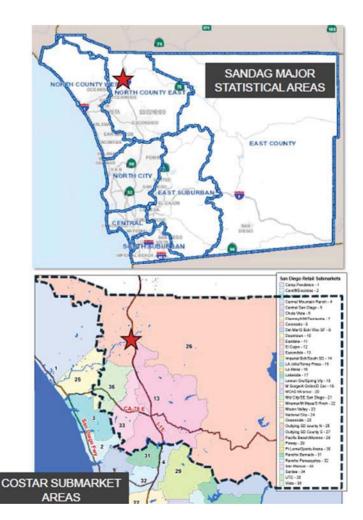
MAP OF DISTRICT COMMUTE TIMES



DRAFT

SANDAG AND COSTAR SUBMARKETS

- The Rainbow property is in the SANDAG North County East Major Statistical Area (MSA 5). To estimate future demand for the land uses being evaluated for the Rainbow property we are utilizing SANDAG's SR13 forecasts for population and housing unit growth and SANDAG's upcoming SR14 preliminary forecasts for job growth.
- For information on supply and demand trends for retail, office, industrial and multi-family uses, we are utilizing data from the commercial data provider CoStar. The CoStar submarkets that most closely match with the SANDAG North County East MSA include four areas (which we are collectively referring to as the "Inland North" market):
 - 26 Outlying SD County North
 - > 13 Escondido
 - 33 San Marcos
 - > 36 Vista
- The SANDAG and CoStar areas do not 100% align. The primary difference between the CoStar Inland North submarket and the SANDAG North County East MSA is that the CoStar area includes the community of Ramona, while SANDAG does not. The population of Ramona is only about 20K and represents only about 4% of the 460K population in the SANDAG North County East MSA (480K if Ramona is added). We have concluded that the aggregate CoStar Inland North and SANDAG North County East MSA areas are similar enough for our analytical purposes.
- CoStar submarket boundaries can vary for different land uses, particularly for Multi-Family. CoStar submarket maps are provided for each use at the beginning of each section of the report for that particular use.





SANDAG PROJECTIONS - COUNTY POPULATION

- Population growth from 2020 to 2035 in the county is projected at about 27.9K per year.
- · Occupied housing unit growth from 2020 to 2035 is projected at about 9.9K per year (SF 1.8K per year, MF 8.1K per year).

POPULATION AND HOUSING

| | | | | 2012 to 2050 Change* | | |
|---------------------------|-----------|-----------|-----------|----------------------|---------|---------|
| | 2012 | 2020 | 2035 | 2050 | Numoric | Parcont |
| Total Population | 3,143,429 | 3,435,713 | 3,853,698 | 4,068,759 | 925,330 | 29% |
| Household Population | 3,039,937 | 3,325,715 | 3,738,048 | 3,949,115 | 909,178 | 30% |
| Group Quarters Population | 103,492 | 109,998 | 115,650 | 119.644 | 16,152 | 16% |
| Civilian | 61,597 | 68,103 | 73,755 | 77.749 | 16.152 | 26% |
| Military | 41,895 | 41,895 | 41,895 | 41,895 | 0 | 0% |
| Total Housing Units | 1,165,818 | 1,249,684 | 1,394,783 | 1,491,935 | 326,117 | 28% |
| Single Family | 703,101 | 731,693 | 758,622 | 763,226 | 60,125 | 9% |
| Multiple Family | 420,147 | 477,258 | 597,762 | 692,709 | 272,562 | 65% |
| Mobile Homes | 42,570 | 40,733 | 38,399 | 36,000 | -6.570 | -15% |
| Occupied Housing Units | 1.103,034 | 1,178,091 | 1,326,445 | 1,407,869 | 304.835 | 28% |
| Single Family | 672,496 | 697,416 | 730,471 | 730,020 | 57,524 | 9% |
| Multiple Family | 391,534 | 443,213 | 560,793 | 645,548 | 254,014 | 65% |
| Mobile Homes | 39,004 | 37,462 | 35,181 | 32,301 | -6,703 | -17% |
| Vacancy Rate | 5.4% | 5.7% | 4.9% | 5.6% | 0.2 | 4% |
| Single Family | 4.4% | 4.7% | 3.7% | 4.4% | 0.0 | 0% |
| Multiple Family | 6.8% | 7.1% | 6.2% | 6.8% | 0.0 | 0% |
| Mobile Homes | 8.4% | 8.0% | 8.4% | 10.3% | 1.9 | 23% |
| Persons per Household | 2.76 | 2.82 | 2.82 | 2.81 | 0.1 | 2% |

Source: SANDAG SR13 Regional Growth Forecast, released in 2013. The forecast is in the process of being updated with new estimates to be available by the end of 2020 (SR14). According to SANDAG, the new forecast numbers for population and housing units are not expected to be substantially different than forecast in SR13.



SANDAG PROJECTIONS - NORTH COUNTY EAST/MSA5 POPULATION

- · Population growth from 2020 to 2035 in MSA 5 is projected at about 4.0K per year.
- · Occupied housing unit growth from 2020 to 2035 is projected at about 1.3K per year (SF 664 per year, MF 634 per year).
- · MSA 5 currently represents 14% of the countywide population and 13% of the countywide supply of housing units.

POPULATION AND HOUSING

| | | | | | 2012 to 2 | 2050 Change* |
|---------------------------|---------|---------|---------|---------|-----------|--------------|
| | 2012 | 2020 | 2035 | 2050 | Numeric | Percent |
| Total Population | 438,503 | 487,700 | 547,881 | 573,295 | 134,792 | 31% |
| Household Population | 432,566 | 482,109 | 541,229 | 565,889 | 133,323 | 31% |
| Group Quarters Population | 5,937 | 5,591 | 6,652 | 7,406 | 1,469 | 25% |
| Civilian | 5,937 | 5,591 | 6,652 | 7,406 | 1,469 | 25% |
| Milleary | 0 | 0 | 0 | 0 | 0 | 0% |
| Total Housing Units | 148,823 | 163,094 | 181,744 | 191,439 | 42,616 | 29% |
| Single Family | 96,104 | 103,348 | 112,619 | 115,143 | 19,039 | 20% |
| Multiple Family | 40,869 | 48,064 | 57,514 | 64,837 | 23,968 | 59% |
| Mobile Homes | 11,850 | 11,682 | 11,611 | 11,459 | -391 | -3% |
| Occupied Housing Units | 142,516 | 155,935 | 175,276 | 183,758 | 41,242 | 29% |
| Single Family | 93,001 | 99,720 | 109,680 | 111,556 | 18,555 | 20% |
| Multiple Family | 38,687 | 45,507 | 55,018 | 61,990 | 23,303 | 60% |
| Mobile Homes | 10,828 | 10,708 | 10,578 | 10,212 | -616 | -6% |
| Vacancy Rate | 4.2% | 4.4% | 3.6% | 4.0% | -0.2 | -5% |
| Single Family | 3.2% | 3.5% | 2.6% | 3.1% | -0.1 | -3% |
| Multiple Family | 5.3% | 5.3% | 4.3% | 4.4% | -0.9 | -17% |
| Mobile Homes | 8.6% | 8.3% | 8.9% | 10.9% | 2.3 | 27% |
| Persons per Household | 3.04 | 3.09 | 3.09 | 3.08 | 0.0 | 1% |

Source: SANDAG SR13 Regional Growth Forecast, released in 2013. The forecast is in the process of being updated with new estimates to be available by the end of 2020 (SR14). According to SANDAG, the new forecast numbers for population and housing units are not expected to be substantially different than forecast in SR13.



BOARD ACTION

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 23-07, OPTING INTO PARTICIPATION IN THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT, AND UPDATE THE PROCUREMENT CODE TO COINCIDE WITH THE INCREASED THRESHOLDS

BACKGROUND

The California Uniform Public Construction Cost Accounting Act (CUPCCAA) was established in 1983 under PCC § 22000 et seq. It is governed by the California Uniform Construction Cost Accounting Commission (CUCCAC) which was created by PCC § 22010 to govern the act.

DESCRIPTION

The CUPCCA provides alternative procedures for the bidding and awarding of public contracts. As provided in Public Contract Code Section 22003, these procedures may also be utilized for maintenance work and other work that does not fall within the definition of "public project". Any local California agency may opt into the Act and participation is voluntary. In a review of neighboring districts, all water districts looked up by staff in the database had opted in.

The benefits of the act are that it allows participating agencies to raise bidding thresholds for informal & formal processes, simplify bidding processes for small projects or allow the project to be done with agency employees, and perform projects with agency employees up to set limits.

The code requires that districts follow the CUPCCA Cost Accounting Policies and Procedures Manual, which requires tracking projects separately and including employee time and overhead in the project cost. The District already follows these procedures with its capital project accounting.

Per the act:

Small Purchases: no bids are required for projects up to \$60,000 and can be done with the agency's own workforce (by force account), negotiated contract, or by purchase order.

Informal Bids: project values between \$60,000 - \$200,000 can be completed using an informal bidding procedure (bidders list or trade journals and exchanges), award bids at staff level, and approve plans and specifications at staff level).

Formal Bids: applied when public projects are greater than \$200,000.

The District would still maintain the requirement for staff to obtain 3 quotes for items in excess of \$5,000. However, the threshold for formal bids would be raised from \$35,000 to \$200,000.

Informal bidding notification requires maintaining a list of qualified contractors according to categories of work and notifying them of bid and or notification to trade journals specified in section 22036.

If the Board chooses to adopt this resolution and opt into the act, staff is required to notify the state controller's office in writing of its intent to opt in to CUPCCAA. In addition, the District procurement code would need to be updated to coincide with the act's limits.

ATTACHMENTS

Administrative Code Section 5.02.100 Quotations Administrative Code Section 5.02.140 Formal Bids CUPCCA Frequently Asked Questions CUPCCAA Ordinance 23-07

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

Participation in CUPCCAA can significantly lower the cost of projects under \$200,000.

Board options include:

Option 1: Approve Ordinance 23-07, opting into participation in CUPCCAA, and approve the changes to the Administrative Code Section 5.02 - Purchasing.

Option 2: Deny participation in CUPCCAA and make no changes in the Administrative Code Section 5.02 - Purchasing.

Option 3: Provide staff with other direction.

STAFF RECOMMENDATION

Staff recommends Option 1.

December 5, 2023

Finance Manager

Tracy Largent,

CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

FREQUENTLY ASKED QUESTIONS (FAQs)

These FAQs have been compiled to assist agencies that are participating in the California Uniform Public Construction Cost Accounting Act (the Act), as contained in Public Contract Code (PCC) Section 22000, et seq. All references are to PCC, unless otherwise stated.

1. What is the Uniform Public Construction Cost Accounting Act?

The Act is legislation that was enacted in 1983 to help promote "uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state" (Section 22001). The Act is a voluntary program available to all public entities in the State, but it applies only to those public agencies that have "opted in" to the provisions set forth by the Act using the processes outlined in the Act. The entirety of the Act is found at Sections 22000-22045.

2. What are some of the key provisions of the Act?

The Act allows for public project work in the amount of \$60,000 or less to be performed by a public agency's force account using the public agency's own resources, or by negotiated contract, or by purchase order (Section 22032(a)). Public projects in the amount of \$200,000 or less may use the informal or formal bidding procedures set forth in Section 22032(b) or (c) of the Act. Public projects at a cost of more than \$200,000 must use formal bidding procedures to let the contract pursuant PCC Section 22032(c).

- 3. What are the benefits of the program?
 - Increased force account limit for public agencies;
 - Simplified bidding for projects that are \$200,000 or less;
 - Reduced number of formal bids based on project size; and
 - Expedited contracting for projects under \$200,000.

Many participating agencies appreciate the program because it has given them more leeway in the execution of public works projects under a certain dollar amount; sped up the award process; expedited project delivery; reduced the time, effort, and expense associated with bidding projects under \$200,000; and simplified administration for those projects. Few agencies have experienced challenges with the accounting requirements and overhead provisions. Moreover, adjustments, when required, have been relatively simple; most required procedures were already in place, so there were few, if any, major changes to existing operations. The current Standard Accounting Codes Structure satisfies reporting requirements when used properly.

4. Is the Uniform Public Construction Cost Accounting Act mandatory for public agencies?

No. The Act is a voluntary program requiring a public agency to "opt in" using the process outlined in the Act.

5. How does a public agency become subject to the Act?

The governing body must elect by resolution to become subject to the Act and must file a copy of the approved resolution with the State Controller's Office (Section 22030). Sample documents are available at: http://www.sco.ca.gov/ard_cuccac.html. Once an agency has opted into the Act, it will remain a part of the program.

6. May a public agency withdraw from the Act?

Yes. An agency may withdraw from the Act by filing with the State Controller's Office an approved resolution of the agency's election to withdraw that was made during a public meeting of the agency's governing body.

7. Must a participating agency "opt in" to the Act annually?

No. Once a participating agency "opts in" to the Act, the agency remains subject to the Act until it "opts out" of the Act.

8. What is the California Uniform Construction Cost Accounting Commission?

The Commission was created to administer the Act, per Section 22010. It consists of 14 members: 13 members appointed by the State Controller and the License "A" member of the Contractors' State License Board. Seven members represent the public sector (counties, cities, school districts, and special districts). Six members represent the private sector (public works contractors and unions). The Commission members receive no salary, but are eligible for reimbursement of their direct expenses related to the Commission.

9. What are the Uniform Public Construction Cost Accounting Procedures?

These procedures are to be used for tracking costs for work performed by an Agency's own forces on a "project" as defined by the Act (Section 22002(c)). The procedures do not apply to operations or maintenance work, or any work that meets the criteria listed in Section 22002(d).

These procedures are intended to capture and record all direct and indirect labor, materials, equipment, subcontractors, and supervision costs, as well as the appropriate overhead costs for the public agency associated with each "project" it performs with its own forces. The procedures follow industry-standard accounting methods, and in many cases are not much different from those already in place at most agencies. Sample forms are available in the CUCCAC Cost Accounting Policies and Procedures Manual at http://www.sco.ca.gov/Files-ARD-Local/CUCCAC Manual.pdf

School districts may use the Standard Accounting Code Structure to comply with tracking requirements.

10. Are the cost accounting procedures applicable for agencies whose work forces perform only maintenance tasks as defined in the Act and that contract all of their public projects to third parties?

No. The cost accounting procedures are applicable only for agencies that perform public project work such as construction and alteration by force account or otherwise. As maintenance does not constitute a "project" under the Act, the cost accounting procedures do not apply.

11. When are participating agencies required to advertise if they choose to maintain a list of qualified contractors?

At least once per calendar year, each Public Agency that has elected to become subject to the Act and intends to use the notice provisions outlined in Section 22034(a) must establish a new list or update its existing list of qualified contractors by mailing, faxing, or emailing written notice to all construction trade journals designated for that Agency under Section 22036. The notice must invite all licensed contractors to submit the name of their firms to the Agency for inclusion on the Agency's list of qualified bidders for the following twelve (12) months. Effective January 1, 2016, a participating agency can choose a specific date of their choice in which to renew its list of qualified contractors.

12. May an agency that chooses to maintain a list add a contractor to the list at any time during the year?

Yes.

13. What is meant by the term "qualified contractors" as used in section 22034(a)(1) of the Act?

Qualified contractors are contractors licensed by the State to perform the subject work. The Commission has determined that nothing in the Act prohibits a participating agency from using additional objective pre-qualification standards in the formation and maintenance of their Qualified Contractors Lists if they so desire.

14. How can a contractor get on an agency's list of contractors?

The California Uniform Public Construction Cost Accounting Commission's webpage has a list of agencies that are participating in the California Uniform Public Construction Cost Accounting Act (CUPCCAA). Please contact each agency directly to let them know you would like to be on their list of contractors. For a list of participating agencies, please see the "Participating Agency Lists" header at the following link: https://www.sco.ca.gov/ard cuccac.html

More detailed instructions for contractors can be found in Section 1.04.01 of the Cost Accounting Policies and Procedures Manual

15. Can a public agency disqualify or exclude certain contractors from the Qualified Contractors List required in Section 22034(a)(1)?

Agencies may disqualify contractors from Qualified Contractors Lists when the contractors fail to furnish information to meet the minimum criteria as established by the Commission.

16. For agencies that do not maintain an informal bidders list, are they allowed to choose who would get notifications of projects?

No. Section 22034(a)(2) provides for notifications to construction trade journals and exchanges in lieu of sending notifications to contractors on an informal bidders list. An agency may send notices to selected contractors provided it has also met the advertisement requirements of Section 22034(a).

- **17.** What is the difference between "qualifying contractors" under the Act and "prequalification of contractors" by school districts under Section 20101?
 - Qualifying contractors is a process that allows contractors to register with a public agency for notification of public works opportunities. The prequalification process under Section 20101 is a more complex process that requires a standardized questionnaire and evaluation of contractors using standard scoring criteria. The prequalification process is applicable under the Local Agency Public Construction Act, and does not apply to the Uniform Public Construction Cost Accounting Act.
- **18.** Does a contractor have to be on an agency's contactor list in order to perform projects less than \$60,000?
 - No, any public project less than the \$60,000 informal bidding threshold can be performed by employees of the public agency, by negotiated contract, or by purchase order. An agency's list of contractors is only required to be alerted of projects that surpass the informal bidding threshold.
- **19.** Must a public agency a) notify contractors about public projects if the contractors are believed to not have the skills, credentials, or experience to perform the work required for the public project; and b) consider bids submitted by contractors that the public agency believes do not have the skills, credentials, or experience to perform the work?
 - a) Yes. If a contractor is on the Qualified Contractors List, the contractor must be notified by the agency of public projects for which he or she is licensed to perform (Section 22034(a)(1)).
 - b) All bids received must be considered, unless an agency makes appropriate legal findings that a contractor is not legally responsible or his or her bid is not responsive.
- **20.** Does the Act allow flexibility in cases of emergency and when repair or replacements are necessary to permit the continued conduct of a public agency's operations or services?
 - Yes. For the purposes of the Public Contract Code, an "emergency" is defined at Section 1102 as "a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services."

The Act sets forth in Section 22035(a) how a governing body should proceed in case of emergency repairs or replacements. This section states:

In cases of emergency when repair or replacements are necessary, the governing body may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the governing body, by contractor, or by a combination of the two. Section 22050 et seq., provides the emergency contract procedures to be followed in these cases.

21. Do the alternative bidding procedures apply only to public projects as defined in Section 22002(c)?

The alternative bidding procedures apply only to work that constitutes a "public project" as defined in Section 22002(c) and has a construction cost within the limits described in Section 22032. The alternative bidding procedures are not required for the purchase of goods or materials that are not part of a "public project."

However, as outlined in Section 22003, a participating agency may also use the alternative bidding procedures when contracting for maintenance or other work that does not fall within the definition of a "public project" if it so chooses.

22. What will membership in the Act cost my agency?

Nothing. There are no membership fees or dues. However, the Commission does accept grants to assist it in carrying out its duties (Section 22015(c)).

23. What are the most common concerns addressed by the Act?

These are:

- Cost accounting policies and procedures;
- Informal bidding procedures; and
- Accounting procedures review.

Cost accounting requirements for the Act follow those common to the construction industry. The informal bidding on public projects up to \$200,000 is seen by agencies as an effective tool to expedite completion of small projects. While an accounting procedures review could potentially hold up a project for a minimum of 45 days pursuant to Section 22043(c)(1), these types of reviews have been rare in the Commission's history.

24. Must an agency calculate an overhead rate to apply the accounting procedures?

No. Cities with populations of less than 75,000 must assume an overhead rate equal to 20% of the total costs of the public project, including the costs of material, equipment, and labor (Section 22017(b)(1)). Cities with a population of more than 75,000 may either calculate an actual overhead rate or assume an overhead rate of 30% of the total costs of a public project including the costs of materials, equipment, and labor (Section 22017(b)(2)).

25. When a public entity opts into the Act, does the Act supersede other contracting legal requirements such as statutory requirements for performance bonds, prevailing wages, and certificates of insurance, etc.?

No. The Act supersedes only the bidding procedures used once a public agency has opted into the Act and has notified the Controller. All other contracting requirements of the PCC remain applicable.

- **26.** Can a public agency claim to be to be exempt from following all of the requirements in Public Contract Code by claiming it only has to follow the language and procedures within the Act?
 - No. The Act is part of the Public Contract Code; therefore, if the Act is silent on a particular matter, then the Public Contract Code applies on that matter.
- **27.** If public agencies are not following the advertising requirements in the Act, will the Commission address those agencies? Can a complaint be brought to the Commission?

Yes. Recent legislative changes have expanded the Commission's authority to enforce provisions of the Act. The Commission may review complaints filed by interested parties when evidence is provided that:

- The participating agency performed work after rejecting all bids, claiming it could do the work less expensively (Section 22042(a)).
- The work performed exceeded the force account limits (Section 22042(b)).
- The work was improperly classified as maintenance (Section 22042(c)).
- A public agency did not comply with the informal bidding procedures set forth at Section 22034 (Section 22042.5).
- **28.** Section 20112 specifically requires school districts to advertise twice for a two-week period, while Section 22037 requires advertising once, 14 days in advance of the date of opening of bids. How do participating school districts reconcile this conflict?

When the Act is in conflict with any other section in the Public Contract Code, the Act shall supersede. The Act requires advertising once, 14 days in advance of the date of opening of bids. Districts participating in the Act may choose to maximize their outreach by advertising twice.

29. May a public agency contract separately for like work at the same site at the same time using the under \$60,000 Force Account method?

No. Section 22033 states:

It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding.

Separating "like work" would be permitted only if the total of all the "like work" is less than \$60,000. If the work is more than \$60,000, it must be advertised and bid according to the provisions of the Act (i.e. bid informally if the total amount is less than \$200,000; bid formally if the total amount exceeds \$200,000).

30. May a public agency bid out two separate projects that occur at the same time and site, but are different types of work?

Yes. There is no violation if the work is competitively bid. If an agency wishes to use the negotiated or informal bidding processes, it must apply the appropriate limits to each of the projects. Each project must be separate in scope. Projects may not be separated by trade to avoid bidding. If the total of all jobs is greater than \$60,000 then the informal or formal bid limits apply.

31. Can an agency separately bid out for the materials and supplies on a project to avoid contractor markup and then bid out for the installation labor or perform installation with its own forces?

An agency may separately procure the materials and supplies for a project; however, all costs (materials, supplies, labor) of a project must be included in the project cost estimate to determine whether the project falls within the force account, informal bid, or formal bid thresholds.

In addition, if installation is performed by force account, an overhead rate must be applied to all direct costs of the project and included in the cost estimate. For example, if materials/supplies cost \$50,000 to procure separately and the estimated labor cost to install is \$25,000, the project could not be performed with force account, but would fall within the informal bid threshold because the total cost estimate is \$75,000.

32. Must a value be assigned to the volunteer labor when the California Conservation Corps or another volunteer organization provides labor on a public project?

No. Volunteer labor from volunteer organizations does not need to be included as a cost of a public project for bid limit purposes as long as no costs are associated with the volunteer labor.

33. By opting into the Act, does a public agency automatically bring all of its component divisions or departments into the Act?

Yes. When a public agency elects to become subject to the uniform construction cost accounting procedures, the entire legal entity is considered subject to the Act and no divisions or departments are exempt.

34. When a public agency opts into the Act, does it automatically bring all districts under control of its governing Board into the Act?

No. Special Districts, which are governed by a board of supervisors or city council, are subject only if a separate election is made for each special district.

- **35.** PCC 22034 requires that participating agencies adopt an Informal Bidding Ordinance. What do schools and special districts that cannot adopt Ordinances do to comply?
 - Agencies that do not have the ability to adopt Ordinances should discuss Section 22034 compliance with their legal counsel.
- **36.** Are change orders allowed by the Act, and if so what is allowable? What if a change order goes over one of the allowed thresholds?

The Act does not address change orders. Please consult with your agency's legal counsel regarding any limitation on change orders that may apply to your agency.

- **37.** Is there any training related to the Act? If so, where can I find a list of where the training is offered?
 - SCO has information regarding the Act on the SCO/CUCCAC website, including the current Cost Accounting and Procedures Manual. Often, commissioners are willing to provide training, answer questions, and/or give a presentation in order to assist agencies in getting the full benefits of participating in the Act.
- **38.** The Act states that public projects of sixty thousand dollars (\$60,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order. However, the Department of Industrial Relations (DIR) states any project over \$1,000 has to pay prevailing wages. How do the Act and DIR guidance work together?

The Act and DIR are completely separate and govern different aspects of public projects. The Act focuses on bidding related to public projects and DIR deals with wages paid by contractors on public projects. However, they may relate in that if prevailing wages are not paid on a public project, that could potentially impact the total cost of a project which would require a different bidding process utilized under the Act.

Additional inquiries and questions may be directed by email to LocalGovPolicy@sco.ca.gov, or by regular mail to:

State Controller's Office
Local Government Programs and Services Division
Local Government Policy Section
P.O. Box 942850
Sacramento, CA 94250

Ordinance No. 23-07

Ordinance of the Board of Directors of the Rainbow Municipal Water District Amending and Updating Administrative Code Sections 5.02.100 – Quotations and 5.02.140 Formal Bids

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 5.02.100: Quotations Section 5.02.140: Formal Bids

- 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 5th day of December 2023.

| AYES: NOES: ABSTAIN: ABSENT: | |
|---------------------------------------|----------------------------------|
| ATTEST: | Hayden Hamilton, Board President |
| | |
| Dawn Washburn, Board Secretary | |

Section 5.02.100 Quotations

Upon receipt of a Requisition for Purchase, the Purchasing Department shall review the source of supply. The bidder's list will be reviewed for firms that will give the best price, proper quality, and service.

When the total cost is less than \$5,000, or an emergency exists which will not permit the delay incidental to request for quotation, or the commodity is a "sole source" item, quotations will not be required. For purchases in excess of \$5,000, a minimum of three quotes is required.

Annual quotes will be kept on file for items that are purchased routinely throughout the year. Examples include asphalt, rental equipment and fuel.

The Purchasing Department will solicit quotations in one of two forms depending upon the equipment, supplies or service required. Telephone quotations will be used for lower dollar amounts for equipment and supplies when clear, open and competitive specifications are included with the requisition. Written requests for quotations are preferred for high dollar amounts and especially for any contracted services. The Purchasing Agent will determine which form will be used. Written or email requests for quotation will include the following instructions and information:

- 1. The quantity desired.
- 2. A full description requested of the materials and specifications or service.
- 3. Rainbow Municipal Water District reserves the right to accept or reject any or all quotes.
- 4. If a bidder does not wish to quote, the quotation form is to be returned and reason stated, otherwise the Purchasing Department has the option to remove the bidder's name from the bidder's list.
- 5. In the case of small Capital Improvement Projects (under \$5,000), or maintenance agreements, the contractor shall have the current and properly classified contractor's license.
- 6. A contractor performing work as in Item 7 shall be required to carry a minimum of \$1,000,000 in liability insurance in which the District is also named as "additional insured", as well as provide a signed agreement "holding the District harmless".
- 7. As in Capital Improvement Project contracts in excess of \$5,000 and at the discretion of the General Manager, the contractor may be required to post a 10% bid security as well as 100% performance bonds for performance, material, and labor.

See Formal Bids Section 5.02.140 for purchases in excess of \$20035,000.

Section 5.02.140 Formal Bids

For any non-inventory purchase which will exceed \$35200,000 in value, a formal bid is required and the following procedure shall be followed:

- 1. All formally bid items must be submitted to and be approved by the General Manager in concept before any formal action will be taken.
- A draft copy of the specifications for suppliers, services, or equipment should be submitted to the Purchasing Department along with any other pertinent information.
- 3. The bid package for items other than Capital Improvement Projects will be prepared by the Purchasing Department and returned to the originating department for review.

Once the bid package has been reviewed, it must be returned to Purchasing along with a list, if available, of desired prospective bidders.

Upon completion of the final bid package the bid will be formally advertised and a notice to bidders will be sent to prospective bidders.

The Notice will include the following instructions and information:

- 1. Bids must be sealed.
- 2. The latest time, date, and place of receiving bids.
- 3. The time, date, and place of bid opening.
- 4. The quantity desired (if applicable).
- 5. A full description of the material and specifications.
- 6. Rainbow Municipal Water District reserves the right to accept or reject any or all bids.
- 7. Insurance and bonding requirements.

Sealed bids submitted pursuant to the above will be kept unopened until the hour set for the bid opening. The Board Secretary or designee will announce when the opening time has come. The bids will then be publicly opened by the Board Secretary or designee and the bid prices announced. Any bid received after the scheduled time of the bid opening shall be returned to the bidder unopened.



BOARD ACTION

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

CONSIDER APPROVAL OF CHANGE ORDER #2 WITH VALLEY C.M. FOR CONSTRUCTION MANAGEMENT & INSPECTION SERVICES FOR THE LIFT STATION-1 PROJECT IN THE AMOUNT OF \$216,413 (DIVISIONS 1 & 2)

BACKGROUND

At the Board of Directors meeting on April 28, 2020, the District entered into an Agreement for Out-of-Agency Service with Valley Center Municipal Water District and an Annexation Agreement with Pardee Homes to provide water and wastewater service to the Citro Development (formerly known as Meadowood), which includes construction of approximately 844 homes. An analysis of the District's existing wastewater conveyance system prepared by Dexter Wilson Engineering, Inc. projected the need for the following projects located in Divisions 1 and 2 in order to serve the Citro Development:

- (1) Thoroughbred Lift Station and appurtenant pipeline modifications
- (2) Force main from Thoroughbred Lift Station to Old River Road
- (3) Upsize of existing sewer line along Highway 76
- (4) Gravity Main to proposed Thoroughbred Lift Station from Olive Hill Road

Designs for the Lift Station-1 (LS-1) project were completed at the end of Summer 2021 and the project was awarded to JW Fowler following a public bidding process in October of 2021. Due to the District's workload and project's needs, a full-time consulting construction manager and inspector were needed to ensure that the project was constructed per the plans and specifications, facilitate communication between the contractor and third parties, and prepare and maintain construction documentation. The District hired Valley Construction Management (Valley C.M.) to provide full-time construction management and inspection services in October of 2021 with a contract amount of \$1,423,717.

DESCRIPTION

Due to supply chain disruptions, there have been significant delays in obtaining materials for the LS-1 project. As a result, the project construction completion was extended. The original project schedule went from 369 to 538 working days with an anticipated completion date of March 4, 2024. Furthermore, JW Fowler added two (2) working shifts for the force main installation near Old River Road due to work limitations imposed by San Diego County. This additional shift was not anticipated nor budgeted in the original project scope of services. The District also requested supplemental geotechnical work based on JW Fowler's contention of changed subsurface conditions. The geotechnical work was unanticipated, and done in good faith by the District to continue progress on the overall project. To date, there has been one (1) no-cost change order to Valley C.M. to extend the contract date. A breakdown of proposed Change Order #2 is presented below.

- 1. Construction Management-\$30,895
- 2. Construction Inspection-\$132,518
- 3. Geotech/Material Testing-\$53,413

The proposed change order amount is \$216,413 to complete construction management, inspections, and geotechnical work for the project. Furthermore, a time extension for the contract through March 29, 2024 is needed.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. The increases in sewer flows expected with the addition of the Citro Development make it necessary to install several key sewer facilities to safely and reliably convey wastewater to the Oceanside outfall.

ENVIRONMENTAL

In accordance with the California Environmental Quality Act (CEQA) guidelines Section 15378, the action before the Board does not constitute a "project" as defined by CEQA for approving an amendment to an existing professional services agreement for construction management and inspection services. An Initial Study/Mitigated Negative Declaration was previously adopted for this construction project and filed with the County and State.

BOARD OPTIONS/FISCAL IMPACTS

Adequate funds are available and were budgeted in the Five-Year Wastewater CIP Plan for project number 530001.

Option 1:

- Approve Change Order #2 with Valley Construction Management in the amount of \$216,413 and extend the contract term through March 29, 2024
- Authorize the General Manager to execute Change Order #2 to the existing professional services agreement.
- Make a determination that the action identified herein does not constitute a "project" as defined by CEQA.

Option 2:

· Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.

Chad Williams

Engineering and CIP Program

Child And

Manager

December 5, 2023



BOARD ACTION

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

CONSIDER APPROVAL OF CHANGE ORDER #4 WITH HAZARD CONSTRUCTION ENGINEERING FOR THE LIVE OAK PARK ROAD BRIDGE WATER MAIN IMPROVEMENT PROJECT (600037) IN THE AMOUNT OF \$232,500 (DIVISION 5)

BACKGROUND

The District has been working with the County of San Diego Department of Public Works (referred to herein as County) on the Live Oak Park Road Bridge Water Main Improvement Project (Project), which includes replacing a bridge culvert structure with a single-span concrete slab bridge. The County's new bridge will raise the road elevation 3-4 feet and will remove the existing corrugated metal pipe culverts currently under the roadway. The County's bridge project has created utility conflicts with the District's existing 8-inch and 16-inch water mains, resulting in the need to relocate sections of both mains.

The District awarded a construction contract to Hazard Construction, also the County's contractor, in the amount of \$507,700 in May 2022 to avoid construction delays and work more efficiently between both projects. To date, three (3) change orders have been executed, which has resulted in a total contract cost increase of \$68,984.80 and 137 extra working days added to the construction duration.

DESCRIPTION

From July 2023 to October 2023, Hazard Construction issued a series of change order requests related to unforeseen site conditions, including flanged pipe connections, utility conflicts, additional shoring expenses, high water table/dewatering, and production loss totaling \$406,071.38. The District agreed to pay only \$48,851.88, so Hazard Construction submitted claims (Claims #1 - #3) for the difference and requested 42 days of additional contract time. The Board of Directors approved rejecting the claims on November 1, 2023; however authorized the District's General Manager to proceed with negotiations to resolve the issues with the Contractor and County of San Diego.

After negotiations, a settlement between the County, Hazard Construction, and the District was reached. Refer to Attachment A – Change Order #4, Settlement Offer and Mutual Suspension. Based on the settlement, the District would pay \$232,500.00, which includes the resolution of all outstanding claims related to the construction of the 16" waterline on this project. This offer also includes change order requests for flanged pipe connections, utility conflicts, additional shoring expenses, and production loss during the installation of the 16" waterline east of the Live Oak Bridge. This offer further includes the settlement of Amended Claim #1 for compensation of time-related items of work for 67 working days (related to the County's bridge contract) and settlement of Claim #2 for mitigating high water table at the east end of the Live Oak Bridge. Upon accepting and executing this change order, Change Order #4, Hazard has agreed to withdraw Claim #3 related to home and field office overhead totaling \$175,980.00 and reduce the claim amounts related to project delays and dewatering by an additional \$26,215 to arrive at the final settlement amount to resolve all change orders and claims of \$232,500.

| CLAIM | COST OF CLAIM |
|---|---------------|
| Claim #1 – Time-related impacts for flanged connections and storage of articulated concrete blocks at Contech | |
| Amended Claim #1 – Time-related impacts and storage of ACB at Contech | \$56,872.20 |
| Claim #2 - Mitigated High Water Table | \$127,911.30 |
| Claim #3 – Home Office and Field Office Costs | \$175,980.00 |
| TOTAL | \$360,763.50 |

The District and Hazard Construction also agreed to a non-compensable mutual suspension of the District's Project while Hazard Construction completes Phase II of the County's bridge project. The District intends to withdraw the assessment of liquidated damages from September 9, 2023 to present and agrees to extend the construction contract through February 6, 2024 or until such time the County allows Hazard Construction to build the 8-inch water main.

The contract summary for the Project is provided below:

| CONTRACT SUMMARY | | | | | | |
|-----------------------------|--------|--------------------|--------|--------------|--------------------------|--|
| Original Contract Amount | | us Change rders | 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 | |

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area One: Water Resources. Modifications to the existing water mains are essential to ensuring safe and reliable conveyance of water to District ratepayers.

ENVIRONMENTAL

On February 10, 2021, the County Board of Supervisors found that the Mitigated Negative Declaration (MND) for the Live Oak Park Road Bridge Project 600037, dated December 22, 2017, State Clearinghouse # 2017121061, was adopted on April 4, 2018 in compliance with the California Environmental Quality Act (CEQA) and the State and County CEQA guidelines. The County's CEQA document also included the District's utility improvements associated with the bridge construction. The location of the documents and other materials constituting the record of the proceedings upon which the Board decision is based in this matter is the San Diego County Department of Public Works, 5500 Overland Avenue #310, San Diego, CA 92123 and available at this link:

https://bosagenda.sandiegocounty.gov/cob/cosd/cob/doc?id=0901127e80c97f46.

There are no substantial changes in the project or in the circumstances under which it is undertaken which involve significant new environmental impacts which were not considered in the previously adopted MND, dated April 4, 2018. There is no substantial increase in the severity of previously identified significant effects and no new information of substantial importance has become available since the MND was adopted; therefore, no additional environmental review of findings is necessary for the Live Oak Park Road Bridge Water Main Improvement Project.

On April 26, 2022, the Board of Directors acting as a responsible agency for the Project voted to authorize the filing of a Notice of Determination with the San Diego County Clerk in accordance with Section 21152 of the California Public Resources Code.

BOARD OPTIONS/FISCAL IMPACTS

Funds were budgeted in the Five-Year CIP Plan in the amount of \$600,000 for PN: 600037. Water Capital reserve funds are available at this time to cover this increase of \$232,500 to the existing construction contract with Hazard Construction. This will bring the total construction contract to \$809,184.80.

Option 1:

- Authorize the General Manager to execute Change Order #4 to the Construction Contract with Hazard Construction Engineering in the amount of \$232,500.
- Make a determination that on April 26, 2022, the Board of Directors authorized the filing of a Notice
 of Determination with the San Diego County Clerk in accordance with Section 21152 of the
 California Public Resources Code and does not require additional analysis.

Option 2:

Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.

Chad Williams

Engineering and CIP Program

Manager

Page 155 of 226

December 5, 2023

EXHIBIT A



10529 Vine Street Lakeside, CA 92040 Phone (858) 587-3600 Fax (858) 453-6034 License No. 1038899 A/C31 DIR No. 1000057559 hazardconstruction.com

OC017

November 14, 2023

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

Attn: Jake Wiley, General Manager

RE: Contract Agreement No. 22-09

Live Oak Park Bridge Waterline Relocation

Hazard Job No. 22007-10

Subject: Settlement Offer

Dear Mr. Wiley,

Thank you for coordinating the joint meeting today between Hazard Construction Engr LLC ("Hazard"), Rainbow Municipal Water District ("RMWD") and the County of San Diego ("County") to seek a mutual solution to all outstanding issues experience by all parties on the above referenced project. This letter outlines the settlement offer provided by Hazard to RMWD and the County to resolve all outstanding issues. This offer was verbally accepted by RMWD and the County and we ask that RMWD issue a change order in accordance with this offer.

The settlement offer of \$232,500.00 includes resolution of all outstanding claims related to the construction of the 16" waterline on this project. This offer includes Change Orders 4, 5 and 7 for flanged connections, shoring at utility conflicts on the east side of Live Oak Bridge and production loss during the installation of the 16" waterline east of the Live Oak Bridge, respectively. This offer further includes the settlement of Amended Claim #1 for compensation of Time Related items of work for a total of 67 working days and settlement of Claim #2 for mitigating high water table at the east end of the Live Oak Bridge. Upon acceptance and receipt of a fully executed change order, Hazard hereby withdraws Claim #3 related to home and field office overhead.

Additionally, Hazard Construction would like RMWD to acknowledge Hazard's letter OC016 regarding and offer of non-compensable mutual suspension which would leave the remaining 47 working days of contract time to complete the 8" waterline yet to be built.

Should you have any guestions, please do not hesitate to contact me at (858) 587-3600 x 112.

Sincerely,

HAZARD CONSTRUCTION ENGR. LLC

Jason A. Mordhorst

President



10529 Vine Street Lakeside, CA 92040 Phone (858) 587-3600 Fax (858) 453-6034 License No. 1038899 A/C31 DIR No. 1000057559 hazardconstruction.com

OC016

November 1, 2023

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

Attn: Ms. Amanda Parra, CIP Project Manager

RE: Contract Agreement No. 22-09

Live Oak Park Bridge Waterline Relocation

Hazard Job No. 22007-10

Subject: Mutual Suspension

Dear Ms. Parra,

As discussed in the Rainbow Municipal Water District (RMWD) and Hazard Construction (Hazard) meeting on October 16, 2023, Hazard would be amenable to a mutual suspension of the above referenced project. The 16" waterline was completed on July 3, 2023. The suspension would commence from July 5, 2023, until such time the County of San Diego allows Hazard to construct the 8" waterline. The remaining 47 working days of the contract time would then be adjusted accordingly.

Please let us know if RMWD would like to agree to this mutual suspension.

Should you have any questions, please do not hesitate to contact me at (858)864-6760.

Sincerely,

HAZARD CONSTRUCTION

Kirk J. Kharas Project Manager

Kish J. Khans



CONTRACT CHANGE ORDER 04

Date: December 5, 2023

Project No. 600037 Contract No. 22-09

Hazard Construction Engineering, LLC. 10529 Vine Street Lakeside, CA 92040

Project Title: Live Oak Park Bridge Waterline Relocation

The Contractor is hereby authorized and directed to make the herein-described changes from the Plans and Specifications or do the following work not included in the Plans and Specifications for the construction of this project. By executing this contract change order, the contractor agrees that all costs related to Phase I County Bridge Project and the District's Waterline Relocation Project are final and resolved.

This Change Order provides for: The settlement offer of \$232,500.00, which includes the resolution of all outstanding claims (Claim #1 Revised, Claim #2, and Claim #3) related to the construction of the 16" waterline and Change Order Requests 4, 5, and 7 for flanged connections, shoring at utility conflicts on the east side of Live Oak Bridge, and production loss during the installation of the 16" waterline east of the Live Oak Bridge. Upon acceptance and execution of this change order, Hazard Construction will hereby withdraw Claim #3 related to home and field office overhead.

See Exhibit "A" for details. The Contractor is to continue with the work as prescribed in the executed Contract No. 22-09, dated May 11, 2022

Cost: \$232,500.00

<u>Schedule</u>: Time of completion is now changed from September 8, 2023 to February 6, 2024. As requested by Hazard Construction on November 1, 2023, the District has agreed to a non-compensable mutual suspension from July 5, 2023 until such time the County of San Diego allows Hazard Construction to build the 8-inch water main. This change order supersedes the Breach of Contract Letter dated, September 25, 2023.

| | | CONTRACT | SUMMAR | Υ | |
|-----------------------------|---------|--------------------|--------|--------------|--------------------------|
| Original Contract Amount | | us Change rders | This C | 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 |

^{*}Board approved on 12/06/22.

| Approved by:_ | | Date: | |
|---------------|--|-------|--|
| , , - | Jason Mordhorst, President | | |
| Approved by: | | Date: | |
| | Chad Williams, Engineering & CIP Program Manager | | |
| Approved by: | | Date: | |
| , | Jake Wiley, General Manager | | |

<u>Notice to Proceed</u>: Signature acknowledgment above authorizes Hazard Construction Engineering, LLC to commence work, as prescribed in this Change Order.



BOARD ACTION

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

CONSIDER ACTION TO APPROVE A THREE-YEAR CONTRACT RENEWAL WITH SOFTCHOICE, INC. FOR THE LICENSING OF MICROSOFT OFFICE 365, OFFICE ADVANCED THREAT PROTECTION, AZURE SECURITY, SQL SERVER, AND WINDOWS LICENSING

BACKGROUND

The District has partnered with Softchoice for our Microsoft Enterprise Agreement and Select Plus Licensing, granting access to Office tools, including Word, Excel, PowerPoint, and Outlook for all District employees. Through Softchoice, employees can leverage these Office products for cloud-based storage and collaboration via OneDrive, SharePoint, and Teams. These tools have become integral to the District's operations, streamlining business processes, and enhancing productivity by enabling seamless sharing, communication, and file storage.

Moreover, the licensing encompasses Microsoft Office's Advanced Threat Protection, bolstering our defenses against viruses and other email and file threats. With Azure Security, we safeguard our systems from external threats globally, employing measures like locking down accounts after multiple failed login attempts. Azure Security also facilitates the implementation of Single-Sign-On (SSO) and Multi-Factor Authentication (MFA), enhancing user authentication by providing a unified portal for authorized access and an additional layer of verification, typically via a code on the employee's phone.

Furthermore, the licensing extends to the District's Windows and SQL servers, supporting local file storage and hosting various essential software. These servers ensure uninterrupted access to District files even in the event of a loss of connection to cloud-based servers. Additionally, they support critical software applications such as Security Camera Recording, Meter Reading, Gas Pump Control, Network Monitoring, and GIS. The SQL Server specifically enables a Centralized Geographical Information System (GIS) database, providing an environment for staff to analyze and test data and applications before deployment to the production environment.

DESCRIPTION

This renewed three-year contract ensures the District's continued access to a wide array of essential Microsoft products, crucial for the security, storage, software, and overall maintenance needs, irrespective of employees' physical locations. Maintaining both cloud-based and onsite servers remains pivotal for the District's everyday operations.

The District's existing three-year contract with Microsoft Licensing through Softchoice, slated to end on January 31, 2024, requires approval for a three-year extension to sustain access to Microsoft Services and Products.

Softchoice, already engaged in a three-year contract for Microsoft licensing, has proposed costs for extending this agreement. Leveraging the County of Riverside Cooperative Microsoft License Contract, accessible to California public agencies, offers a fiscally sound approach. The District benefits from discounted license pricing through certified Microsoft resellers like Softchoice utilizing this cooperative contract. Despite engaging with various vendors, some decided not to provide a quote, and others had the

exact pricing as Softchoice. Given Softchoice's existing contract for maintaining the licensing, transitioning to another company could complicate matters, necessitating additional funds and staff time for license transfer. Extending the contract with Softchoice for three years ensures a seamless, uninterrupted utilization of Microsoft licenses, eliminating the need to allocate extra resources toward potential license transfers and the administration of a new contract.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Three: Workforce Development. By giving our employees access to the suite of software provided by Microsoft, we are giving them the opportunity to excel at their jobs.

Strategic Focus Area Five: Customer Service. This suite of products will allow District Employees to better collaborate and communicate together, providing our Customers better customer service.

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

Approval of the three-year contract renewal with Softchoice, Inc. will cost \$25,827.86 per year for three (3) years for a total of \$77,483.58 and will be paid on the anniversary date of the renewal for the next three (3) years. Funds for this renewal are available in the General Fund.

Option 1:

- Approve Softchoice's Microsoft Enterprise Agreement and Select Plus Agreement with Microsoft for the Suite of Microsoft Products for \$77,483.58, which will be paid equally on the anniversary date for the next three (3) years.
- Make a finding that this action does not constitute a "project" as defined by CEQA.
- Authorize the General Manager to execute a contract with Softchoice, Inc.

Option 2:

Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.

Ahmed Khattab

12/5/2023

Information Technology Manager

EXHIBITS: Quote from Softchoice with the Licenses and Services



Softchoice Corporation 314 W Superior St #400

| Quote | Q-1674275 |
|-------|-------------|
| Date | 14-Nov-2023 |

Budgetary Quote

Ship To: Ahmed Khattab Rainbow Municipal Water District Management 3707 OLD HIGHWAY 395 FALLBROOK, CA 92028

Bill To: Ahmed Khattab Rainbow Municipal Water District Management 3707 OLD HIGHWAY 395 **FALLBROOK CA** 92028

Quote Prepared For Ahmed Khattab

Rainbow Municipal Water District Management

Phone: (760) 728-1178 Ext. 103 Email: akhattab@rainbowmwd.ca.gov

Quote Sent By Clay Thompson

clay.thompson@softchoice.com

Phone: Fax:

Anniversary Date Authorization Number Agreement End Date

Comments

SLG EA - Renewal - Year 1 of 3 **BUDGETARY**

| Item # | Mfg SKU # | Description | Qty | Billing Frequency | Start Date | End Date | Usage Country | License Type | Unit Price | Extended Price |
|------------|-----------|---|-----|----------------------|-----------------|-----------------|------------------|-----------------|------------|-------------------|
| 2000410250 | 3NS-00003 | ExchgOnInP2GCC ShrdSvr ALNG SubsVL MVL | 5 | Upfront | 01-Feb- | 31-Jan- | United | Subscription | \$72.30 | \$361.50 |
| | | Р | | | 2024 | 2025 | States | | | |
| | | | | | | | | | | |
| 2000410561 | 3GU-00001 | O365AdvThrtPrtctPln1GCC ShrdSvr ALNG Sub | 65 | Upfront | 01-Feb- 2024 | 31-Jan- 2025 | United States | Subscription | \$18.14 | \$1,179.10 |

Budgetary Quote

| 2000410263 SFR-00001 PowerAutomateplanGCC ShrdSvr ALNG 1 Upfront 2024 2025 States Subscription S159.59 S1 | | | | | 490ta ., | , | •• | | | |
|---|------------|-----------|---------------------------------------|----|-----------------|-----|----------|--------------|----------|-------------|
| PerU 2024 2025 States | 2000410263 | SFR-00001 | · | 1 | Upfront | | | Subscription | \$159.59 | \$159.59 |
| 200410645 P3U-00001 VisioPlan2GCC ShrdSvr ALNG SubsVL MVL 2 Upfront 2014 2025 31-Jan- 2025 States Subscription \$135.65 \$2 | 2000410795 | DDJ-00001 | | 1 | Upfront | | | Subscription | \$90.31 | \$90.31 |
| Pe 2024 2025 States | 2000410715 | AAA-11894 | | 65 | Upfront | | | Subscription | \$244.70 | \$15,905.50 |
| ALNG ALNG ALNG AAA-12414 CoreCALBridgeO365 ALNG SubsVL MVL PerUsr 65 Upfront 2024 2025 States United 2024 2025 States Subscription \$19.95 \$1,2 2000401801 359-00961 SQLCAL ALNG SA MVL UsrCAL 3 Upfront 2024 2025 States United Subscription \$19.95 \$1,2 \$2000401801 359-00961 SQLCAL ALNG SA MVL UsrCAL 3 Upfront 2024 2025 States Maintenance \$37.36 \$1 2000401785 228-04433 SQLSvrStd ALNG SA MVL 1 Upfront 01-Feb- 2024 2025 States Maintenance \$160.68 \$1 2000401914 9EA-00278 WinSvrDCCore ALNG SA MVL 2Lic CoreLic 8 Upfront 01-Feb- 31-Jan- 201-Jan- 201-Ja | 2000410645 | P3U-00001 | | 2 | Upfront | | | Subscription | \$135.65 | \$271.30 |
| 200401801 359-00961 SQLCAL ALNG SA MVL UsrCAL 3 Upfront 01-Feb- 2024 2025 States Maintenance \$37.36 \$1 | 2000575344 | MQN-00001 | 1 | 65 | Upfront | | | Subscription | \$81.37 | \$5,289.05 |
| 2024 2025 States | 2000401989 | AAA-12414 | | 65 | Upfront | | | Subscription | \$19.95 | \$1,296.75 |
| 2004 2025 States 2004 2025 States 2004 2004 2005 States 2004 2004 2004 2004 2004 2004 2004 200 | 2000401801 | 359-00961 | SQLCAL ALNG SA MVL UsrCAL | 3 | Upfront | | | Maintenance | \$37.36 | \$112.08 |
| | 2000401785 | 228-04433 | SQLSvrStd ALNG SA MVL | 1 | Upfront | | | Maintenance | \$160.68 | \$160.68 |
| | 2000401914 | 9EA-00278 | WinSvrDCCore ALNG SA MVL 2Lic CoreLic | 8 | Upfront | | | Maintenance | \$125.25 | \$1,002.00 |
| GROUP TOTAL \$25,82 | | | 1 | ı | | GRO | UP TOTAL | | L | \$25,827.86 |

| SUBTOTAL | \$25,827.86 |
|--------------------------------|----------------------------|
| DELIVERY: Ground - 3 to 5 days | \$0.00 \$0.00 \$0.00 |
| State Tax Local Tax | \$0.00 |

Budgetary Quote

| All currency in this quote is in (USD). | TOTAL | \$25.827.86 |
|---|-------|-------------|

Payment options are only available in listed currency and not billable in other currencies. Pricing, availability, and special offers are subject to change at any time. This document and the transaction(s) to which it pertains are governed by Softchoice's online terms of sale, unless a separate purchase agreement was signed by both your company and Softchoice, in which case, that separate agreement will govern. Softchoice's terms of sale can be found http://www.softchoice.com/softchoice-terms-and-conditions-for-products

As noted in the Microsoft Enterprise Agreement, any online subscription services within this quote will automatically renew annually unless Softchoice is notified in writing at least 30 days prior to your anniversary. If you are within the final year of your agreement the previous statement does not apply; new products and quantities will be reviewed in your renewal process.

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Name:

Title:

Date:

PO# : {{PO es :signer1}



BOARD ACTION

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE CONTRACT FOR MANAGED PRINT SERVICES WITH KYOCERA DOCUMENT SOLUTIONS WEST LLC IN THE AMOUNT OF \$2,143.00 PER MONTH FOR 63 MONTHS

BACKGROUND

Like any large organization, the District relies on fundamental capabilities for copying and printing documents. These functions are facilitated through a fleet of printers and copiers leased from Kyocera over the past five years at a monthly lease price of \$2,288.81. Before entering into the lease with Kyocera in 2019, the District leased three copiers and purchased small printers, parts, and toner. At that time, the lease of the three copiers amounted to \$2,333.98 per month, with an additional expense of \$5,249.58 for printers, parts, and toner for the entire calendar year. Opting for Kyocera's copier and printer leasing services enabled the District to save on maintenance, toner, parts, and labor costs. The ongoing successful relationship with Kyocera has ensured prompt responses to maintenance needs and a reliable toner supply.

Currently, the District continues to lease printers from Kyocera, benefiting from their "Managed Print Services." This involves engaging a third-party company to oversee maintenance, provide necessary supplies and replacement parts, and service all leased printers. Additionally, this service ensures uniformity by installing the same printer models throughout the District. The District already employs Managed Print Services for all the large, complex copiers and desktop printers. Consequently, all devices, including printers, would fall under the purview of a Managed Print Services contract in this arrangement.

DESCRIPTION

The District has looked into multiple options for Managed Print Services. The first option is to renew the lease for an amount of \$2,143.00, and the District will receive brand-new copiers and printers. The second is to continue paying the lease at the current monthly price of \$3,275.88 and keep using the existing copiers and printers. The third option is to buy the equipment at the end of the lease for an amount of \$33,543.55. With the last option, the District would need to pay for additional maintenance, parts, and toner.

After reviewing all options, staff recommends renewing the management print services contract with Kyocera. In this contract, our current fleet of printers and copiers will be replaced with new Kyocera printers owned by Kyocera and leased to the District. Kyocera will be required to maintain the printers to meet a minimum uptime guaranteed not to fall below 95%. In addition, the contract with Kyocera includes a cost-per-page component with a higher cap on prints per month that will help avoid any print volume overage charges.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

Administrative Code Section 5.02.210 - Purchasing and Change Order Approval Requirements – Appendix

BOARD OPTIONS/FISCAL IMPACTS

To receive the most benefits and cost savings, staff proposes the District contract with Kyocera for \$2,143.00 per month for 63 months, totaling \$135,009.00.

Funds for printing costs are included in the FY2024 Budget and will be included in the budgets for subsequent fiscal years covered under this contract.

The Board has several options:

- 1) The Board approves leasing the printers from Kyocera and contract for Managed Print Services.
- 2) The Board directs staff to purchase the current copiers and printers.
- 3) The Board directs staff to continue paying the current lease.
- Provide staff with direction. 4)

ENVIRONMENTAL

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

STAFF RECOMMENDATION

Staff recommends Board approve Option 1, leasing printers from Kyocera and contract for Managed Print Services.

> Ahmed Khattab Information Technology Manager

L Khallas

12/5/2023



BOARD ACTION

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

CONSIDER ESTABLISHING THE 2024 REGULAR BOARD MEETING SCHEDULE

BACKGROUND

Per Administrative Code Section 3.01.010.01, regular meetings are to be held on the fourth (4th) Tuesday of each calendar month with the November and December meetings combined and held on the first available Tuesday in the month of December of each calendar year. The starting time for the regular meeting Open Session is 1:00 p.m.

DESCRIPTION

The Board will consider establishing the 2024 Regular Board Meeting schedule with the November and December combined meeting to be held on the second Tuesday in December to avoid scheduling conflicts due to the 2024 ACWA Fall Conference scheduled for December 3-5, 2024.

In accordance with Administrative Code Section 3.01.010.01, a proposed meeting schedule has been drafted and attached for Board reference.

In the event the Board prefers setting a different meeting schedule than that presented in accordance with the current policy, the Board will need to consider amending and updating Administrative Code Section 3.01.010.01 accordingly at their first Regular Board meeting scheduled for January 2024.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Six: Communication

Administrative Code Section 3.01.010 – Regular Meetings

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: Accept the proposed schedule as provided.

Option 2: Establish a revised 2024 Regular Board Meeting schedule.

STAFF RECOMMENDATION

The Board establish the 2024 Regular Board Meeting schedule.

Jake Wiley, General Manager

December 5, 2023

RAINBOW MUNICIPAL WATER DISTRICT

2024

REGULAR BOARD MEETING SCHEDULE

4th Tuesday of the Month

~~ Meetings will begin at a time announced on each month's respective agenda for Closed Session items. Open Session items will start time certain at 1:00 p.m. ~~

January 23

February 27

March 26

April 23

May 28

June 25

July 23

August 27

September 24

October 22

*December 10

Special Meetings may be scheduled as needed.

^{*}The November and December Board meetings will be combined into one meeting to be held on the first available Tuesday of the month; however, due to the 2024 ACWA Fall Conference, the combined Board meeting will be held on December 10, 2024.



BOARD ACTION

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

CONSIDER ADOPTING RESOLUTION NO. 23-28 DESIGNATING VALLEY CENTER MUNICIPAL WATER DISTRICT AS PROXY VOTE TO THE SAN DIEGO COUNTY WATER AUTHORITY IN THE ABSENCE OF THE RAINBOW MUNICIPAL WATER DISTRICT REPRESENTATIVE

BACKGROUND

In the event RMWD's representative is unable to attend a SDCWA meeting, the named representative will be designated as proxy vote.

In the past Gary Arant of Valley Center Municipal Water District has been named RMWD's proxy.

DESCRIPTION

The Board will consider adopting Resolution No. 23-28 designating a proxy vote to the SDCWA in the absence of RMWD's representative.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area One: Water Resources - SDCWA is currently our wholesale imported water provider so effective engagement in water resource policies is imperative.

Strategic Focus Area Four: Fiscal Responsibility – SDCWA costs currently represent nearly 70% of the District's total cost structure, so what happens down at SDCWA has a big impact on our ratepayers.

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. 23-28 designating RMWD's proxy vote to the SDCWA.
- 2. Do not adopt Resolution No. 23-28.

STAFF RECOMMENDATION

Staff recommends adoption of Resolution No. 23-08 designating RMWD's proxy vote to Valley Center Municipal Water District.

Jake Wiley, General Manager

December 5, 2023

RESOLUTION NO. 23-28

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT DESIGNATING VALLEY CENTER MUNICIPAL WATER DISTRICT AS PROXY VOTE TO THE SAN DIEGO COUNTY WATER AUTHORITY IN THE ABSENCE OF THE AGENCY'S REPRESENTATIVE

WHEREAS, Section 6(g) of the County Water Authority Act (Chapter 545 of the Statutes of 1943, Chapter 45 Water Code-Appendix) provides that a member agency's representative to the San Diego County Water Authority may designate another member of the Board of Directors of the Water Authority to vote in the absence of such representative, provided the designee is confirmed by the governing body of the member agency; and

WHEREAS, Rainbow Municipal Water District's representative to the County Water Authority, has designated Valley Center Municipal Water District;

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

- Section 1. That Valley Center Municipal Water District is hereby confirmed and authorized to vote for the Rainbow Municipal Water District representative to the San Diego County Water Authority when the Rainbow Municipal Water District representative is absent from a meeting of the Authority.
- Section 2. That the Secretary of the Board is directed to file a certified copy of this Resolution with the Board Secretary of the San Diego County Water Authority.
- Section 3. That Resolution No. 23-28 rescinds Resolution No. 21-04.

PASSED, AND ADOPTED at a Regular meeting of the Board of Directors of Rainbow Municipal Water District held on this 5th day of December 2023, by the following roll call vote:

| AYES: NOES: ABSENT: ABSTAIN: | |
|---------------------------------------|----------------------------------|
| ATTEST: | Hayden Hamilton, Board President |
| Dawn Washburn, Board Secretary | _ |



BOARD ACTION

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

DISCUSSION AND POSSIBLE APPOINTMENT OR RAINBOW MUNICIPAL WATER DISTRICT'S REPRESENTATIVE AT THE LOCAL AGENCY FORMATION COMMISSION (LAFCO)

BACKGROUND

Administrative Code Policy Section 3.01.030 - Biannual Organizational Meeting states the Board of Directors shall hold an organizational meeting at its regular meeting in January of the odd numbered year or as determined by the Board. At this meeting the Board will consider an internal appointment of an RMWD representative to track and report on items of significance at LAFCO and serve until the next biannual meeting in January 2025.

DESCRIPTION

Due to the October 4, 2023, retirement of General Manager Tom Kennedy, resulting in a vacancy to the Board-appointed representative to LAFCO and in accordance with Administrative Code Section 3.01.030, the Board may want to consider appointing a new RMWD representative to LAFCO.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

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

Administrative Code: Section 3.01.030 – Biannual Organizational Meeting

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

Make and accept appointment nomination for Board consideration and action.

STAFF RECOMMENDATION

Staff supports direction.

ke Wiley, General Manager December 5, 2023

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

| | VARIABLE | | | | |
|---------|----------|---|---|--------------------|------|
| DATE | 2024 | MEETING | LOCATION | ATTENDEES | POST |
| January | 11 | SDCWA Special Board Meeting | SDCWA | GM | N/A |
| January | * | CSDA – San Diego Chapter | The Butcher Shop – 6:00 p.m. 5255 Kearny Villa Road San Diego, CA 92123 | Mack | N/A |
| January | * | LAFCO Special Meeting | County Admin Center, Room 302 – 9:30am | (As Advised by GM) | N/A |
| January | * | Santa Margarita River Watershed Watermaster Steering Committee | Rancho California Water District | Hamilton | N/A |

^{*} To Be Announced

MEETINGS/SEMINARS/CONFERENCES/WORKSHOPS

| | RECURRING | | | | | | |
|---------|-----------|--|--|-------------------------------------|-------|--|--|
| DATE | 2024 | MEETING | LOCATION | ATTENDEES | POST | | |
| January | 2 | SDCWA MWD Delegates Meeting | SDCWA Board Room, 12:15 p.m. | General Manager | N/A | | |
| January | * | Council of Water Utilities | Courtyard by Marriott Central San Diego 8651 Spectrum Center Blvd San Diego, CA 92123 (** 3rd Tuesday in April, June, Aug, Oct) | All Directors, General Manager | N/A | | |
| January | 3 | Engineering & Operations Committee Meeting | RMWD Board Room 3:30 p.m. | Appointed Director, General Manager | 12/28 | | |
| January | 4 | Communications & Customer Service Committee Mtg. | RMWD Board Room 3:30 p.m. | Appointed Director, General Manager | 12/28 | | |
| January | 8 | LAFCO | County Admin. Center Room 302 9:00 am | As Advised by GM | N/A | | |
| January | 9 | Budget & Finance Committee Mtg. | RMWD Board Room 1:00 p.m. | Appointed Director, General Manager | 1/4 | | |
| January | 16 | SDCWA GM's Meeting | SDCWA, San Diego 9:30 a.m. | General Manager | N/A | | |
| January | 19 | NC Managers | Golden Egg 7:45 a.m. | General Manager | N/A | | |
| January | 23 | RMWD General Board | RMWD Board Room (Start Time to Be Determined) | All Directors | 1/16 | | |
| January | 24 | North County Work Group (NCWG) | Rincon Del Diablo, Escondido 7:30 a.m. | General Manager | N/A | | |
| January | 25 | SDCWA Full Board Meeting | SDCWA Board Room, 3-5 p.m. | General Manager | N/A | | |



BOARD INFORMATION

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

Operations Report for October 2023

DESCRIPTION

Activities for Operations & Maintenance Division

CONSTRUCTION & MAINTENANCE DEPARTMENT:

| October | Repairs | Installations | Leaks |
|---------------|---------|--|-------|
| Mainline | 3 | 20ft | 3 |
| Service | 3 | 3 | 3 |
| Hydrants | 1 | 1 | 1 |
| Valves | 2 | | |
| Meters | | | |
| Blow-Offs | 1 | | |
| Air Vacs | 3 | 1 | 1 |
| Annual Totals | 93 | 18 Valves, 10 appurtenances & 109-feet of new line | 56 |

- 313 utility locates were completed this month an Annual Total of 2,776.
- Repaired 3 water main breaks at 526 Yucca Rd, 2450 Gird Rd, and 1015 Rice Canyon Rd.
- Repaired 3 service leaks at 7222 Via Mariposa Norte, 353 Mission Ridge Ln., and 38037 Lost Horizon Rd.
- Removed a 1" abandoned service connection at Thoroughbred Ln Lift station.
- Relocated 3 Service laterals, two at 2641 Daisy Ln, and one at 5016 5th St.
- Replaced a malfunctioning valve at 3538 Esterlina Dr and another at Miles Ranch Rd.
- Repaired 3 air-vacs: 1015 Rice Canyon Rd, 30475 Via Maria Elena, and 622 Rancho Del Cerro.
- Repaired a hit hydrant at 31697 Calle De Las Estrellas.
- Installed 20 ft of 6" CMLC on daisy lane and installed a hydrant air-vac combo.
- Assisted the meter department with replacing faulty meters

WATER OPERATIONS AND VALVE MAINTENANCE DEPARTMENT

Water Operations:

- Assessed 3 Water Quality Complaints. Annual Total 36.
- Performed 1 fire flow test. Annual total 7.
- Performed routine maintenance and rebuilt 8 pressure stations (CLA VALs) annual total 64.
- Collected all system tank and reservoir nitrification samples.
- Performed district wide reservoir cover inspections.
- Isolated Gomez Tank for winter flows

Valve Maintenance:

| Monthly Totals | Valves (Distribution) | Appurtenance Valves | Annual Totals |
|----------------|-----------------------|---------------------|---------------|
| Exercised | 66 | 73 | 1248 |
| Inoperable | 16 | 32 | 177 |
| Repaired | | | |
| Replaced | 0 | 2 | 31 |
| Installed | 0 | 0 | 5 |

Valve Maintenance completed and oversaw the following:

- Performed 13 shutdowns Annual total 101.
- Replaced 3 air vents Annual total 58.
- Painted 68 appurtenances Annual total 792.
- Replaced 2 Fire Hydrants Annual total 3.

METERS DEPARTMENT:

- **202** Service Requests were resolved in OCT 2023 **YTD 1,775 total.** (Previous Year Month Comparison: OCT 2022: **172** Service Requests: **Up 12%**).
- **152** Check Bills were completed in OCT 2023. **YTD total 1,663.** (Previous Year Month Comparison: OCT 2022: **227** Check Bills: Down 33%).
- YTD Service Requests and Check Bills combined: 3,438. (Previous YTD 2022 Comparison: 4,702 combined Service Requests & Check Bills: Down 27%).

Backflows:

• 390 backflows were tested in October, 4,696 YTD.

WASTEWATER:

California Integrated Water Quality System (CIWQS) - New format updated: Confirmation # 2657434 Reported: "No Spill Report for October 2023.

October 24, 2023 there was a non-reportable private overflow at 3562 Lake Tree Drive. Duty personnel responded to the call at the customer's property and stated that the plumber thought there was a blockage at the District sewer line. RMWD staff checked the sewer system and confirmed it to be a private issue.

Lift Stations:

- October 13 & October 24, 2023: RMWD staff at Old River Road working alongside Fowler construction contractor to provide sewer bypassing for new pipe installation.
- Rancho Monserate pump # 1 impeller wear plate is pressed in. Will need to send out for internal warehouse repairs. Pump # 2 is online till the quote comes in for pump 1 repairs.
- Perform monthly pump and motor control maintenance adjustments per upcoming Holidays.

Collection System:

General line cleaning – preparing for upcoming Holidays.

Projects:

- CIP Thoroughbred sewer lift station.
- District Standards and Drawings.
- Odor control treatment USP Collection System.

Mutual Aid:

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

Robert Gutierrez Operations Manager 12/5/2023



BOARD INFORMATION

BOARD OF DIRECTORS

| December 5, 2023 |
|------------------|
|------------------|

SUBJECT

Engineering Report for October 2023

DESCRIPTION

CAPITAL IMPROVEMENT PROJECTS:

<u>Emergency Generators at Huntley-Gomez & Magee Pump Stations (JW Fowler Co.), Division 5</u>: The project involves installing emergency generators at the Huntley-Gomez and Magee Pump Stations. Southern Contracting Company, a subcontractor to JW Fowler, installed emergency connections to the new generators in late April. A temporary solution is now in place and permanent connections are scheduled to be completed by the end of 2023.

West Lilac, Rancho Amigos, and Dentro De Lomas Pump Stations Project (Hoch Consulting), Division 1: The proposed project is for the installation of permanent pump stations to replace the annual rental of temporary pumps during the San Diego County Water Authority's aqueduct maintenance and any scheduled, or emergency/unscheduled shutdowns. The final design for the three pump stations (West Lilac, Rancho Amigos, and Dentro De Lomas) was completed by Hoch Consulting. The bid package for the project was also released for public bidding. The bid open occurred on October 26, 2023. The District received three bids. The lowest apparent bidder was Pacific Hydrotech Corporation with a bid amount of \$5,657,500. It is anticipated that once the bid verification process has been completed, staff will request that the Board consider awarding the construction contract at the January 2024 meeting. Staff continues to work with PowerPlus and SDGE to provide power at the Gopher Skid Pump Site located off Wild Acres. Equipment installation occurred in October 2023.

Live Oak Park Road Bridge Replacement Project (Hazard Construction), Division 5: 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 and all 8-inch water main work is scheduled to resume after the bridge section is built in January 2024. The District's project is now expected to be completed in February 2024, however, completion is contingent upon the County's bridge project. Ongoing negotiations with the County and Hazard Construction are in progress regarding outstanding change orders, contract extensions, and project delays. District staff will continue to keep the Board apprised of the outcome of negotiations.

<u>Thoroughbred Lift Stations and Sewer Improvements (JW Fowler Co.), Division 1, 2 & 4:</u> 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 Contractor continues to work on the electrical building and lift station

mechanical on-site piping. The Contractor completed the installation of the 18-inch sewer main between LS1 and Ostrich Creek and the 14"/12" force main along Old River Road The remaining 18-inch sewer between Ostrich Creek and Mission Road will be completed after the contractor completes the 8-inch sewer between LS-1 and MH 21. The installation of the pipeline on the Moosa Creek Bridge is scheduled to be completed at the end of the project. The project is 80% complete and is scheduled to be 100% in April of 2024.

San Luis Rey Return Flow Recovery Project (DLM Engineering & Hoch Consulting), District-Wide: 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. The Board requested staff coordinate with the Engineering and Operations Committee to refine economic feasibility scenarios to better understand the factors impacting the outcome of this project. Staff will report back to the Board early next year for recommendations on the next steps.

Camino Del Rey Waterline Relocation Project, Division 1: 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, and the County is solely responsible for designing and relocating all District facilities that conflict with the County's project. Ongoing coordination with the County continues to occur.

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 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. 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.

<u>Pala Mesa Highlands (Beazer Homes)</u>, <u>Division 4</u>: 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.

INACTIVE MAJOR DEVELOPER PROJECTS:

<u>Ocean Breeze Ranch, Division 1</u>: The District completed a review of the revised water and sewer system analysis reports, conditions of approval, and improvement plans in December 2020. 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. Staff continues to respond to information inquiries from the Developer.

<u>San Luis Rey Racetrack Improvement Plan, Division 1</u>: 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:

<u>Cal-A-Vie (Spa Havens) Water/Sewer Main Extension on Spa Havens Way, Division 1</u>: 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: Inactive

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

Pala Mesa Market Development Plan, Division 4: Inactive

<u>View Point Road Waterline Extension, Division 3</u>: 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.

<u>Vista Valley Country Club Water Service</u>, <u>Division 1:</u> Inactive

Walker Farm Road Waterline Extension, Division 4: Inactive

OTHER:

| ITEMS | NO# |
|------------------------|-----|
| Water Meters Purchased | 23 |

Chad Williams

12/05/2023

Engineering and CIP Program Manager

| Note: This report only show | s the current | year and the pr | evious year as | ssignments, pe | r the E&O Committee's request. | | | | |
|--|----------------|--|-----------------|--------------------|--------------------------------|------|-------------------|--------------------------|------------------|
| CONTRACT INFO | FUND SOURCE | ASSIGN. NO. | STATUS | DATED | DESCRIPTION | | ONTRACT AMOUNT | AUTHORIZED ASSIGNMENT | INVOICED TO DATE |
| <u> Fitle</u> : On-Call Civil Engineer | ing Services, | PSA #22-25 Fi | rm: Ardurra I | Expires: 11/2/2 | 5 CCO: | | | | |
| CONTRACT AMOUNT | : | , , | | | | \$ | 150,000 | | , |
| | | 2023 | | | | | | | |
| | | | | | | 1 | | | |
| | | | | | Unspecified | 1 | | \$ 150,000.00 | \$ - |
| | | | | | TOTALS: | \$ | 150,000 | \$ 150,000.00 | - |
| <u> Fitle</u> : On-Call Civil Engineer | ing Services, | PSA #22-26 Fi | rm: Dexter W | ilson Eng. Exp | pires: 11/2/22 CCO: | | | | |
| CONTRACT AMOUNT | : | , , | | - | | \$ | 150,000.00 | | , |
| | | 2023 | | | | - | | | |
| | | | | | | | | | |
| | | | | | Unspecified | | | \$ 150,000.00 | |
| | | | | | TOTALS: | \$ | 150,000 | \$ 150,000.00 | \$ - |
| CONTRACT AMOUNT | ·: | 2023 | | | | \$ | 150,000 | | |
| | | | | | Unspecified | 1 | | \$ 150,000.00 | |
| | | | | | | | | · | |
| | | | | | TOTALS: | \$ | 150,000 | \$ 150,000.00 | - |
| Title: On-Call Civil Engineer CONTRACT AMOUNT | • | PSA #22-28 Fir | m: Water Wo | rks Engineers | Expires: 11/2/25 CCO: | \$ | 150,000 | | Ī |
| | | 2023 | | | | | | | |
| | | | | | Unspecified | | | \$ 150,000.00 | \$ - |
| | | | | | | Ļ | | · | |
| | <u> </u> | // / / / / / / / / / / / / / / / / / / | | | TOTALS: | : \$ | 150,000 | \$ 150,000.00 | - |
| Fitle: On-Call Real Estate Se CONTRACT AMOUNT | | #22-29 Firm: <i>1</i> | Anderson & Br | abant Expires | s: 11/3/25 CCO: | \$ | 50,000 | | |
| OCITICACT AMOUNT | | 1 | | 1 | | | | | |
| OONTRACT AMOUNT | | 2023- | | <u> </u> | | | | | |
| CONTRACT AMOUNT | | 2023 | | | | | | \$ - | |
| CONTINUE TAINCONT | | 2023 | | | Unspecified | | | \$ - \$ 50,000.00 | \$ - |

| CONTRACT INFO | FUND SOURCE | ASSIGN. NO. | STATUS | DATED | DESCRIPTION | | ONTRACT AMOUNT | AUTHORIZED ASSIGNMENT | INVOI | CED TO DATE |
|---|--------------------|--------------------|----------------|------------------|---|----------|-------------------|----------------------------|----------|--------------------|
| itle: On-Call Real Estate Se | ervices, PSA | #22-30 Firm: E | Epic Land Solu | tions 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 | \$ | 7,000.0 |
| | | | | | Unspecified | | | \$ 43,000.00 | \$ | - |
| | | | | | TOTALS: | : \$ | 50,000 | \$ 50,000.00 | \$ | 7,000.0 |
| itle: On-Call Land Survevir | a Services. P | SA #22-33 Fir | m: GIS Surve | ors. Inc. (GSI) | Expires: 1/3/2026 CCO: | | | | | |
| CONTRACT AMOUNT | | | 0.0 0 | | 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - | \$ | 100,000 | | | |
| | | | | | | | Í | | | |
| | | 2023 | | | | | | | | |
| | | | | | | | | ¢ 400,000,00 | _ | |
| | | | | | Unspecified | ı | | \$ 100,000.00 | <u> </u> | |
| | | | | | TOTALS: | \$ | 100,000 | \$ 100,000.00 | \$ | |
| | <u> </u> | 04 //00 04 51 | LCDM M | | | . T . | 100,000 | ¥ 100,000.00 | <u> </u> | |
| itle: On-Call Land Surveyir CONTRACT AMOUNT | • | 'SA #22-34 Fir | m: KDW Meric | lian Expires: | 1/3/2026 CCO: | \$ | 100,000 | | | |
| CONTRACTAMOUNT | : | | | Ī | | ⊅ | 100,000 | | l | |
| | CIP | 2023-01 | Open | 2/9/23 | Live Oak Park Bridge - Staking of 8" and 16" Water main. | | | \$ 7,480.00 | \$ | 1,120.0 |
| | | | • | | | | | · | | - |
| | | | | | Unspecified | | • | \$ 92,520.00 | \$ | |
| | | | | | | | | | | |
| | | | | | TOTALS: | \$ | 100,000 | \$ 100,000.00 | \$ | 1,120.0 |
| itle: On-Call Land Surveyir | ng Services, P | SA #22-35 Fir | m: Right-of-W | ay Eng. Expir | es: 1/3/2026 CCO: | | | | | |
| CONTRACT AMOUNT | : | | | | | \$ | 100,000 | | | |
| | N OID | 2222.24 | | 0.14.100 | | - | | | | 0.450.6 |
| | Non-CIP Non-CIP | 2023-01 2023-02 | Open Open | 2/1/23 2/6/23 | Genista Place - Staking of existing utility easements. Via Monserate/Ramona - Staking of existing utility easements. | 1 | | \$ 2,860.00 \$ 7,500.00 | | 2,450.0 2,692.3 |
| | Non-CIP | 2023-02 | Open | 2/28/23 | Via Mariposa - Staking of existing dulity easements. | | | \$ 2,970.00 | | 2,545.0 |
| | Non-CIP | 2023-04 | Open | 8/9/23 | Maravilla Lane - Staking of existing pipeline. | ı | | \$ 6,750.00 | | 5,908. |
| | 7 | | | 1 | | 1 | | , ,,,,,,,,, | | -, |
| | | | | | Unspecified | • | | \$ 79,920.00 | \$ | |
| | | | | | | | | | | |
| | | | | | TOTALS: | \$ | 100,000 | \$ 100,000.00 | \$ | 13,596.0 |
| "tles On Cell Coeta el "issali | Samilana DO | . #22.26 E: | Atlan Took O | manife what From | | | , | | . 7 | . 5,55010 |
| <u>itle</u> : On-Call Geotechnical CONTRACT AMOUNT | | 4 #22-30 FIFM: | Adas rech Co | nisuitants EXP | JITES. 1/0/2020 GGO: | \$ | 100,000 | | | |
| OUTTAGT AMOUNT | | | | I | | | 100,000 | | | |
| | | 2023 | | | | | | | | |
| | | | | | | | | | | |
| | | | | | Unspecified | 1 | | \$ 100,000.00 | \$ | |
| | - | | | 1 | TOTALO | . 6 | 100 000 | £ 400 000 00 | i e | |
| | | | | l | TOTALS: | . J Þ | 100,000 | \$ 100,000.00 | Į Þ | - |

| CONTRACT INFO | FUND SOURCE | ASSIGN. NO. | STATUS | DATED | DESCRIPTION | | NTRACT MOUNT | AUTHORIZED ASSIGNMENT | INVOICED | TO DATE |
|-------------------------------|----------------|------------------|---------------|------------------|---|----|-----------------|--------------------------|-------------|----------|
| Title: On-Call Geotechnical S | | \ #22-37 Firm: | Leighton Cons | sultants Expir | es: 1/6/2026 CCO: | \$ | 100,000 | | | |
| | | | | | | | | | | |
| | | 2023 | | | | | | | | |
| | | | | | Unspecified | | | \$ 100,000.0 | 0 \$ | |
| | | | | | | | | | Ť | |
| | | | | | TOTALS: | \$ | 100,000 | \$ 100,000.0 | D \$ | - |
| Title: On-Call Geotechnical S | Services. PSA | #22-38 Firm: | Ninvo & Moore | e Expries: 1/6 | :/2026 CCO: | | | | | |
| CONTRACT AMOUNT | | | • | | | \$ | 100,000 | | | |
| | | | | | | | | | | |
| | CIP | 2023-01 | Closed | 4/4/23 | Sumac Communication Tower Photovoltaic & Battery System - | | | \$ 9,732.0 |) \$ | 562.50 |
| | | | | | | | | | | |
| | | | | | Unspecified | | | \$ 90,268.0 | 0 \$ | 562.50 |
| | | | | | | | | | | |
| | | | | | TOTALS: | \$ | 100,000 | \$ 90,268.0 |) \$ | 562.50 |
| Title: On-Call Construction N | lanagement & | & Insp. Service: | s, PSA #23-04 | Firm: Acrosti | ic Expires: 5/23/26 CCO: | | | | | |
| CONTRACT AMOUNT | - | | | | | \$ | 100,000 | | | |
| | | | | 1 | | | , | | | |
| | | 2023 | | | | | | | | |
| | | | | | Unspecified | | | \$ 100,000.0 |) \$ | - |
| | | | | | | | | | Ť | |
| | | | | | | | | | | |
| | ļ | | | | | | | | | |
| | lanagement & | & Insp. Service: | s, PSA #23-05 | Firm: Ardurra | a Expires: 5/23/26 CCO: | | | | | |
| litle: On-Call Construction N | _ | • | | | • | \$ | 100,000 | | | |
| CONTRACT AMOUNT | | | | | | | | | | |
| | : | | | | | | , , , , , , | | | |
| | | 2023 | | | | | | | | |
| | | 2023 | | | Unspecified | | | | | |
| | | 2023 | | | Unspecified | | | \$ 100,000.0 | \$ | - |
| | | 2023 | | | Unspecified TOTALS: | | 100,000 | | | <u> </u> |

| CONTRACTINFO | FUND SOURCE | ASSIGN. NO. | STATUS | DATED | DESCRIPTION | | NTRACT MOUNT | | THORIZED SIGNMENT | INVOICED TO DATE |
|--|----------------|------------------|----------------|-------------------|--|----------------|-----------------|----------|---|------------------|
| tle: On-Call Construction | Management | & Insp. Services | s. PSA #23-06 | Firm: Valley | CM Expires: 5/23/26 CCO: | | | | | |
| CONTRACT AMOUN | | | ,, | , | | \$ | 100,000 | | | |
| | | | | | | 1 | , | 1 | | |
| | Non-CIP | 2023-01 | Open | 8/2/23 | District staff support with coordination & logistics in finalizing the Standard Specifications and Drawings. | | | \$ | 18,500.00 | |
| | Both | 2023-02 | Open | 8/4/23 | Inspection support services on various District projects. | | | \$ | 51,993.00 | |
| | | | | | | | | | | |
| | | | | | Unspecified | | | . \$ | 29,507.00 | \$ - |
| | | | | | | | | | | |
| | | | | | TOTALS: | \$ | 100,000 | \$ | 70,493.00 | \$ - |
| | | | | | | | | | | |
| <u>itle</u> : On-Call Enviromental | | A #23-07 Firm: | Helix Expire | s: 5/23/26 CC | 0: | \$ | 100,000 | | | |
| | | | | | | | | | | |
| | Non-CIP | 2023-01 | Open | 8/4/23 | Nesting bird surveys for upcoming tree trimming at District headquarters. | | | \$ | 2,025.00 | \$ 652.5 |
| | 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 | |
| | 530001 | 2023-03 | Open | 10/24/23 | LS-1 Replacement environmental compliance support services | | | \$ | 43,711.00 | |
| | | | - | | Unspecified | | | \$ | 48,024.00 | |
| | | | | | | | | l . | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | |
| | | | | | TOTALS: | \$ | 100,000 | \$ | 51,976.00 | \$ 2,667.5 |
| | | | | | | | | | · | |
| "Har On Call Environmental | Compiese BC | A #02 00 Firms | DECON LE | | 200 | • | | | | |
| <u>Fitle:</u> On-Call Enviromental CONTRACT AMOUN | | A #23-08 Firm: | RECON Exp | ires: 5/23/26 1 | 500: | • | 400.000 | | | |
| CONTRACTAMOUN | l i | 1 | | l | | , 3 | 100,000 | 1 | | |
| | | 2023- | | | | | | | | |
| | + | 2023 | | | | 1 | | | | |
| | | 1 | | | Unspecified | 1 | | \$ | 100,000.00 | ¢ - |
| | + | | | | O its peculicu | 1 | | | 100,000.00 | Ψ - |
| | - | 1 | | | TOTALS: | \$ | 100.000 | \$ | 100,000.00 | \$ - |
| | | | | | 10111201 | • | .00,000 | – | | - |
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| | | | | | | | | İ | | |



SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT October 2023

| STATUS SUMMARY | EDUs |
|---|-------|
| Total Treatment Capacity Purchased from Oceanside | 8,333 |
| Less 5% Contractual Allowance | 417 |
| EDUs Set Aside by Board for Emergencies | 60 |
| EDUs Connected | 6,029 |
| EDUs Unconnected/Committed | 516 |
| Total EDUs Available for Purchase: | 1,312 |

| 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) | 6 | \$ 70,630 |
| TOTAL UNCONNECTED: | 516 | \$ 1,524,190 |

Notes:

- 1. Bonsall Oaks paid initial 50% of Sewer Capacity Fees. The remaining 50% \$1,453.560 is due prior to issuance of building permits.
- 2. CITRO Annexation Agreement 4/30/20 Sewer Capacity \$10.5M to be paid by CFD bonds. Received \$8M payment from CFD bonds on 8/18/22. Received remaining \$2.5M payment from CFD bonds on 9/20/23.
- 3. Passarelle last remaining EDUs.

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



BOARD INFORMATION

BOARD OF DIRECTORS

December 5, 2023

SUBJECT

ADMINISTRATIVE SERVICES REPORT FOR DECEMBER 2023

DESCRIPTION

Human resources, safety, risk management, and communications report for December 2023.

HUMAN RESOURCES:

RECRUITMENT:

- **Board Secretary/Executive Assistant:** To backfill the vacancy that will occur when Ms.Washburn retires, the Board Secretary position was posted and advertised between 10/16/2023 and 10/29/2023. The job posting received 4,476 views and 240 applications. We invited 64 applicants to complete skills assessments; seven were interviewed on November 7, and one candidate accepted a contingent offer of employment on November 16th.
- **Finance Manager:** Tracy Largent resigned effective December 1, 2023. The Finance Manager position was advertised on November 21, 2023, with an application deadline of December 10th.
- Management Analyst Grants & Finance. Amelia Kim resigned effective December 28, 2023. This position was posted for recruitment on November 20, 2023 with a tentative application deadline of December 4th, 2023.
- Temporary Accountant: In preparation for an upcoming leave of absence, the District is working with a staffing agency to find a temporary accountant to fill in from early December through the end of the upcoming planned leave of absence in the Finance department.

WORKFORCE ANALYTICS:

| Current headcount: | 59 | FYID new hires: | 3 |
|-----------------------------------|------|----------------------------------|-------------------|
| FYTD separations: | 2 | Average tenure: | 9 years, 6 months |
| FYTD turnover: | 2% | Projected annual turnover: | 18% |
| YTD vs. Full Prior Year | -10% | Projected retirements this year: | 4 |
| Retention rate: | 98% | | |
| Retention rate vs Full Prior year | +21% | | |
| | | | |

HR EVENTS:

- Our traditional Annual Harvest Festival & Chili Cookoff took place on October 31st. This is an annual
 pot-luck tradition with employees competing for the "Golden Spoon" each year, with fellow
 employees as the judges. Our first place winner was our newest employee at RMWD who came in
 for the new title.
- The annual Breakfast Burrito Bar and optional Gift Stealing game is scheduled for December 13, 2023.
- The annual Employee Awards Banquet is scheduled for February 24th, 2024, with the theme of Time Traveler's Ball in honor of the Distrtict's 70th anniversary. Employees will be encouraged to dress in attire reminiscent of their favorite decade from the 1950s to present.

NOVEMBER AND DECEMBER ANNIVERSARIES:

11/5/2018 Tracy Largent - 5 years 11/7/2022 Colette Barrow - 1 year 11/28/2005 Delia Rubio - 18 years 12/4/2023 Scott Simpson - 19 years 12/15/1988 Ed Bradley- 35 years 12/28/1998 David Hill - 25 years

RISK MANAGEMENT:

Incidents

There were no reportable accidents or injuries this month.

Safety Program Management

- Annual Review and update of Safety Policies and Procedures:
 - Heat Illness Prevention Plan (HIPP) being updated per Cal/OSHA's Feb. 2023 update for Water Provisions. It also included updated American Red Cross-compliant Heat Stroke Signs and Symptoms.
 - o Injury and Illness Protection Program (IIPP) is being updated.
 - Standard Operating Procedure (SOP) for Personal Protective Equipment (PPE) is being drafted. It will be ready for review by the end of the month.
 - 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 currently reviewing the Onboarding process and evaluating which training sessions would be more effective provided in person. This will include a couple of versions for either Field or Office Staff to ensure it addresses applicable hazards they may encounter.

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.

Emergency Response Programs

• Rainbow's Emergency Action Plan (EAP) is being updated to reflect Luke Johnson replacing Charmaine Esnard and evaluating the Evacuation Monitor Assignments.

Safety Training / Tailgate Talks

- Operations Tailgate Topics for this month included Ergonomics and Temporary Road Signage. This meeting occurs every other week.
- Office Tailgate Topic was on Ergonomics and occurs every four weeks.
- Emphasis for this month will be on First Aid Reporting, Equipment Damage Reporting, and ensuring adequate PPE for various scopes of work.

Claims in Progress/Completed

None received; one anticipated.

COMMUNICATIONS:

District's 70th Anniversary Logo & Celebration

- Press release to announce 70th anniversary in December
- Rollout digital assets to feature 70th anniversary logo
- Proclamation of 70th Anniversary and request for proclamation from surrounding agencies.

Customer Service Survey

- Survey responses from April October 2023: 55 total, 34 from Avocado Festival, 21 from the web link, and two responses from the lobby. The survey had an 84% completion rate.
- Survey results:
 - o 83% respondents were aware of detachment.
 - Top topics of concern: 77% raising rate, 38% water quality, 30% billing accuracy, 25% supply reliability, and 25% water use efficiency.
 - Do you feel RMWD cares about your concerns? Respondents reported 34% yes, 24% no, and 38% somewhat.
 - Have you contacted RMWD office with questions or concerns? Respondents reported 37% yes, and 63% no.
 - How well did RMWD understand your questions and concerns? Respondents reported 28% very well, 28% somewhat well, 22% extremely well, and 22% not so well.
 - How promptly did RMWD address your questions or concerns? 28% immediately, 11% same day, 22% up to a week, 6% up to one month, 6% more than a month, and 28% not resolved (note: no ratepayer contact information provide for follow up).

Community Events Update

- North County Fire District Open House, October 14: Team members from Administrative Services
 and Operations met with ratepayers to pass out information on RAWs, encouraged ratepayers to
 take the customer service survey, and gave away promotional items.
- Bonsall High School Field Trip, November 2: Hosted 12 STEM students for a tour to showcase careers in the water industry. Students viewed presentations from construction, finance, IT, meters, operations, and wastewater. Administrative services and Palomar College presented opportunities for educational pathways.

Flume Program Update

- Program statistics and survey results to improve service.
- Contract includes 1,000 units with 727 units purchased to date.
 - The purchased devices breakdown includes: 371 installed, 228 connected, 173 disconnected Flume 1 devices, 13 Flume 2 devices in need of replacement, 53 Flume 2 devices with dead batteries, and 170 devices purchased that were not installed.
- Flume surveyed Flume customers from RMWD the last week in October with 82 responses.

- The survey respondents reported that 45% of users had a positive change from Flume device; 82% of users were able to detect a leak; 44% of users identified a leak in 1 day; and 73% of users reduced outdoor watering days.
- Customer survey results for areas of concern: low wifi connection; short battery life; high cost of battery replacement; installation difficulty; and meter too far for wifi connection.
- Solutions for replacement of outdated devices:
 - o Flume to send email to offer Flume 2 upgrade at discounted rate. Flume to replace the 13 Flume 2 devices; instruct customers on how to replace Flume 2 batteries; and contact customers (from Jan 2022-present) with uninstalled units with installation follow up information.
- Solution for customer service:
 - Update RMWD website with links to Flume You Tube videos for install and battery replacement; include information on Flume most frequently asked questions; link to contact Flume customer service; and link to purchase replacement devices or batteries.

Newsletter Features

November's newsletter articles included:

- What to Expect if Measure B Passes: Overview of detachment, purpose of Measure B, and detachment conditions.
- Save Your Pipes this Holiday Season: A guide to disposing of kitchen waste with tips for safe and effective removal and a reminder to avoid dumping hot liquids down the drain.
- San Diego County Water Authority Rate Increase: Explanation of pass-through rate increase, Measure B delay of transition, new fixed and variable rate tables, and announcement of Budget and Finance workshop in January.
- Customer Service Survey: Call to action for ratepayers to take the survey online.

Planned articles for December include:

- Updated on detachment process
- Information about the District's history in honor of the 70th anniversary of its formation on December 30, 1953.
- Where does your water come from? Recap of Lake Skinner tour.
- What not to flush: holiday waste reminders
- Customer Service Survey: Call to action for ratepayers to take the survey online.

Administrative Services Manager

12/05/2023



BOARD INFORMATION

BOARD OF DIRECTORS

December 05, 2023

SUBJECT

FINANCE REPORT FOR DECEMBER 2023

DESCRIPTION

Summary:

Water Sales:

Budgeted 12,700 AF Actual October FYTD 23/24 4,813 AF Actual October FYTD 22/23 6,900 AF Actual October FYTD 21/22 6,708 AF Actual October FYTD 20/21 7,223 AF

October 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 September sales reported above are 30% lower than the lowest year for that same time. The finance staff are watching this very closely and in response has initiated mid-year budget adjustments earlier than in prior years. Weather predictions are signaling another wet year for Southern California. If the remainder of FY24 mirrors FY23, sales could come in as low as 10,000 acre-feet.

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.

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

Treasury Report:

Interest Revenue for October 2023 was \$30,337 compared to \$59,020 for the prior month. There was zero losses/gains from asset sales this month compared to a loss of \$2,930 for the prior 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. If the remainder of the year is equal to the average of the prior two years, sales will still hit the budgeted 12,700 acrefeet in sales.

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 October 2023 included 1,082 calls to customer service compared to 930 for the same month one year prior. The average talk time was 4 minutes and 33 seconds. The average time in the queue was 45 seconds. The max time in queue was 10 minutes and 30 seconds compared to 22 minutes and 53 seconds for the same month one year prior.

Attachments:

- A. Budget vs Actuals (October FY24)
- B. Fund Balance & Developer Projections (FY24)
- C. Treasury Report (October FY24)
- D. Five-Year Water Purchases Demand Chart (through 11/01/2023)
- E. Water Sales Summary (October FY24)
- F. Check Register (September FY24)
- G. Directors' Expense Report (September FY24)
- H. Credit Card Breakdown (September FY24)
- I. RMWD Properties
- J. Grant Progress Report

Tracy Largent, CPA

Finance Manager

December 05, 2023

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

| | | | | | | | | | | FY 2024 |
|----------------------------------|-----------|--------------|-------------|---------------|----------|------------|----------|----------------|------------------|------------------|
| | | | | FY 2023 | | FY 2024 | | | FY 2024 | Proposed |
| | FY 2 | 023 Adjusted | Α | ctuals YTD | Α | ctuals YTD | | Over | Approved | Adjusted |
| Description | | Budget | | 6/30/23 | : | 10/31/23 | | (Under) | Budget | Budget |
| Water Operating Fund | | | | | | | | | | |
| Water Revenues | \$ | 44,836,269 | \$ | 41,921,858 | \$ | 16,839,527 | \$ | (1,286,165) | \$ 44,950,230 | \$ 43,353,079 |
| Water Expenses | | 41,137,744 | | 39,507,410 | | 15,214,016 | | (1,598,618) | 41,901,026 | 41,129,297 |
| Water Fund Net Income | \$ | 3,698,525 | \$ | 2,414,448 | \$ | 1,625,511 | \$ | 312,453 | \$ 3,049,204 | \$ 2,223,781 |
| | | | | | | | | | | |
| Wastewater Operating Fund | | | | | | | | | | |
| Wastewater Revenues | | 3,555,551 | | 3,468,470 | | 1,513,077 | | (82,923) | 4,788,000 | 4,788,000 |
| Wastewater Expenses | | 4,202,943 | | 2,940,430 | | 935,948 | | (449,163) | 4,155,334 | 4,103,043 |
| Wastewater Fund Net Income | \$ | (647,392) | \$ | 528,040 | \$ | 577,128 | \$ | 366,240 | \$ 632,666 | \$ 684,957 |
| General Operating Fund | | | | | | | | | | |
| General Revenues | | 9,165,657 | | 8,484,231 | | 2,930,809 | | (57,342) | 8,964,453 | 8,689,237 |
| General Expenses | | 9,165,657 | | 8,484,231 | | 2,930,809 | | | 8,964,453 | 8,689,237 |
| • | _ | | <u>,</u> | 0,404,231 | <u>,</u> | 2,930,809 | <u> </u> | (57,342) | | 0,009,237 |
| General Fund Net Income | <u>\$</u> | - | > | | \$ | - | \$ | 0 | \$ - | \$ - |
| | | 0.054.455 | | 2 2 4 2 4 5 2 | | 2 222 555 | | 670 666 | 2 604 050 | 2 222 722 |
| CHANGE IN NET POSITION | \$ | 3,051,133 | Ş | 2,942,488 | \$ | 2,202,639 | \$ | 678,692 | \$ 3,681,870 | \$ 2,908,738 |

% of Annual Budget

48% Water Purchases/Sales based on historical average

33% Fixed Fee Revenue & Expenses are based on time

Rainbow Muncipal Water District Water Fund Operating Budget Summary

Water Operating

| | | FY 2023 | | | | | | | | | | FY 2024 |
|-------------------------------------|--------------|-------------------|----|--------------|----|-------------|----|-------------|-----|---------------|-----|--------------|
| | | Adjusted | | 2023 Actuals | | | | Over | | FY 2024 | | Proposed |
| Description | | Budget | Υ | TD 6/30/23 | Υ٦ | TD 10/31/23 | | (Under) | App | proved Budget | Adj | usted Budget |
| Operating Revenues | | | | | | | | | | | | |
| Water Sales | \$ | 43,655,604 | \$ | 40,221,710 | \$ | 16,591,927 | \$ | (1,286,165) | \$ | 43,769,565 | \$ | 42,172,414 |
| Other Water Services | | 324,664 | | 361,494 | | 101,412 | \$ | 346,737 | | 324,665 | | 324,665 |
| Total Operating Revenues | \$ | 43,980,268 | \$ | 40,583,204 | \$ | 16,693,339 | \$ | (1,147,019) | \$ | 44,094,230 | \$ | 42,497,079 |
| Operating Expenses | | | | | | | | | | | | |
| Purchased Water | | 23,701,080 | | 22,273,944 | | 9,548,573 | | (1,592,430) | | 24,886,134 | | 21,997,021 |
| Pumping | | 915,164 | | 895,779 | | 465,403 | | 164,227 | | 903,529 | | 903,529 |
| Operations | | 2,767,699 | | 2,757,129 | | 781,981 | | (125,909) | | 2,723,668 | | 2,723,168 |
| Valve Maintenance | | 368,077 | | 414,667 | | 145,079 | | 9,243 | | 407,508 | | 407,508 |
| Construction | | 2,405,684 | | 2,288,866 | | 877,899 | | 68,833 | | 2,427,196 | | 2,274,696 |
| Meters | | 1,029,243 | | 843,155 | | 362,005 | | 4,265 | | 1,073,218 | | 1,071,718 |
| General Fund Transfer | | 6,873,382 | | 6,956,456 | | 2,228,362 | | 94,160 | | 6,402,607 | | 6,179,682 |
| Total Operating Expenses | \$ | 38,060,330 | \$ | 36,429,996 | \$ | 14,409,301 | \$ | (1,377,611) | \$ | 38,823,860 | \$ | 35,557,323 |
| Non-Operating Revenues | | | | | | | | | | | | |
| Investment Income | | 100,000 | | 273,504 | | 124,763 | | 91,430 | | 100,000 | | 100,000 |
| Property Tax Revenue | | 650,000 | | 777,390 | | 13,217 | | (203,449) | | 650,000 | | 650,000 |
| Other Non-Operating Revenue | | 106,000 | | 206,062 | | 8,207 | | (27,126) | | 106,000 | | 106,000 |
| Total Non-Operating Revenues | \$ | 856,000 | \$ | 1,256,956 | \$ | 146,187 | \$ | (139,146) | \$ | 856,000 | \$ | 856,000 |
| Non-Operating Expenses | | | | | | | | | | | | |
| Debt Service | | 3,077,414 | | 3,077,414 | | 804,715 | | (221,007) | | 3,077,165 | | 2,414,145 |
| Detachment Payment | | 3,4, . = . | | 2,211,121 | | ,- | | 0 | | 2,211,200 | | 3,157,830 |
| Total Non-Operating Expenses | \$ | 3,077,414 | \$ | 3,077,414 | \$ | 804,715 | \$ | (221,007) | \$ | 3,077,165 | \$ | 5,571,975 |
| | _ | | | | _ | | _ | | | | _ | |
| CHANGE IN NET POSITION | \$ | 3,698,525 | \$ | 2,332,751 | \$ | 1,625,511 | \$ | 312,454 | \$ | 3,049,205 | \$ | 2,223,782 |
| | | 13,500AF | | 11,835 AF | | | | | | 12,700AF | | 10,000AF |

% of Annual Budget

^{48%} Water Purchases/Sales based on historical average

^{33%} Fixed Fee Revenue & Expenses are based on time

Rainbow Muncipal Water District Wastewater Fund Operating Budget Summary

Wastewater Operating

| | | | | | | | | | F. | Y 2024 |
|---------------------------------|-----------------|----|------------|----|------------------|-----------------|----|-----------|------|-----------|
| | FY 2023 | | FY 2023 | | FY 2024 | | | FY 2024 | Pr | oposed |
| | Adjusted | A | ctuals YTD | A | tuals YTD | Over | P | Approved | A | djusted |
| Description | Budget | | 6/30/23 | 1 | .0/31/2 3 | (Under) | | Budget | В | udget |
| Operating Revenues | | | | | | | | | | |
| Wastewater Revenues | \$ 3,489,551 | \$ | 3,467,420 | \$ | 1,512,527 | \$ (57,807) | \$ | 4,711,000 | \$ | 4,711,000 |
| Other Revenues | 66,000 | | 1,050 | | 550 | \$ (25,117) | | 77,000 | | 77,000 |
| Total Operating Revenues | \$ 3,555,551 | \$ | 3,468,470 | \$ | 1,513,077 | \$ (82,923) | \$ | 4,788,000 | \$ 4 | ,788,000 |
| Operating Expenses | | | | | | | | | | |
| Total Payroll Expenses | 678,835 | | 771,934 | | 243,959 | (1,004) | | 734,888 | | 734,888 |
| Total Maintenance & Supply | 2,116,772 | | 536,735 | | 169,287 | (470,246) | | 1,918,600 | 1 | ,918,600 |
| General Fund Transfer | 1,407,335 | | 1,631,761 | | 522,702 | 22,087 | | 1,501,846 | 1 | ,449,555 |
| Total Operating Expenses | \$ 4,202,943 | \$ | 2,940,430 | \$ | 935,948 | \$ (449,163) | \$ | 4,155,334 | \$ 4 | ,103,043 |
| No. O. William F. Commission | | | | | | | | | | |
| Non-Operating Expenses | | | | | 224 227 | 224 225 | | | | 555 554 |
| Debt Service | - | | - | | 221,007 | 221,007 | | - | | 663,021 |
| Total Non-Operating Expenses | | | | | 221,007 | 221,007 | | | | 663,021 |
| | | | | | | | | | | |
| CHANGE IN NET POSITION | \$ (647,392) | \$ | 528,040 | \$ | 577,128 | \$ 366,240 | \$ | 632,666 | \$ | 21,936 |

% of Annual Budget

48% Water Purchases/Sales based on historical average33% Fixed Fee Revenue & Expenses are based on time

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Rainbow Muncipal Water District General Fund Operating Budget Summary

General Operating

| | FY 2023 | | FY 2023 | | FY 2024 | | FY 2024 |
|---------------------------------|-----------------|----|-------------|----|------------|----------------|-----------------|
| | Adjusted | - | Actuals YTD | Α | ctuals YTD | Over | Approved |
| Description | Budget | | 6/30/23 | | 10/31/23 | (Under) | Budget |
| Operating Revenues | | | | | | | |
| Water Overhead Transfer | \$ 6,873,382 | \$ | 6,956,456 | \$ | 2,228,362 | \$ 94,160 | \$ 6,402,607 |
| Wastewater Overhead Transfer | 1,612,275 | | 1,631,761 | | 522,702 | 22,087 | 1,501,846 |
| Other General Fund Revenue | 680,000 | | -103,986 | | 179,745 | (173,588) | 1,060,000 |
| Total Operating Revenues | \$ 9,165,657 | \$ | 8,484,231 | \$ | 2,930,809 | \$ (57,342) | \$ 8,964,453 |
| Operating Expenses | | | | | | | |
| Board of Directors | \$ 50,101 | \$ | 38,550 | \$ | 13,106 | \$ (4,414) | \$ 52,560 |
| Garage | 632,322 | | 659,230 | | 222,026 | 9,164 | 638,585 |
| Administration | 2,006,342 | | 1,740,106 | | 884,072 | 309,971 | 1,722,303 |
| Human Resources | 446,674 | | 402,081 | | 141,769 | (10,690) | 460,174 |
| Risk Management | 940,192 | | 753,305 | | 194,293 | (81,370) | 826,989 |
| IT Services | 1,604,844 | | 1,328,485 | | 605,646 | 63,441 | 1,626,617 |
| Public Relations | | | 5,424 | | 13,019 | (53,155) | 104,522 |
| Finance | 1,169,321 | | 1,097,433 | | 331,065 | (74,999) | 1,218,191 |
| Customer Service | 594,822 | | 592,942 | | 143,140 | (52,155) | 585,884 |
| Engineering | 1,078,629 | | 1,224,262 | | 382,674 | 23,131 | 1,078,629 |
| GASB 68 Pension | 642,412 | | 642,412 | | | | 650,000 |
| Total Operating Expenses | \$ 9,165,657 | \$ | 8,484,231 | \$ | 2,930,809 | \$ 128,924 | \$ 8,964,453 |
| | | | | | | | |
| CHANGE IN NET POSITION | \$ - | \$ | - | \$ | - | | \$ - |

% of Annual Budget

48% Water Purchases/Sales based on historical average

33% 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) | 2,223,781 | 684,957 | | | 200,000 | | 3,108,738 |
| 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 | \$5,645,219 | \$744,847 | \$1,494,076 | \$0 | \$0 | \$856,132 | \$8,740,274 |

Water Projected Balance

| | | | (Proposed) | | | | |
|---|--------------|--------------|----------------|-----------------------|----------------|-----------------------|--------------|
| | | | Year 1 | | | | Year 5 |
| | Adjusted | | Adjusted | Year 2 Planned | Year 3 Planned | Year 4 Planned | Planned |
| | Budget | Actual | Budget | Budget | Budget | Budget | Budget |
| 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 | (\$4,851,671) | \$1,412,308 | \$3,805,526 | \$5,592,526 |
| 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 | 3,337,308 | 10,656,167 | 10,777,526 | 13,463,257 |
| Less Water & Wholesale Water Capital Projects | (13,706,420) | (7,174,806) | (14,931,075) | (1,925,000) | (6,850,641) | (5,185,000) | (5,700,000) |
| Projected Ending Capital Balance | \$ 391,929 | \$ 5,397,944 | \$ (4,851,671) | \$ 1,412,308 | \$ 3,805,526 | \$ 5,592,526 | \$ 7,763,257 |

| | | | (Proposed) | | | | |
|----------------------------------|--------------|------------------|----------------|-----------------------|----------------|----------------|---------------|
| | | | Year 1 | | | | Year 5 |
| | Adjusted | | Adjusted | Year 2 Planned | Year 3 Planned | Year 4 Planned | Planned |
| | Budget | Actual | Budget | Budget | Budget | Budget | Budget |
| 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 | \$ (4,851,671) | \$ 1,412,308 | \$ 3,805,526 | \$ 5,592,526 | \$ 7,763,257 |
| Water Operating Reserve Balance* | 8,694,424 | 6,470,643 | 5,645,219 | 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 | \$ 9,086,353 | \$ \$ 11,868,587 | \$ 793,549 | \$ 8,812,363 | \$ 14,148,625 | \$ 22,558,832 | \$ 37,682,972 |

Water Capital Project Budgets:

| | | | | | | Year 1 | | | | | |
|-----------|--|--------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | Year-to-Date | | | Year 1 | Proposed | Year-to-Date | Year 2 | Year 3 | Year 4 | Year 5 |
| | | Expended | Adjusted | | Approved | Adjusted | Expended | Planned | Planned | Planned | Planned |
| | | 6/30/2023 | Budget | FY 23 Rollover | Budget | Budget | 10/31/2023 | Budget | Budget | Budget | Budget |
| Project # | Project Name | 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 | \$ - | \$ 11,369 | \$ 657 | \$ - | \$ - | \$ - | \$ - |
| 300008 | New District Headquarters | 912 | 50,000 | 49,088 | 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 | 56,875 | | | | |
| 600007 | Pressure Reducing Stations | 183,446 | 150,000 | | | - | 18,726 | 150,000 | | | |
| 600009 | Isolation Valve Installation Program | 359,308 | 500,000 | 140,692 | | 40,000 | 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 | 25,000 | | 25,000 | | | |
| 600030 | Corrosion Prevention Program Development and Implementation | 37,139 | 100,000 | 62,861 | 100,000 | 162,861 | | 600,000 | 600,000 | | |
| 600034 | Rice Canyon Tank Transmission PL to I-15/SR76 Corridor | 2,812,585 | 2,900,000 | 87,415 | 1,500,000 | 1,587,415 | 10,901 | | | | |
| 600035 | Morro Mixing | 21,718 | | | | - | | | | | |
| 600037 | Live Oak Park Road Bridge Replacement | 471,712 | 600,000 | 128,288 | 200,000 | 328,288 | 12,305 | | | | |
| 600040 | Vallecitos PS Relocation | - | | - | | - | | | 500,000 | 1,400,000 | |
| 600043 | Eagles Perch Water Pipeline Improvements (PUP) | - | | - | | - | | | 300,000 | 300,000 | 1,000,000 |
| 600047 | Communitty Power Resiliency Generator Grant (Generator at Sumac, | 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 Replacements | - | | - | | - | | | 150,000 | 1,850,000 | |
| 600058 | Electrical Panel Switches | 44,102 | | - | 130,000 | - | 4,811 | 130,000 | | | |
| 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 | ı | | - | | - | | | | | 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 | | 518,093 | 147,532 | | | | |
| 600080 | Los Alisos South 243 | - | | - | | - | | | | | 150,000 |
| 600081 | Heli-Hydrant on Tank | 300 | | | | - | | | | | |
| 600085 | Gird to West Lilac Pipeline Rehabilitation | - | | - | 50,000 | - | | | | | |
| N/A | Department Level Capital Expenses | 221,631 | 186,420 | | 200,000 | 100,000 | | 500,000 | 500,000 | 500,000 | |
| Total | | \$ 5,747,821 | \$ 7,206,420 | \$ 1,458,599 | \$ 3,225,000 | \$ 3,803,743 | \$ 294,095 | \$ 1,925,000 | \$ 2,825,000 | \$ 5,185,000 | \$ 5,700,000 |

(ey:

Approved Budget
Budget Changed

Wholesale Water Efficiency Capital Project Budgets:

| Project # | Project Name | Year-to-Expend 6/30/202 | led ²³ | Adjusted Budget FY 22/23 | FY 23 Rollover FY 23/24 | Year 1 Approved Budget FY 23/24 | (Proposed) Year 1 Adjusted Budget FY 23/24 | Year-to-Date Expended 10/31/2023 FY 23/24 | Year 2 Planned Budget FY 24/25 | Year 3 Planned Budget 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 | 11,127,332 | 3,523,598 | - | |
| 600084 | Morro Pump Station | | 122 | | | | | | | 1,225,000 |
| 600078 | Wilt Road Feeder (18 inch Water Line) | 107 | ,435 | | | | | | | 1,075,641 |
| 600079 | Gird Road 1,600' upsize from 12" to 18" or larger | 410 | ,636 | 300,000 | | | | | | |
| Total Spen | ding | \$1,426 | ,985 | \$6,500,000 | \$5,291,208 | \$6,000,000 | \$11,127,332 | \$3,523,598 | \$0 | \$4,025,641 |

Key:

Approved Budget
Budget Changed

Wastewater Capital Fund 52 & 53 Projected Fund Balance

| | | | (Proposed) | | | | |
|---------------------------------------|---------------|-------------|-------------|-----------------------|----------------|-----------------------|----------------|
| | | | Year 1 | | | | |
| | Approved | | Adjusted | Year 2 Planned | Year 3 Planned | Year 4 Planned | Year 5 Planned |
| | Budget | Actual | Budget | Budget | Budget | Budget | Budget |
| 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 | \$634,288 | \$634,288 | \$1,594,968 | \$2,695,900 | \$2,695,900 | \$9,895,900 | \$7,020,900 |
| 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 | 7,351,058 |
| Less: Capital Projects-Wastewater | (10,911,452) | (7,110,665) | (8,680,787) | 0 | (2,300,000) | (2,875,000) | (2,800,000) |
| Projected Ending Capital Balance | (\$2,260,213) | \$1,594,968 | \$2,695,900 | \$2,695,900 | \$9,895,900 | \$7,020,900 | \$4,551,058 |

| All Wastewater Balances: | | (Proposed) Year 1 Adjusted Budget FY 23/24 | Year 2 Planned Budget FY 24/25 | Year 3 Planned Budget FY 25/26 | Year 4 Planned Budget FY 25/27 | Year 5 Planned Budget FY 25/28 |
|--|--------------|--|---|---|---|---|
| Projected Ending Capital Balance | \$ 1,594,968 | \$ 2,695,900 | \$ 2,695,900 | \$ 9,895,900 | \$ 7,020,900 | \$ 4,551,058 |
| 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 | \$ 8,087,071 | \$ 5,667,694 |

Wastewater Capital Fund Project Budgets:

| | | Ex | r-to-Date pended /30/2023 | Approve Budget | | Y 23 Rollover | Year 1 Approved Budget | (Proposed) Year 1 Adjusted Budget | Year-to-Date Expended 10/31/2023 | Year 2 Planned Budget | Year 3 Planned Budget | Year 4 Planned Budget | Year 5 Planned Budget |
|-----------|--|------|---------------------------------|-------------------|--------|---------------|-------------------------------------|---|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Project # | Project Name | FΥ | Y 22/23 | FY 22/2 | 3 | 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 Replacement) | \$ | 7,110,665 | \$ 10,791, | 452 \$ | 3,680,787 | \$ 5,000,000 | \$ 8,680,787 | \$ 2,364,441 | \$ - | \$ - | \$ - | \$ - |
| 530006 | Sewer System Rehabilitation Program | | | | | | | | | | | | |
| 530015 | Sewer System Condition Assessment Program | | | | | | | | | | | | |
| 530017 | N River Road Land Outfall Rehabilitation (Operations Project) | | | | | | | | | | | | |
| 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 | \$ 2,364,441 | \$ - | \$ 2,300,000 | \$ 2,875,000 | \$ 2,800,000 |

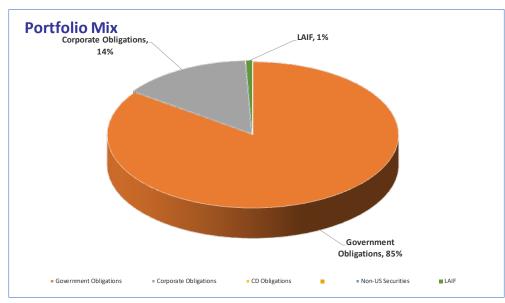
Key:

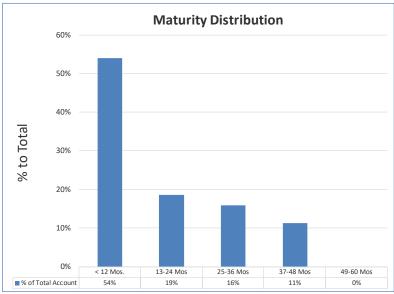
Approved Budget
Budget Changed

RAINBOW MUNICIPAL WATER DISTRICT TREASURER'S MONTHLY REPORT OF INVESTMENTS PORTFOLIO SUMMARY 10/31/23



| Maney Market Funds First American Government 31846/567 \$ 2,188,718,718,718,718,718,718,718,718,718 | ТҮРЕ | ISSUER | CUSIP | Bond Rating | Date of Maturity | | Par Value | | Cost Basis | N | Market Value* | Interest Rate | Yield to Maturity | mi-Annual Interest | Days to Maturity | Object |
|--|-----------------------------|---------------------------------------|-------------|----------------|------------------|----------|-----------|----------|------------|----|---------------|---------------|----------------------|-----------------------|---------------------|----------------|
| Callable 4/28/23 1X FEDERAL FARM CR BKS 3130ARMQ1 Ann 10/28/24 \$ \$40,000 \$ \$ \$42,565 \$ \$ \$26,014 \$ 2.700% \$ 2.500% \$ 7,325 \$ 363 11508 FEDERAL FARM CR BKS 3133EPC8 Ann 11/24 \$ \$40,000 \$ \$ 487,342 \$ \$ 477,078 2.940% \$ 2.940% \$ 7,164 373 11508 \$ 11 | Money Market Funds Trust | | | - | , | | | \$ \$ | | | | | , | | | 11508 10301 |
| FEDERAL FARM CR BKS 313EIFC\$ Aaa 11/07/24 \$ 489,000 \$ 487,342 \$ 477,078 \$ 2,940% \$ 7,164 373 11508 | | Total Cash & Cash Equivalents | | | | \$ | - | \$ | 2,238,717 | \$ | 2,238,717 | | | | | |
| Non-Callable FEDERAL FARM CR BKS 3133EDIN9 Ana 12/21/23 \$ 450,000 \$ 456,678 \$ 448,308 2.950% 2.050% \$ 6,736 \$ 51 11500 | Callable 4/28/23 1X | FEDERAL FARM CR BKS | 3130ARMQ1 | Aaa | | \$ | | | | | | | | \$ | | 11508 |
| Callable [0/14/22 1X | | | | | | \$ | | | | | | | | | | |
| Non-Callable FEDERAL HOME LOAN BKS 3130AQF40 Aaa 12/20/24 \$ 500,000 \$ 497,10 \$ 475,400 1.000% 1.000% \$ 2.499 416 11508 Callable 4/21/23 IX FEDERAL HOME LOAN BKS STEP UP 3130ARQ61 Aaa 10/21/24 \$ 500,000 \$ 502,105 \$ 491,990 2.200% 2.900% \$ 5,524 356 11508 Callable 9/29/22 QTR FEDERAL HOME LOAN BKS 3130ARBH5 Aaa 04/2227 \$ 500,000 \$ 500,000 \$ 467,300 3.150% 3.150% \$ 5,7287 1269 11508 Callable 9/29/22 QTR FEDERAL HOME LOAN BKS 3130ARBH5 Aaa 04/2227 \$ 500,000 \$ 245,813 \$ 244,140 3.350% 3.120% \$ 4,117 59 11508 Callable 9/29/22 QTR FEDERAL HOME LOAN BKS 3130ARSB4 Aaa 12/29/23 \$ 245,000 \$ 245,813 \$ 244,140 3.350% 3.120% \$ 4,117 59 11508 Callable 9/29/22 QTR FEDERAL HOME LOAN BKS 3130ARTG2 Aaa 08/25/27 \$ 500,000 \$ 503,370 \$ 477,265 3.350% 3.120% \$ 8,431 1394 11508 Callable 9/29/22 QTR FEDERAL HOME LOAN BKS 3130ATT3 Aaa 08/25/27 \$ 500,000 \$ 503,370 \$ 477,265 3.350% 3.120% \$ 8,431 1394 11508 Callable 9/29/22 QTR FEDERAL HOME LOAN BKS 3130ATT3 Aaa 08/25/27 \$ 500,000 \$ 5327,164 \$ 5,128,115 | | | | | | \$ | | | | | | | | | | |
| Callable 4/21/23 1X FEDERAL HOME LOAN BKS STEP UP 3130ARQ61 Aaa 10/21/24 \$ 500,000 \$ 500,000 \$ 491,990 \$ 2,200% \$ 5,524 \$ 356 1150 Callable 7/22/22 QTR FEDERAL HOME LOAN BKS 3130ARD15 Aaa 04/22/27 \$ 500,000 \$ 500,000 \$ 467,300 3.150% 3.150% \$ 7,875 1269 1150 Callable 9/29/22 QTR FEDERAL HOME LOAN BKS 3130ARSH2 Aaa 12/29/23 \$ 245,000 \$ 245,813 \$ 244,140 3.350% 3.120% \$ 4,117 59 1150 Callable 9/29/22 QTR FEDERAL HOME LOAN BKS 3130ARSH2 Aaa 12/29/23 \$ 245,000 \$ 245,813 \$ 244,140 3.350% 3.120% \$ 4,117 59 1150 Callable 9/29/22 QTR FEDERAL HOME LOAN BKS 3130ARSH2 Aaa 05/23/25 \$ 600,000 \$ 594,210 \$ 587,340 4,000% \$ 11,884 570 1150 Callable DOAN BKS 130ACRT21 Aaa 06/23/25 \$ 500,000 \$ 593,270 \$ 477,265 3.350% 3.120% \$ 8,431 1394 1150 Callable 9/29/22 QTR FEDERAL HOME LOAN BKS 130ACRT21 Aaa 09/15/24 \$ 500,000 \$ 497,780 \$ 488,800 3.350% 3.120% \$ 8,338 320 1150 Callable 05/28/23 JPMORGAN CHASE & CO 48128G3N8 A2 05/28/26 \$ 1,000,000 \$ 5,327,164 \$ 5,128,115 Callable 05/28/23 JPMORGAN CHASE & CO 48128G3N8 A2 05/28/26 \$ 1,000,000 \$ 1,000,000 \$ 872,230 1.200% 1.200% \$ 6,000 940 1150 Callable 05/28/23 JPMORGAN CHASE & CO 48128G3N8 A2 05/28/26 \$ 1,000,000 \$ 1,000,000 \$ 872,230 1.200% 1.200% \$ 6,000 940 1150 Callable 05/28/23 JPMORGAN CHASE & CO 48128G3N8 A2 05/28/26 \$ 1,000,000 \$ 1,000,000 \$ 872,230 1.200% 1.200% \$ 6,000 940 1150 Callable 05/28/23 JPMORGAN CHASE & CO 48128G3N8 A2 05/28/26 \$ 1,000,000 \$ 1,000,000 \$ 872,230 1.200% 1.200% \$ 6,000 940 1150 Callable 05/28/23 JPMORGAN CHASE & CO 48128G3N8 A2 05/28/26 \$ 1,000,000 \$ 1,000,000 \$ 872,230 1.200% 1.200% \$ 6,000 940 1150 Callable 05/28/23 JPMORGAN CHASE & CO 48128G3N8 A2 05/28/26 \$ 1,000,000 \$ 872,230 1.200% 1.2 | | | | | | \$ | | | | | | | | | | |
| Callable 7/22/22 QTR FEDERAL HOME LOAN BKS 3130AR/H5 Aaa 04/22/27 \$ 500,000 \$ 500,000 \$ 467,300 3.150% 3.150% \$ 7,875 1269 11508 Callable 9/29/22 QTR FEDERAL HOME LOAN BKS 3130AR/H5 Aaa 12/29/23 \$ 245,000 \$ 245,813 \$ 244,140 3.150% \$ 3.150% \$ 1,10% \$ 5 87,340 FEDERAL HOME LOAN BKS 3130AR/H5 Aaa 05/23/25 \$ 600,000 \$ 593,210 \$ 587,340 4.000% \$ 40,00% \$ 1,184 570 11508 FEDERAL HOME LOAN BKS 3130AR/H5 Aaa 08/25/27 \$ 500,000 \$ 503,370 \$ 477,265 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130AR/H5 Aaa 08/25/27 \$ 500,000 \$ 407,780 \$ 488,800 \$ 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130AR/H5 Aaa 08/25/27 \$ 500,000 \$ 503,370 \$ 477,265 3.350% 3.120% \$ 8,338 320 11508 FEDERAL HOME LOAN BKS 3130AR/H5 Aaa 08/25/27 \$ 500,000 \$ 503,370 \$ 477,265 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130AR/H5 Aaa 08/25/27 \$ 500,000 \$ 503,370 \$ 477,265 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130AR/H5 Aaa 08/25/27 \$ 500,000 \$ 503,370 \$ 477,265 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130AR/H5 Aaa 08/25/27 \$ 500,000 \$ 53,371,64 \$ 5,128,115 FEDERAL HOME LOAN BKS 3130AR/H5 Aaa 08/25/27 \$ 500,000 \$ 503,370 \$ 477,265 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130AR/H5 Aaa 08/25/27 \$ 500,000 \$ 53,371,64 \$ 5,128,115 FEDERAL HOME LOAN BKS 3130AR/H5 Aaa 08/25/27 \$ 500,000 \$ 503,370 \$ 477,265 \$ 3.50% \$ 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130AR/H2 Aaa 08/25/27 \$ 500,000 \$ 503,370 \$ 477,265 \$ 3.50% \$ 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130AR/H2 Aaa 08/25/27 \$ 500,000 \$ 503,370 \$ 477,265 \$ 3.50% \$ 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130AR/H2 Aaa 09/15/24 \$ 500,000 \$ 477,780 \$ 488,800 3.120 | | | , | | | \$ | | | | | | | | | | |
| Callable 9/29/22 QTR FEDERAL HOME LOAN BKS 3130ASKB4 Aaa 12/29/23 \$ 245,000 \$ 245,813 \$ 244,140 3.350% 3.120% \$ 4,117 59 11508 FEDERAL HOME LOAN BKS 3130ASKB4 Aaa 05/23/25 \$ 600,000 \$ 594,210 \$ 587,340 4.000% 4.000% \$ 11,884 570 11508 FEDERAL HOME LOAN BKS 3130ASKB4 Aaa 05/23/25 \$ 600,000 \$ 594,210 \$ 587,340 4.000% \$ 11,884 570 11508 FEDERAL HOME LOAN BKS 3130ASKB4 Aaa 05/23/25 \$ 600,000 \$ 594,210 \$ 587,340 4.000% \$ 11,884 570 11508 FEDERAL HOME LOAN BKS 3130ASKB4 Aaa 05/23/25 \$ 600,000 \$ 497,780 \$ 477,265 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130ASKB4 Aaa 05/23/25 \$ 500,000 \$ 497,780 \$ 488,800 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130ASKB4 Aaa 05/23/25 \$ 500,000 \$ 497,780 \$ 477,265 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130ASKB4 Aaa 05/23/25 \$ 500,000 \$ 497,780 \$ 488,800 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130ASKB4 Aaa 05/23/25 \$ 500,000 \$ 594,210 \$ 5,3370 \$ 477,265 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130ASKB4 Aaa 05/23/25 \$ 500,000 \$ 594,210 \$ 50,3370 \$ 477,265 \$ 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130ASKB4 Aaa 05/23/25 \$ 500,000 \$ 594,210 \$ 50,3370 \$ 477,265 \$ 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130ASKB4 Aaa 05/23/25 \$ 500,000 \$ 594,210 \$ 50,3370 \$ 477,265 \$ 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130ASKB4 Aaa 05/23/25 \$ 500,000 \$ 59,210 \$ 50,370 \$ 477,265 \$ 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130ASKB4 Aaa 05/23/25 \$ 5,000,000 \$ 59,210 \$ 50,370 \$ 477,265 \$ 50,300 \$ 497,780 \$ 488,800 \$ 3.20% \$ 50,000 \$ 50,000 \$ 50,000 \$ 50,000 \$ 50,000 \$ 50,000 \$ 50,000 \$ 50,000 \$ 50,000 \$ 50,000 \$ 50,0 | | | | | | 5 | | | | | | | | | | |
| FEDERAL HOME LOAN BKS 3130ARY62 Aaa 05/23/25 \$ 600,000 \$ 594,210 \$ 587,340 4.000% 4.000% \$ 11,884 570 11508 FEDERAL HOME LOAN BKS 3130AT2T3 Aaa 08/25/27 \$ 500,000 \$ 503,370 \$ 477,265 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 3130AT2T3 Aaa 08/25/27 \$ 500,000 \$ 503,370 \$ 477,265 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,431 1394 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,338 320 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,338 320 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,338 320 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,338 320 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,338 320 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,338 320 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,338 320 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,338 320 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,338 320 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,338 320 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,338 320 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,338 320 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,338 320 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,532,300 \$ 8,532,300 \$ 8,522,30 \$ 1.200% \$ 1.200% \$ 6,000 940 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,532,300 \$ 8,522,30 \$ 1.200% \$ 1.200% \$ 6,000 940 11508 FEDERAL HOME LOAN BKS 488,800 3.350% 3.120% \$ 8,532,300 \$ 8,532,300 \$ 1.200% \$ 8,532,300 \$ 8,532,300 \$ 1.200% \$ 8,532,300 \$ 1.200% \$ 8,532,300 \$ 1.200% \$ 8,532,300 \$ 1.200% \$ 1.200% \$ 8,532,300 \$ 1.200% | | | | | | 3 | , | | | | | | | ., | | |
| FEDERAL HOME LOAN BKS 3130AT2T3 Aaa 08/25/27 \$ 500,000 \$ 503,370 \$ 477,265 3.350% 3.120% \$ 8,431 1394 11508 | Callable 9/29/22 Q1 K | | | | | 3 | - , | | | | , . | | | , . | | |
| TENNESSEE VALLEY AUTHORITY | | | | | | o. | , | | | | | | | | | |
| Total Corporate Issues Total CD Obligations \$ 5,324,000 \$ 5,327,164 \$ 5,128,115 | | | | | | \$ | | | | | | | | | | |
| Total Corporate Issues | | | 000071210 | 1 1444 | 03710721 | \$ | | | | | * | 3133070 | 3112070 | 0,550 | 320 | 11500 |
| Total Corporate Issues | | č | | | | | | | | | | | | | | |
| Total CD Obligations \$ - \$ - \$ - Total Non-US Securities \$ - \$ - \$ - Subtotal Long Term Pooled Investment Pooled Investment Fund (LAIF)** 0.992536038 \$ 8,565,881 \$ 8,239,062 Portfolio Totals Local Agency Investment Fund (LAIF)** 0.992536038 \$ 42,594 \$ 42,594 \$ 0 10103 | Callable 05/28/23 | JPMORGAN CHASE & CO | 48128G3N8 | A2 | 05/28/26 | \$ | 1,000,000 | \$ | 1,000,000 | \$ | 872,230 | 1.200% | 1.200% | \$ 6,000 | 940 | 11508 |
| Total Non-US Securities \$ - \$ - \$ - \$ Subtotal Long Term Pooled Investment Pooled Investment Fund (LAIF)** 0.992536038 \$ 6,324,000 \$ 8,565,881 \$ 8,239,062 \$ 0 10103 | Total Corporate Issues | S | | | | \$ | 1,000,000 | \$ | 1,000,000 | \$ | 872,230 | | | • | | |
| Total Non-US Securities \$ - \$ - \$ - \$ Subtotal Long Term Pooled Investment Pooled Investment Fund (LAIF)** 0.992536038 \$ 6,324,000 \$ 8,565,881 \$ 8,239,062 \$ 0 10103 | | | | | | | | | | | | | | | | |
| Subtotal Long Term Pooled Investment \$ 6,324,000 \$ 8,565,881 \$ 8,239,062 Portfolio Totals Local Agency Investment Fund (LAIF)** 0.992536038 \$ 42,594 \$ 42,594 \$ 42,594 \$ 0 10103 | Total CD Obligations | 3 | | | | \$ | - | \$ | - | \$ | - | | | | | |
| Subtotal Long Term Pooled Investment \$ 6,324,000 \$ 8,565,881 \$ 8,239,062 Portfolio Totals Local Agency Investment Fund (LAIF)** 0.992536038 \$ 42,594 \$ 42,594 \$ 42,594 0 10103 | | | | | | | | | | _ | | | | | | |
| Portfolio Totals Local Agency Investment Fund (LAIF)** 0.992536038 \$ 42,594 \$ 42,594 42,594 0 10103 | Subtotal Long Term | es | | | | • | | | | | | | | | | |
| · · · · · · · · · · · · · · · · · · · | Pooled Investment | | | | | \$ | 6,324,000 | \$ | 8,565,881 | \$ | 8,239,062 | | | | | |
| \$ 8.608.474 \$ 8.281.656 | Portfolio Totals | Local Agency Investment Fund (LAIF)** | 0.992536038 | | | | | \$ | 42,594 | \$ | 42,594 | | | | 0 | 10103 |
| | | | | | | | | \$ | 8,608,474 | \$ | 8,281,656 | | | | | |





This monthly report accurately reflects all District pooled investments. It is in conformity with the Investment Administrative code section 5.03.080. The District has sufficient cash flow to meet six months of obligations. This is in effect is in compliance with the current Investment Policy.

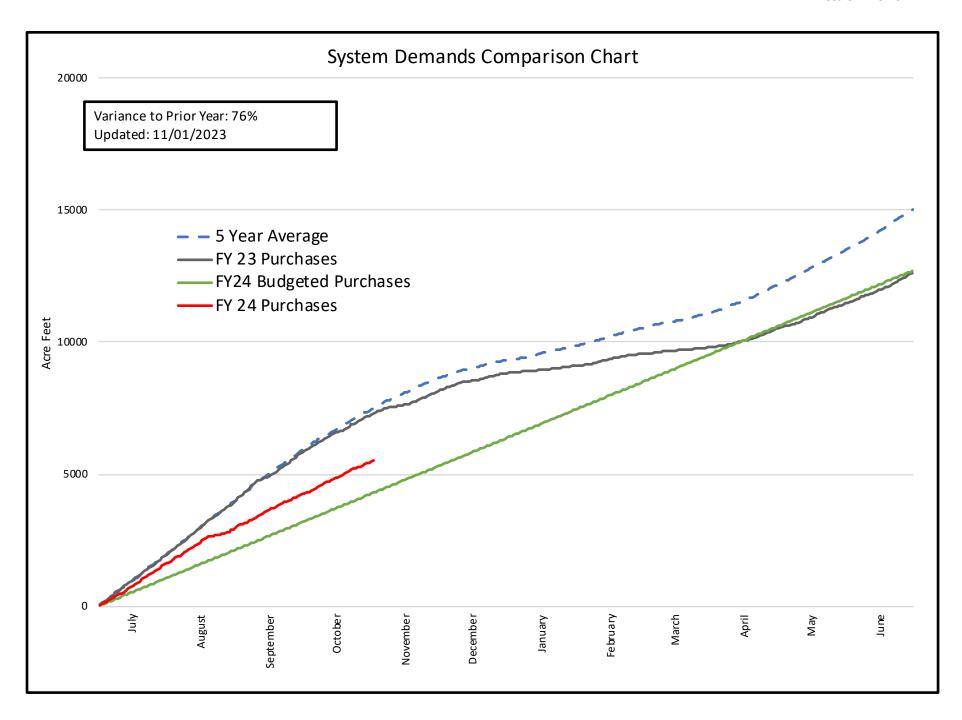
Tracy Laugant

11/13/23

Tracy Largent, 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



Comparative Water Sales YTD from Prior Years

| FISCAL | YFΔR | 2023-2024 | |
|--------|------|-----------|--|
| | | | |

| | | | | | | | TE IETHE EU | | | | | | | |
|-----------|-----------|---------|---------|---------|---------|-----|-------------|-----|-----|-----|-----|-----|-----|-------|
| Quantity | | | | | | | | | | | | | | Acre |
| of Meters | User Code | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | Feet |
| 1,186 | AD | 73,075 | 98,185 | 92,075 | 77,588 | | | | | | | | | 783 |
| 513 | AG | 88,313 | 138,196 | 135,366 | 96,417 | | | | | | | | | 1,052 |
| 275 | CM | 28,891 | 42,818 | 38,203 | 28,504 | | | | | | | | | 318 |
| 37 | CN | 2,428 | 2,729 | 3,258 | 2,355 | | | | | | | | | 25 |
| 21 | IS | 1,834 | 2,641 | 2,376 | 2,033 | | | | | | | | | 20 |
| 124 | MF | 11,239 | 13,710 | 15,934 | 13,516 | | | | | | | | | 125 |
| 139 | PC | 43,776 | 65,411 | 57,622 | 52,212 | | | | | | | | | 503 |
| 300 | PD | 60,282 | 87,083 | 76,700 | 64,555 | | | | | | | | | 663 |
| 6,234 | SF | 124,919 | 158,311 | 158,813 | 135,270 | | | | | | | | | 1,325 |
| 8,829 | Total | 434,757 | 609,084 | 580,347 | 472,450 | - | - | - | - | - | - | - | - | 4,813 |

FISCAL YEAR 2022-2023

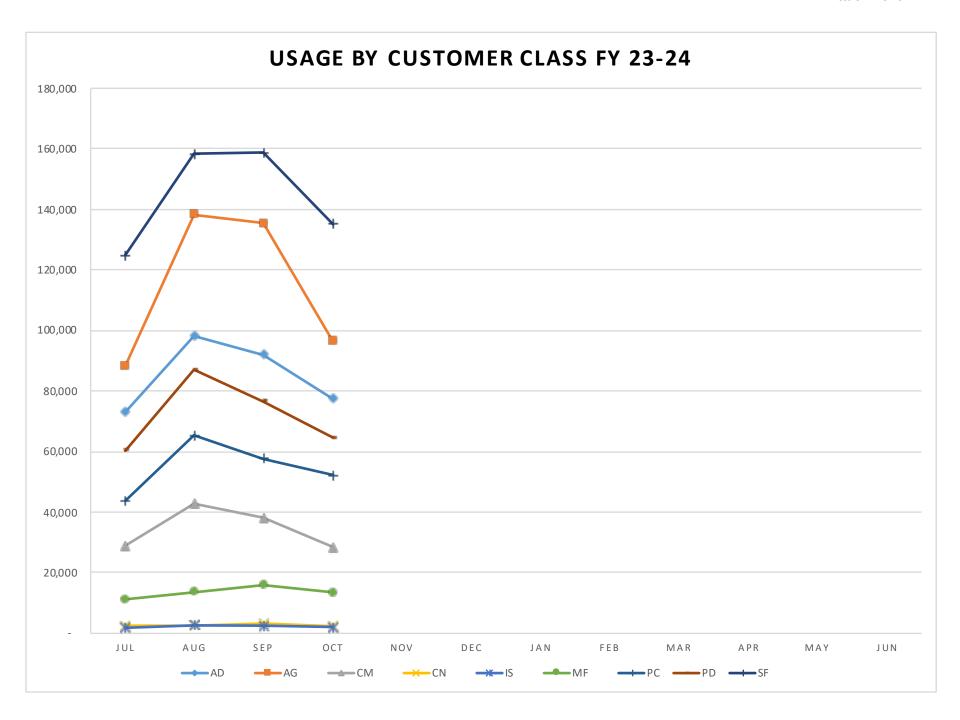
| Quantity | | | | | | | | | | | | | | Acre |
|-----------|-----------|---------|---------|---------|---------|-----|-----|-----|-----|-----|-----|---------|-----|-------|
| of Meters | User Code | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | Feet |
| 1,186 | AD | 126,735 | 108,343 | 138,717 | 105,317 | | | | | | | | | 1,100 |
| 513 | AG | 190,990 | 174,397 | 235,403 | 155,228 | | | | | | | | | 1,736 |
| 275 | CM | 52,026 | 47,725 | 62,693 | 42,811 | | | | | | | | | 471 |
| 37 | CN | 13,891 | 8,870 | 16,009 | 8,213 | | | | | | | | | 108 |
| 21 | IS | 4,157 | 3,544 | 4,402 | 2,791 | | | | | | | | | 34 |
| 124 | MF | 14,020 | 12,841 | 16,595 | 13,322 | | | | | | | | | 130 |
| 139 | PC | 86,650 | 77,010 | 99,962 | 77,857 | | | | | | | | | 784 |
| 300 | PD | 102,297 | 94,478 | 121,441 | 87,843 | | | | | | | | | 932 |
| 6,234 | SF | 181,808 | 160,423 | 198,867 | 157,915 | | | | | | | | | 1,605 |
| 8,829 | Total | 772,574 | 687,631 | 894,089 | 651,297 | - | - | - | - | - | - | 536,055 | - | 6,900 |

FISCAL YEAR 2021-2022

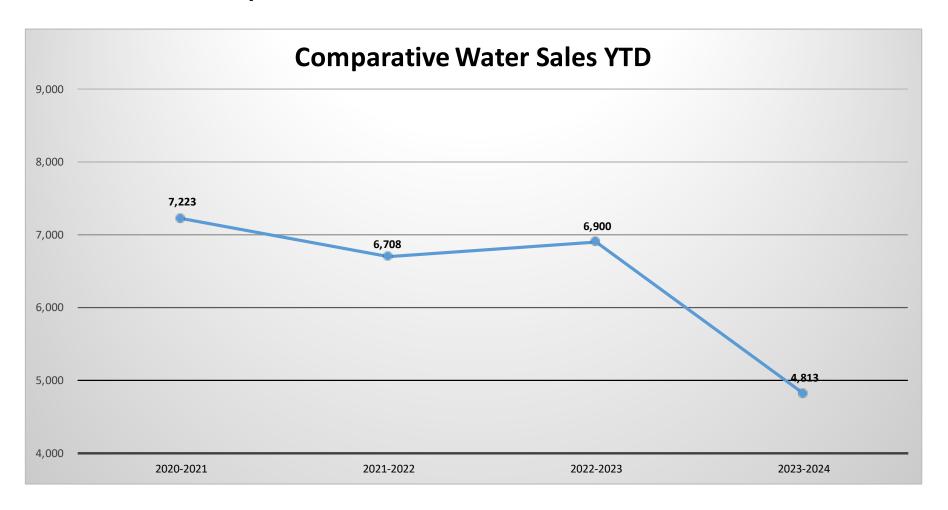
| Quantity | | | | | | | | | | | | | | Acre |
|-----------|-----------|---------|---------|---------|---------|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| of Meters | User Code | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | Feet |
| 1,227 | AD | 49,878 | 120,877 | 132,208 | 105,801 | | | | | | | | | 938 |
| 531 | AG | 126,020 | 156,517 | 188,678 | 141,035 | | | | | | | | | 1,406 |
| 276 | CM | 43,597 | 45,074 | 58,754 | 34,843 | | | | | | | | | 418 |
| 26 | CN | 9,809 | 7,353 | 8,900 | 4,999 | | | | | | | | | 71 |
| 21 | IS | 4,094 | 3,585 | 3,722 | 2,400 | | | | | | | | | 32 |
| 121 | MF | 14,171 | 12,501 | 14,634 | 11,363 | | | | | | | | | 121 |
| 148 | PC | 105,195 | 87,728 | 98,194 | 76,152 | | | | | | | | | 843 |
| 313 | PD | 104,423 | 101,695 | 108,445 | 85,321 | | | | | | | | | 918 |
| - | SC | 54,638 | - | - | - | | | | | | | | | 125 |
| - | SD | 86,465 | - | - | - | | | | | | | | | 198 |
| 6,012 | SF | 186,785 | 176,948 | 193,467 | 155,723 | | | | | | | | | 1,637 |
| 8675 | Total | 785,075 | 712,278 | 807,002 | 617,637 | - | - | - | - | - | - | - | - | 6,708 |

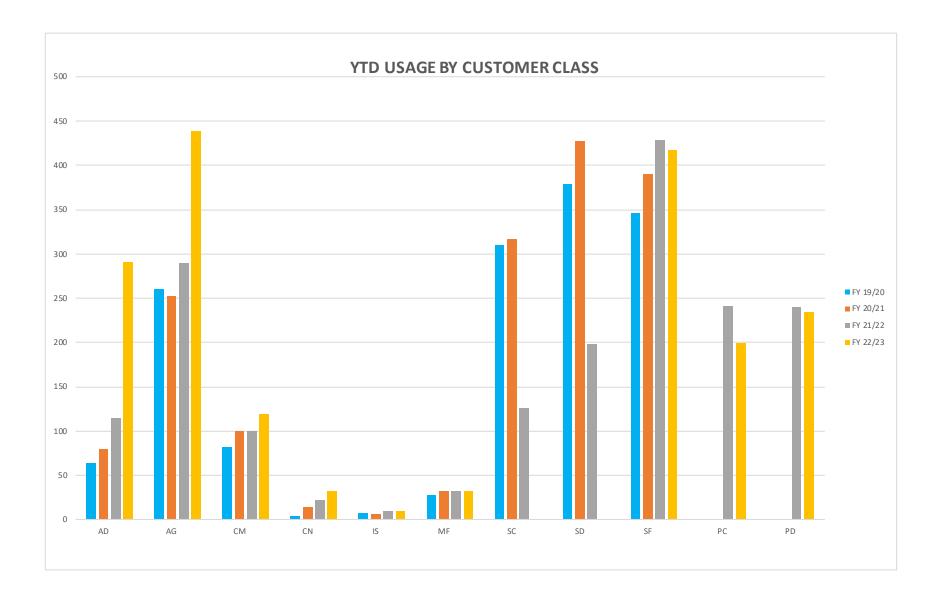
FISCAL YEAR 2020-2021

| Quantity | | | | | | | | | | | | | | Acre |
|-----------|-----------|---------|---------|---------|---------|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| of Meters | User Code | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | Feet |
| 549 | AD | 34,763 | 39,406 | 46,230 | 42,502 | | | | | | | | | 374 |
| 402 | AG | 109,886 | 131,840 | 137,233 | 129,675 | | | | | | | | | 1,168 |
| 271 | CM | 43,615 | 49,777 | 48,946 | 49,458 | | | | | | | | | 440 |
| 24 | CN | 6,330 | 12,547 | 10,164 | 14,057 | | | | | | | | | 99 |
| 21 | IS | 2,513 | 2,972 | 3,359 | 3,231 | | | | | | | | | 28 |
| 114 | MF | 14,151 | 14,484 | 14,090 | 14,996 | | | | | | | | | 133 |
| | PC | - | - | - | - | | | | | | | | | - |
| | PD | - | - | - | - | | | | | | | | | - |
| 319 | SC | 137,945 | 133,502 | 160,919 | 156,961 | | | | | | | | | 1,353 |
| 1,012 | SD | 186,337 | 204,966 | 223,721 | 229,964 | | | | | | | | | 1,940 |
| 5,851 | SF | 169,793 | 186,711 | 189,918 | 189,511 | | | | | | | | | 1,689 |
| 8,563 | Total | 705,333 | 776,205 | 834,580 | 830,355 | - | - | - | - | - | - | - | - | 7,223 |



Comparative Water Sales YTD from Prior Years







Check Register September 2023

| Description | Bank Transaction Code | Issue Date | Amount |
|-------------------------------------|-----------------------|------------|-----------|
| "1&3'&\$54) "%& | ACH | 09/01/2023 | 450.00 |
| ABATIX CORP | CHECK | 09/01/2023 | 83.12 |
| AM ORTEGA CONSTRUCTION | CHECK | 09/01/2023 | 1,825.00 |
| APPLEONE EMPLOYMENT SERVICES | CHECK | 09/01/2023 | 2,745.59 |
| ARAMARK UNIFORM SERVICES | CHECK | 09/01/2023 | 699.91 |
| AT&T | CHECK | 09/01/2023 | 286.68 |
| AT&T LONG DISTANCE | CHECK | 09/01/2023 | 47.25 |
| ATS COMMUNICATIONS | CHECK | 09/01/2023 | 2,265.00 |
| AZUGA, INC. | CHECK | 09/01/2023 | 238.95 |
| BONSALL PEST CONTROL | CHECK | 09/01/2023 | 210.00 |
| BOOT BARN INC | CHECK | 09/01/2023 | 200.00 |
| BOOT WORLD, INC | ACH | 09/01/2023 | 200.00 |
| BP BATTERY INC. | ACH | 09/01/2023 | 169.76 |
| BRYAN ORTIZ | CHECK | 09/01/2023 | 241.80 |
| CDW GOVERNMENT, INC. | CHECK | 09/01/2023 | 2,407.00 |
| CLEARSTAR, INC. | CHECK | 09/01/2023 | 193.84 |
| CLEARSTAR, INC. | CHECK | 09/01/2023 | 560.20 |
| COLONIAL LIFE & ACCIDENT INS. | CHECK | 09/01/2023 | 60.71 |
| CORE & MAIN LP | CHECK | 09/01/2023 | 15,786.87 |
| CORRPRO COMPANIES INC - REFUND | CHECK | 09/01/2023 | 1,712.56 |
| CORRPRO COMPANIES, INC. | ACH | 09/01/2023 | 6,675.90 |
| CRAIG SHOBE | CHECK | 09/01/2023 | 990.00 |
| CUSTOM TRUCK BODY & EQUIPMENT, INC. | ACH | 09/01/2023 | 5,065.61 |
| DIAMOND ENVIRONMENTAL SERVICES | CHECK | 09/01/2023 | 466.40 |
| EDWARD BRADLEY | CHECK | 09/01/2023 | 329.00 |
| ELECTRICAL SALES, INC. | CHECK | 09/01/2023 | 535.95 |

| Description | Bank Transaction Code | Issue Date | Amount |
|---|-----------------------|------------|-----------|
| ENERGAGE, LLC | CHECK | 09/01/2023 | 2,205.00 |
| FALLBROOK ACE HARDWARE | CHECK | 09/01/2023 | 41.51 |
| FALLBROOK AUTO PARTS | CHECK | 09/01/2023 | 7,119.96 |
| FALLBROOK WASTE AND RECYCLING | CHECK | 09/01/2023 | 487.47 |
| FERGUSON WATERWORKS #1083 | CHECK | 09/01/2023 | 14,423.15 |
| FLEETCREW, INC. | ACH | 09/01/2023 | 245.00 |
| FLYERS ENERGY LLC | ACH | 09/01/2023 | 5,624.25 |
| FREEDOM AUTOMATION, INC. | CHECK | 09/01/2023 | 2,240.00 |
| GLOBAL POWER GROUP INC. | CHECK | 09/01/2023 | 3,747.50 |
| GOSCH FORD TEMECULA | CHECK | 09/01/2023 | 640.63 |
| HAAKER EQUIPMENT CO. | ACH | 09/01/2023 | 9,482.00 |
| HACH | CHECK | 09/01/2023 | 1,451.53 |
| HADRONEX, INC. | ACH | 09/01/2023 | 39,591.00 |
| HARRIS & ASSOCIATES, INC. | ACH | 09/01/2023 | 3,344.93 |
| HILL BROTHERS CHEMICAL CO. | CHECK | 09/01/2023 | 4,048.55 |
| ICONIX WATERWORKS (US) INC | ACH | 09/01/2023 | 447.79 |
| IMPACT DESIGN | CHECK | 09/01/2023 | 157.96 |
| INLAND KENWORTH (US) INC | ACH | 09/01/2023 | 852.05 |
| KEVIN MILLER | ACH | 09/01/2023 | 363.00 |
| KNOCKOUT PEST CONTROL& TERMITE, INC. | CHECK | 09/01/2023 | 400.00 |
| LAUTERBACH & AMEN, LLP. | CHECK | 09/01/2023 | 3,700.00 |
| MCCALL'S METER SALES & SERVICE | CHECK | 09/01/2023 | 50.00 |
| MICHAEL MACK | CHECK | 09/01/2023 | 58.95 |
| MOBILE MODULAR | CHECK | 09/01/2023 | 3,987.28 |
| ONESOURCE DISTRIBUTORS, LLC | CHECK | 09/01/2023 | 344.68 |
| O'REILLY AUTO PARTS | CHECK | 09/01/2023 | 431.18 |
| PACIFIC HYDROTECH CORPORATION | ACH | 09/01/2023 | 1,512.76 |
| PACIFIC PIPELINE SUPPLY | CHECK | 09/01/2023 | 1,551.60 |
| PARDEE HOMES | CHECK | 09/01/2023 | 1,825.00 |
| PATRICIA TOWNSEND-SMITH | CHECK | 09/01/2023 | 48.47 |
| PERRAULT CORPORATION | CHECK | 09/01/2023 | 6,068.61 |
| PETERS PAVING & GRADING, INC | ACH | 09/01/2023 | 19,050.00 |
| PITNEY BOWES INC. | CHECK | 09/01/2023 | 739.16 |
| POLLUTION CONTROL DISTRICT COUNTY OF SAN DIEGO, AIR | CHECK | 09/01/2023 | 620.00 |

| Description | Bank Transaction Code | Issue Date | Amount |
|--|-----------------------|------------|--------------|
| PRECISION MOBILE DETAILING | ACH | 09/01/2023 | 445.95 |
| PRINCIPAL LIFE INSURANCE COMPANY | ACH | 09/01/2023 | 8,013.88 |
| QUALITY CHEVROLET | ACH | 09/01/2023 | 83.57 |
| QUALITY GATE COMPANY | ACH | 09/01/2023 | 145.00 |
| RHO MONSERATE C.C.H.A. | CHECK | 09/01/2023 | 526.79 |
| RT LAWRENCE CORPORATION | ACH | 09/01/2023 | 2,584.89 |
| SAFETY-KLEEN | ACH | 09/01/2023 | 714.55 |
| SALIZCO INC | CHECK | 09/01/2023 | 3,954.42 |
| SAN DIEGO GAS & ELECTRIC | CHECK | 09/01/2023 | 62,702.66 |
| T S INDUSTRIAL SUPPLY | CHECK | 09/01/2023 | 368.26 |
| TEMECULA TROPHY CO. | CHECK | 09/01/2023 | 102.12 |
| TIAA COMMERCIAL FINANCE, INC. | CHECK | 09/01/2023 | 2,997.67 |
| ULINE | CHECK | 09/01/2023 | 529.35 |
| USP TECHNOLOGIES | CHECK | 09/01/2023 | 28,593.24 |
| UTILITY SERVICE CO. | ACH | 09/01/2023 | 235,000.69 |
| VERIZON WIRELESS | CHECK | 09/01/2023 | 7,678.89 |
| VISTA FENCE INCORPORATED | ACH | 09/01/2023 | 8,350.00 |
| WATERLINE TECHNOLOGIES INC. | CHECK | 09/01/2023 | 12,306.13 |
| WEST COAST TELECOM PRODUCTS | CHECK | 09/01/2023 | 155.44 |
| WESTERN LANDSCAPE MAINTENANCE PLUS, INC. | ACH | 09/01/2023 | 532.51 |
| WHITE CAP CONSTRUCTION SUPPLY | CHECK | 09/01/2023 | 214.59 |
| XYLEM DEWATERING SOLUTIONS, INC. | CHECK | 09/01/2023 | 3,535.45 |
| SDCWA WATER PURCHASE- JULY 2023 | WIRE | 09/12/2023 | 2,734,319.10 |
| US BANK CC - COFFEY (AUGUST STATEMENT) | EFT | 09/12/2023 | 68.83 |
| US BANK CC - DEL RIO (AUGUST STATEMENT) | EFT | 09/12/2023 | 341.72 |
| US BANK CC - KENNEDY (AUGUST STATEMENT) | EFT | 09/12/2023 | 171.85 |
| US BANK CC - LAGUNAS (AUGUST STATEMENT) | EFT | 09/12/2023 | 461.68 |
| US BANK CC - LARGENT (AUGUST STATEMENT) | EFT | 09/12/2023 | 143.13 |
| US BANK CC - NUNEZ (AUGUST STATEMENT) | EFT | 09/12/2023 | 58.55 |
| US BANK CC - WILLIAMS (AUGUST STATEMENT) | EFT | 09/12/2023 | 201.57 |
| US BANK CC - ZUNIGA (AUGUST STATEMENT) | EFT | 09/12/2023 | 9.26 |
| 49er COMMUNICATIONS, INC. | CHECK | 09/15/2023 | 2,836.44 |
| ACWA/JPIA | ACH | 09/15/2023 | 7,583.00 |
| ACWA-JPIA | ACH | 09/15/2023 | 87,808.49 |

| ARGAS USA, LLC APPLEONE EMPLOYMENT SERVICES APPLEONE EMPLOYMENT SERVICES CHECK APPLEONE EMPLOYMENT SERVICES CHECK APPLEONE EMPLOYMENT SERVICES CHECK BO9/15/2023 A78.4T CHECK BO9/15/2023 A78.4T CHECK BO9/15/2023 A78.4T CHECK BO9/15/2023 BABCOCK LABORATORIES, INC BABCOCK LABORATORIES, INC BABCOCK LABORATORIES, INC CHECK BO9/15/2023 BASSETT COMMUNICATIONS, INC BASSETT COMMUNICATIONS, INC CHECK BO9/15/2023 BOSSALL CHAMBER OF COMMERCE CHECK BO9/15/2023 BRIGHTIVER YREE CARE SERVICES, INC. CHECK BO9/15/2023 BRIGHTIVER YREE CARE SERVICES, INC. CHECK BO9/15/2023 BRIGHTIVER YREE CARE SERVICES, INC. CHECK BO9/15/2023 BOSSALL CHECK BOSSALL CHECK BO9/15/2023 BOSSALL CHECK BOSSALL CHECK BO9/15/2023 BOSSALL CHECK BOSSALL CH | Description | Bank Transaction Code | Issue Date | Amount |
|--|---|-----------------------|------------|-----------|
| ARAMARK UNIFORM SERVICES CHECK 09/15/2023 2,692.43 AT&T CHECK 09/15/2023 663.61 ATALS ENGINEERING WEST, INC. CHECK 09/15/2023 5,692.00 BABCOCK LABORATORIES, INC ACH 09/15/2023 528.00 BADGER METER INC. CHECK 09/15/2023 7,887.30 BONSALL CHAMBER OF COMMERCE CHECK 09/15/2023 1,85.80 BY BATTERY INC. ACH 09/15/2023 1,95.00 BR BGHTYIEW TREE CARE SERVICES, INC. CHECK 09/15/2023 1,95.00 CHARTER COMMUNICATIONS CHECK 09/15/2023 1,400.00 COLONIAL LIFE & ACCIDENT INS. CHECK 09/15/2023 4,351.00 COLIVITY OF SAN DIEGO, RCS CHECK 09/15/2023 4,351.00 CUNITY OF SAN DIEGO, RCS CHECK 09/15/2023 1,310.19 CRAIG SHOBE CHECK 09/15/2023 1,310.19 CRAIG SHOBE CHECK 09/15/2023 12,473.13 DIAMOND ENVIRONMENTAL SERVICES CHECK 09/15/2023 1,362.60 | AIRGAS USA, LLC | ACH | 09/15/2023 | 558.58 |
| AT&T CHECK 09/15/2023 663.61 ATLAS ENGINEERIING WEST, INC. CHECK 09/15/2023 5,692.00 BABCOCK LABORATORIES, INC ACH 09/15/2023 639.00 BADGER METER INC. CHECK 09/15/2023 7,887.30 BASSETT COMMUNICATIONS, INC CHECK 09/15/2023 7,887.30 BONSALL CHAMBER OF COMMERCE CHECK 09/15/2023 1,850.00 BP BATTERY INC. ACH 09/15/2023 4,995.00 CHARTER COMMUNICATIONS CHECK 09/15/2023 4,995.00 CHARTER COMMUNICATIONS CHECK 09/15/2023 4,995.00 CHARTER COMMUNICATIONS CHECK 09/15/2023 4,995.00 COLONIAL LIFE & ACCIDENT INS. CHECK 09/15/2023 4,000.00 COLONIY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,351.00 COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,351.00 COUNTY OF SAN DIEGO, RCS CHECK 09/15/2023 1,310.19 CRAIG SHOBO CHECK 09/15/2023 1,473 | APPLEONE EMPLOYMENT SERVICES | CHECK | 09/15/2023 | 2,334.39 |
| ATLAS ENGINEERING WEST, INC. CHECK 09/15/2023 5,692.00 BABCOCK LABORATORIES, INC ACH 09/15/2023 639.00 BADGER METER INC. CHECK 09/15/2023 7,887.30 BASSETT COMMUNICATIONS, INC CHECK 09/15/2023 7,887.30 BONSALL CHAMBER OF COMMERCE CHECK 09/15/2023 1,855.00 BP BATTERY INC. ACH 09/15/2023 1,855.00 BRIGHTIVIEW TREE CARE SERVICES, INC. CHECK 09/15/2023 1,400.00 COLONIAL LIFE & ACCIDENT INS. CHECK 09/15/2023 1,400.00 COLONIAL LIFE & ACCIDENT INS. CHECK 09/15/2023 4,351.00 COUNTY OF SAN DIEGO, RCS CHECK 09/15/2023 1,310.19 CRAIG SHOBE CHECK 09/15/2023 1,310.19 CRAIG SHOBE CHECK 09/15/2023 1,310.19 CUSTOM TRUCK BODY & EQUIPMENT, INC. ACH 09/15/2023 3,393.00 DIAMOND ENVIRONMENTAL SERVICES CHECK 09/15/2023 1,825.00 ESAUD LAGUNAS CHECK 09/15/2023 1,825.00< | ARAMARK UNIFORM SERVICES | CHECK | 09/15/2023 | 2,692.43 |
| BABCOCK LABORATORIES, INC ACH 09/15/2023 639.00 BADGER METER INC. CHECK 09/15/2023 528.00 BASSETT COMMUNICATIONS, INC CHECK 09/15/2023 7.887.30 BONSALL CHAMBER OF COMMERCE CHECK 09/15/2023 185.00 BP BATTERY INC. ACH 09/15/2023 4,955.00 BRIGHTVIEW TREE CARE SERVICES, INC. CHECK 09/15/2023 1,400.00 CHARTER COMMUNICATIONS CHECK 09/15/2023 1,400.00 COLONIAL LIFE & ACCIDENT INS. CHECK 09/15/2023 4,951.00 COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,351.00 COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,351.00 COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,351.00 COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,351.00 CUSTOM TRUCK BODY & EQUIPMENT, INC. ACH 09/15/2023 1,310.10 CUSTOM TRUCK BODY & EQUIPMENT, INC. CHECK 09/15/2023 1,825.00 | AT&T | CHECK | 09/15/2023 | 663.61 |
| BADGER METER INC. CHECK 09/15/2023 528.00 BASSETT COMMUNICATIONS, INC CHECK 09/15/2023 7,887.30 BONSALL CHAMBER OF COMMERCE CHECK 09/15/2023 1,85.00 BP BATTERY INC. ACH 09/15/2023 1,163.84 BRIGHTVIEW TREE CARE SERVICES, INC. CHECK 09/15/2023 4,995.00 CHARTER COMMUNICATIONS CHECK 09/15/2023 1,400.00 COLONIAL LIFE & ACCIDENT INS. CHECK 09/15/2023 60.71 COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 43.51.00 COUNTY OF SAN DIEGO, RCS CHECK 09/15/2023 470.00 CRAIG SHOBE CHECK 09/15/2023 470.00 CUSTOM TRUCK BODY & EQUIPMENT, INC. ACH 09/15/2023 349.27 DW CONSTRUCTION INC CHECK 09/15/2023 349.27 DW CONSTRUCTION INC CHECK 09/15/2023 1,825.00 EARLIBROOK ACE HARDWARE CHECK 09/15/2023 139.00 FALLBROOK AND PARTS CHECK 09/15/2023 139.00 | ATLAS ENGINEERING WEST, INC. | CHECK | 09/15/2023 | 5,692.00 |
| BASSETT COMMUNICATIONS, INC CHECK 09/15/2023 7,887.30 BONSALL CHAMBER OF COMMERCE CHECK 09/15/2023 185.00 BP BATTERY INC. ACH 09/15/2023 1,60.36 BRIGHTVIEW TREE CARE SERVICES, INC. CHECK 09/15/2023 4,995.00 CHARTER COMMUNICATIONS CHECK 09/15/2023 60.71 COLONIAL LIFE & ACCIDENT INS. CHECK 09/15/2023 60.71 COUNTY OF S.A.D DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,351.00 COUNTY OF SAN DIEGO, RCS CHECK 09/15/2023 4,751.00 CRAIG SHOBE CHECK 09/15/2023 470.00 CUSTOM TRUCK BODY & EQUIPMENT, INC. ACH 09/15/2023 349.27 DW CONSTRUCTION INC CHECK 09/15/2023 349.27 ESAUD LAGUNAS CHECK 09/15/2023 1,825.00 EUROSOURCE JANITORIAL SERVICE INC. ACH 09/15/2023 3,935.00 FALLBROOK ACE HARDWARE CHECK 09/15/2023 133.00 FALLBROOK IRRIGATION SUPPLIES CHECK 09/15/2023 | BABCOCK LABORATORIES, INC | ACH | 09/15/2023 | 639.00 |
| BONSALL CHAMBER OF COMMERCE CHECK 09/15/2023 185.00 BP BATTERY INC. ACH 09/15/2023 1,163.84 BRIGHTVIEW TREE CARE SERVICES, INC. CHECK 09/15/2023 1,903.00 CHARTER COMMUNICATIONS CHECK 09/15/2023 1,400.00 COLONIAL LIFE & ACCIDENT INS. CHECK 09/15/2023 4,351.00 COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,351.00 COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,351.00 COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,351.00 COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,351.00 CUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,70.00 CUSTOM TRUCK BODY & EQUIPMENT, INC. ACH 09/15/2023 21,473.13 DIAMOND ENVIRONMENTAL SERVICES CHECK 09/15/2023 3,93.20 DW ONSTRUCTION INC CHECK 09/15/2023 1,820.00 EVALUAGONA CHECK 09/15/2023 1,330.00 <td< td=""><td>BADGER METER INC.</td><td>CHECK</td><td>09/15/2023</td><td>528.00</td></td<> | BADGER METER INC. | CHECK | 09/15/2023 | 528.00 |
| BP BATTERY INC. ACH 09/15/2023 1,163.84 BRIGHTVIEW TREE CARE SERVICES, INC. CHECK 09/15/2023 4,995.00 CHARTER COMMUNICATIONS CHECK 09/15/2023 1,400.00 COLONIAL LIFE & ACCIDENT INS. CHECK 09/15/2023 4,351.00 COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,351.00 COUNTY OF SAN DIEGO, RCS CHECK 09/15/2023 470.00 CRAIG SHOBE CHECK 09/15/2023 470.00 CUSTOM TRUCK BODY & EQUIPMENT, INC. ACH 09/15/2023 349.27 DIAMOND ENVIRONMENTAL SERVICES CHECK 09/15/2023 1,825.00 ESAUD LAGUINAS CHECK 09/15/2023 1,825.00 ESAUD LAGUINAS CHECK 09/15/2023 1,300.00 EVALLBROOK ACE HARDWARE CHECK 09/15/2023 1330.00 FALLBROOK AUTO PARTS CHECK 09/15/2023 1330.00 FALLBROOK LOCAL LOCKSMITH CHECK 09/15/2023 360.00 FELUME TECH CHECK 09/15/2023 1,367.80 <td>BASSETT COMMUNICATIONS, INC</td> <td>CHECK</td> <td>09/15/2023</td> <td>7,887.30</td> | BASSETT COMMUNICATIONS, INC | CHECK | 09/15/2023 | 7,887.30 |
| BRIGHTVIEW TREE CARE SERVICES, INC. CHECK 09/15/2023 4,995.00 CHARTER COMMUNICATIONS CHECK 09/15/2023 1,400.00 COLONIAL LIFE & ACCIDENT INS. CHECK 09/15/2023 60.71 COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 1,310.19 COUNTY OF SAN DIEGO, RCS CHECK 09/15/2023 1,310.19 CRAIG SHOBE CHECK 09/15/2023 21,473.13 DIAMOND ENVIRONMENTAL SERVICES CHECK 09/15/2023 349.27 DW CONSTRUCTION INC CHECK 09/15/2023 1,825.00 ESAUD LAGUNAS CHECK 09/15/2023 1,825.00 EVALUAGIONAS CHECK 09/15/2023 1,935.00 FALLBROOK AGE HARDWARE CHECK 09/15/2023 133.00 FALLBROOK AUTO PARTS CHECK 09/15/2023 139.00 FALLBROOK LOCAL LOCKSMITH CHECK 09/15/2023 36.00 FERGUSON WATERWORKS #1083 CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 8,754.90 < | BONSALL CHAMBER OF COMMERCE | CHECK | 09/15/2023 | 185.00 |
| CHARTER COMMUNICATIONS CHECK 09/15/2023 1,400.00 COLONIAL LIFE & ACCIDENT INS. CHECK 09/15/2023 60.71 COUNTY OF S.D DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,351.00 COUNTY OF S.D DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 1,310.19 CRAIG SHOBE CHECK 09/15/2023 470.00 CUSTOM TRUCK BODY & EQUIPMENT, INC. ACH 09/15/2023 21,473.13 DIAMOND ENVIRONMENTAL SERVICES CHECK 09/15/2023 349.27 DW CONSTRUCTION INC CHECK 09/15/2023 1,825.00 ESAUD LAGUNAS CHECK 09/15/2023 1,825.00 EUROSOURCE JANITORIAL SERVICE INC. ACH 09/15/2023 3,935.00 FALLBROOK ACE HARDWARE CHECK 09/15/2023 133.00 FALLBROOK IRRIGATION SUPPLIES CHECK 09/15/2023 350.01 FALLBROOK INGRIGATION SUPPLIES CHECK 09/15/2023 1,367.89 FERGUSON WATERWORKS #1083 CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2 | BP BATTERY INC. | ACH | 09/15/2023 | 1,163.84 |
| COLONIAL LIFE & ACCIDENT INS. CHECK 09/15/2023 60.71 COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,351.00 COUNTY OF SAN DIEGO, RCS CHECK 09/15/2023 1,310.19 CRAIG SHOBE CHECK 09/15/2023 21,473.11 CUSTOM TRUCK BODY & EQUIPMENT, INC. ACH 09/15/2023 21,473.11 DIAMOND ENVIRONMENTAL SERVICES CHECK 09/15/2023 349.27 DW CONSTRUCTION INC CHECK 09/15/2023 100.00 ESAUD LAGUNAS CHECK 09/15/2023 3.935.00 FALLBROOK ACE HARDWARE CHECK 09/15/2023 3.935.00 FALLBROOK AUTO PARTS CHECK 09/15/2023 179.95 FALLBROOK INRIGATION SUPPLIES CHECK 09/15/2023 530.01 FALLBROOK LOCAL LOCKSMITH CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 1,744.88 FLYERS ENERGY LLC ACH 09/15/2023 8,754.90 | BRIGHTVIEW TREE CARE SERVICES, INC. | CHECK | 09/15/2023 | 4,995.00 |
| COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH CHECK 09/15/2023 4,351.00 COUNTY OF SAN DIEGO, RCS CHECK 09/15/2023 1,310.19 CRAIG SHOBE CHECK 09/15/2023 470.00 CUSTOM TRUCK BODY & EQUIPMENT, INC. ACH 09/15/2023 349.21 DIAMOND ENVIRONMENTAL SERVICES CHECK 09/15/2023 1,825.00 ESAUD LAGUNAS CHECK 09/15/2023 100.00 EVROSOURCE JANITORIAL SERVICE INC. ACH 09/15/2023 3,935.00 FALLBROOK ACE HARDWARE CHECK 09/15/2023 133.00 FALLBROOK AUTO PARTS CHECK 09/15/2023 179.95 FALLBROOK IRRIGATION SUPPLIES CHECK 09/15/2023 38.00 FERGUSON WATERWORKS #1083 CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 1,367.89 FLYERS ENERGY LLC ACH 09/15/2023 1,744.88 FLYERS ENERGY LLC ACH 09/15/2023 3,754.90 GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 3,89 | CHARTER COMMUNICATIONS | CHECK | 09/15/2023 | 1,400.00 |
| COUNTY OF SAN DIEGO, RCS CHECK 09/15/2023 1,310.19 CRAIG SHOBE CHECK 09/15/2023 470.00 CUSTOM TRUCK BODY & EQUIPMENT, INC. ACH 09/15/2023 21,473.13 DIAMOND ENVIRONMENTAL SERVICES CHECK 09/15/2023 349.27 DW CONSTRUCTION INC CHECK 09/15/2023 1,825.00 ESAUD LAGUNAS CHECK 09/15/2023 100.00 FUROSOURCE JANITORIAL SERVICE INC. ACH 09/15/2023 3,935.00 FALLBROOK ACE HARDWARE CHECK 09/15/2023 133.00 FALLBROOK AUTO PARTS CHECK 09/15/2023 130.01 FALLBROOK IRRIGATION SUPPLIES CHECK 09/15/2023 36.00 FERGUSON WATERWORKS #1083 CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 1,744.88 FLYERS ENERGY LLC ACH 09/15/2023 8,754.90 FREDERICK ACCESS SYSTEMS CHECK 09/15/2023 8,975.40 GLILINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 8,997.50 | COLONIAL LIFE & ACCIDENT INS. | CHECK | 09/15/2023 | 60.71 |
| CRAIG SHOBE CHECK 09/15/2023 470.00 CUSTOM TRUCK BODY & EQUIPMENT, INC. ACH 09/15/2023 21,473.13 DIAMOND ENVIRONMENTAL SERVICES CHECK 09/15/2023 349.27 DW CONSTRUCTION INC CHECK 09/15/2023 1,825.00 ESAUD LAGUNAS CHECK 09/15/2023 100.00 EUROSOURCE JANITORIAL SERVICE INC. ACH 09/15/2023 3,935.00 FALLBROOK ACE HARDWARE CHECK 09/15/2023 133.00 FALLBROOK BUTO PARTS CHECK 09/15/2023 137.95 FALLBROOK IRRIGATION SUPPLIES CHECK 09/15/2023 36.00 FERGUSON WATERWORKS #1083 CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 1,744.88 FLYERS ENERGY LLC ACH 09/15/2023 8,754.90 FREDERICK ACCESS SYSTEMS CHECK 09/15/2023 1,450.00 GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 8,997.50 GLOBAL POWER GROUP INC. CHECK 09/15/2023 7,946.61 < | COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH | CHECK | 09/15/2023 | 4,351.00 |
| CUSTOM TRUCK BODY & EQUIPMENT, INC. ACH 09/15/2023 21,473.13 DIAMOND ENVIRONMENTAL SERVICES CHECK 09/15/2023 349.27 DW CONSTRUCTION INC CHECK 09/15/2023 1,825.00 ESAUD LAGUNAS CHECK 09/15/2023 100.00 EUROSOURCE JANITORIAL SERVICE INC. ACH 09/15/2023 3,935.00 FALLBROOK ACE HARDWARE CHECK 09/15/2023 133.00 FALLBROOK INTO PARTS CHECK 09/15/2023 350.01 FALLBROOK LOCAL LOCKSMITH CHECK 09/15/2023 360.00 FERGUSON WATERWORKS #1083 CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 1,764.80 FLYERS ENERGY LLC ACH 09/15/2023 1,754.90 FREDERICK ACCESS SYSTEMS CHECK 09/15/2023 1,450.00 GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 8,997.50 GLOBAL POWER GROUP INC. CHECK 09/15/2023 7,946.61 HELIX ENVIRONMENTAL PLANNING INC ACH 09/15/2023 7 | COUNTY OF SAN DIEGO, RCS | CHECK | 09/15/2023 | 1,310.19 |
| DIAMOND ENVIRONMENTAL SERVICES CHECK 09/15/2023 349.27 DW CONSTRUCTION INC CHECK 09/15/2023 1,825.00 ESAUD LAGUNAS CHECK 09/15/2023 100.00 EUROSOURCE JANITORIAL SERVICE INC. ACH 09/15/2023 3,935.00 FALLBROOK ACE HARDWARE CHECK 09/15/2023 133.00 FALLBROOK AUTO PARTS CHECK 09/15/2023 179.95 FALLBROOK IRRIGATION SUPPLIES CHECK 09/15/2023 330.01 FALLBROOK LOCAL LOCKSMITH CHECK 09/15/2023 86.00 FERGUSON WATERWORKS #1083 CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 1,744.48 FLYERS ENERGY LLC ACH 09/15/2023 1,450.00 FREDERICK ACCESS SYSTEMS CHECK 09/15/2023 1,450.00 GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 8,997.50 GLOBAL POWER GROUP INC. CHECK 09/15/2023 3,945.01 HELIX ENVIRONMENTAL PLANNING INC ACH 09/15/2023 7,946.61< | CRAIG SHOBE | CHECK | 09/15/2023 | 470.00 |
| DW CONSTRUCTION INC CHECK 09/15/2023 1,825.00 ESAUD LAGUNAS CHECK 09/15/2023 100.00 EUROSOURCE JANITORIAL SERVICE INC. ACH 09/15/2023 3,935.00 FALLBROOK ACE HARDWARE CHECK 09/15/2023 133.00 FALLBROOK AUTO PARTS CHECK 09/15/2023 179.95 FALLBROOK IRRIGATION SUPPLIES CHECK 09/15/2023 530.01 FALLBROOK LOCAL LOCKSMITH CHECK 09/15/2023 86.00 FERGUSON WATERWORKS #1083 CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 1,744.48 FLYERS ENERGY LLC ACH 09/15/2023 8,754.90 FREDERICK ACCESS SYSTEMS CHECK 09/15/2023 1,450.00 GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 89.97.50 GLOBAL POWER GROUP INC. CHECK 09/15/2023 342.40 HELIX ENVIRONMENTAL PLANNING INC ACH 09/15/2023 7,946.61 JB DIRTWORKS INC CHECK 09/15/2023 1,825.00 | CUSTOM TRUCK BODY & EQUIPMENT, INC. | ACH | 09/15/2023 | 21,473.13 |
| ESAUD LAGUNAS CHECK 09/15/2023 100.00 EUROSOURCE JANITORIAL SERVICE INC. ACH 09/15/2023 3,935.00 FALLBROOK ACE HARDWARE CHECK 09/15/2023 133.00 FALLBROOK AUTO PARTS CHECK 09/15/2023 179.95 FALLBROOK IRRIGATION SUPPLIES CHECK 09/15/2023 530.01 FALLBROOK LOCAL LOCKSMITH CHECK 09/15/2023 86.00 FERGUSON WATERWORKS #1083 CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 1,174.48 FLYERS ENERGY LLC ACH 09/15/2023 8,754.90 FREDERICK ACCESS SYSTEMS CHECK 09/15/2023 1,450.00 GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 8,997.50 GLOBAL POWER GROUP INC. CHECK 09/15/2023 842.40 HELIX ENVIRONMENTAL PLANNING INC ACH 09/15/2023 7,946.61 JB DIRTWORKS INC CHECK 09/15/2023 1,825.00 | DIAMOND ENVIRONMENTAL SERVICES | CHECK | 09/15/2023 | 349.27 |
| EUROSOURCE JANITORIAL SERVICE INC. ACH 09/15/2023 3,935.00 FALLBROOK ACE HARDWARE CHECK 09/15/2023 133.00 FALLBROOK AUTO PARTS CHECK 09/15/2023 179.95 FALLBROOK IRRIGATION SUPPLIES CHECK 09/15/2023 530.01 FALLBROOK LOCAL LOCKSMITH CHECK 09/15/2023 86.00 FERGUSON WATERWORKS #1083 CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 1,744.48 FLYERS ENERGY LLC ACH 09/15/2023 8,754.90 FREDERICK ACCESS SYSTEMS CHECK 09/15/2023 1,450.00 GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 8,997.50 GLOBAL POWER GROUP INC. CHECK 09/15/2023 7,946.61 JB DIRTWORKS INC CHECK 09/15/2023 7,946.61 | DW CONSTRUCTION INC | CHECK | 09/15/2023 | 1,825.00 |
| FALLBROOK ACE HARDWARE CHECK 09/15/2023 133.00 FALLBROOK AUTO PARTS CHECK 09/15/2023 179.95 FALLBROOK IRRIGATION SUPPLIES CHECK 09/15/2023 530.01 FALLBROOK LOCAL LOCKSMITH CHECK 09/15/2023 86.00 FERGUSON WATERWORKS #1083 CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 1,174.48 FLYERS ENERGY LLC ACH 09/15/2023 8,754.90 FREDERICK ACCESS SYSTEMS CHECK 09/15/2023 1,450.00 GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 8,997.50 GLOBAL POWER GROUP INC. CHECK 09/15/2023 3,42.40 HELIX ENVIRONMENTAL PLANNING INC ACH 09/15/2023 7,946.61 JB DIRTWORKS INC CHECK 09/15/2023 1,825.00 | ESAUD LAGUNAS | CHECK | 09/15/2023 | 100.00 |
| FALLBROOK AUTO PARTS CHECK 09/15/2023 179.95 FALLBROOK IRRIGATION SUPPLIES CHECK 09/15/2023 530.01 FALLBROOK LOCAL LOCKSMITH CHECK 09/15/2023 86.00 FERGUSON WATERWORKS #1083 CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 1,174.48 FLYERS ENERGY LLC ACH 09/15/2023 8,754.90 FREDERICK ACCESS SYSTEMS CHECK 09/15/2023 1,450.00 GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 8,997.50 GLOBAL POWER GROUP INC. CHECK 09/15/2023 842.40 HELIX ENVIRONMENTAL PLANNING INC ACH 09/15/2023 7,946.61 JB DIRTWORKS INC CHECK 09/15/2023 1,825.00 | EUROSOURCE JANITORIAL SERVICE INC. | ACH | 09/15/2023 | 3,935.00 |
| FALLBROOK IRRIGATION SUPPLIES CHECK 09/15/2023 530.01 FALLBROOK LOCAL LOCKSMITH CHECK 09/15/2023 86.00 FERGUSON WATERWORKS #1083 CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 1,174.48 FLYERS ENERGY LLC ACH 09/15/2023 8,754.90 FREDERICK ACCESS SYSTEMS CHECK 09/15/2023 1,450.00 GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 8,997.50 GLOBAL POWER GROUP INC. CHECK 09/15/2023 842.40 HELIX ENVIRONMENTAL PLANNING INC ACH 09/15/2023 7,946.61 JB DIRTWORKS INC CHECK 09/15/2023 1,825.00 | FALLBROOK ACE HARDWARE | CHECK | 09/15/2023 | 133.00 |
| FALLBROOK LOCAL LOCKSMITH CHECK 09/15/2023 86.00 FERGUSON WATERWORKS #1083 CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 1,174.48 FLYERS ENERGY LLC ACH 09/15/2023 8,754.90 FREDERICK ACCESS SYSTEMS CHECK 09/15/2023 1,450.00 GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 8,997.50 GLOBAL POWER GROUP INC. CHECK 09/15/2023 842.40 HELIX ENVIRONMENTAL PLANNING INC ACH 09/15/2023 7,946.61 JB DIRTWORKS INC CHECK 09/15/2023 1,825.00 | FALLBROOK AUTO PARTS | CHECK | 09/15/2023 | 179.95 |
| FERGUSON WATERWORKS #1083 CHECK 09/15/2023 1,367.89 FLUME TECH CHECK 09/15/2023 1,174.48 FLYERS ENERGY LLC ACH 09/15/2023 8,754.90 FREDERICK ACCESS SYSTEMS CHECK 09/15/2023 1,450.00 GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 8,997.50 GLOBAL POWER GROUP INC. CHECK 09/15/2023 842.40 HELIX ENVIRONMENTAL PLANNING INC ACH 09/15/2023 7,946.61 JB DIRTWORKS INC CHECK 09/15/2023 1,825.00 | FALLBROOK IRRIGATION SUPPLIES | CHECK | 09/15/2023 | 530.01 |
| FLUME TECH CHECK 09/15/2023 1,174.48 FLYERS ENERGY LLC ACH 09/15/2023 8,754.90 FREDERICK ACCESS SYSTEMS CHECK 09/15/2023 1,450.00 GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 8,997.50 GLOBAL POWER GROUP INC. CHECK 09/15/2023 842.40 HELIX ENVIRONMENTAL PLANNING INC ACH 09/15/2023 7,946.61 JB DIRTWORKS INC CHECK 09/15/2023 1,825.00 | FALLBROOK LOCAL LOCKSMITH | CHECK | 09/15/2023 | 86.00 |
| FLYERS ENERGY LLC ACH 09/15/2023 8,754.90 FREDERICK ACCESS SYSTEMS CHECK 09/15/2023 1,450.00 GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 8,997.50 GLOBAL POWER GROUP INC. CHECK 09/15/2023 842.40 HELIX ENVIRONMENTAL PLANNING INC ACH 09/15/2023 7,946.61 JB DIRTWORKS INC CHECK 09/15/2023 1,825.00 | FERGUSON WATERWORKS #1083 | CHECK | 09/15/2023 | 1,367.89 |
| FREDERICK ACCESS SYSTEMS CHECK 09/15/2023 1,450.00 GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 8,997.50 GLOBAL POWER GROUP INC. CHECK 09/15/2023 842.40 HELIX ENVIRONMENTAL PLANNING INC ACH 09/15/2023 7,946.61 JB DIRTWORKS INC CHECK 09/15/2023 1,825.00 | FLUME TECH | CHECK | 09/15/2023 | 1,174.48 |
| GILLINGHAM WATER PLANNING & ENGINEERING, INC. CHECK 09/15/2023 8,997.50 GLOBAL POWER GROUP INC. CHECK 09/15/2023 842.40 HELIX ENVIRONMENTAL PLANNING INC ACH 09/15/2023 7,946.61 JB DIRTWORKS INC CHECK 09/15/2023 1,825.00 | FLYERS ENERGY LLC | ACH | 09/15/2023 | 8,754.90 |
| GLOBAL POWER GROUP INC. CHECK 09/15/2023 842.40 HELIX ENVIRONMENTAL PLANNING INC ACH 09/15/2023 7,946.61 JB DIRTWORKS INC CHECK 09/15/2023 1,825.00 | FREDERICK ACCESS SYSTEMS | CHECK | 09/15/2023 | 1,450.00 |
| HELIX ENVIRONMENTAL PLANNING INC ACH 09/15/2023 7,946.61 JB DIRTWORKS INC CHECK 09/15/2023 1,825.00 | GILLINGHAM WATER PLANNING & ENGINEERING, INC. | CHECK | 09/15/2023 | 8,997.50 |
| JB DIRTWORKS INC CHECK 09/15/2023 1,825.00 | GLOBAL POWER GROUP INC. | CHECK | 09/15/2023 | 842.40 |
| , . | HELIX ENVIRONMENTAL PLANNING INC | ACH | 09/15/2023 | 7,946.61 |
| KENNY'S STRAWBERRY FARMS CHECK 09/15/2023 1,490.12 | JB DIRTWORKS INC | CHECK | 09/15/2023 | 1,825.00 |
| | KENNY'S STRAWBERRY FARMS | CHECK | 09/15/2023 | 1,490.12 |

| Description | Bank Transaction Code | Issue Date | Amount |
|---|-----------------------|------------|-----------|
| KNOCKOUT PEST CONTROL& TERMITE, INC. | CHECK | 09/15/2023 | 100.00 |
| KNOWBE4, INC. | CHECK | 09/15/2023 | 1,235.20 |
| LANCE, SOLL & LUNGHARD LLP | CHECK | 09/15/2023 | 14,850.00 |
| LINCOLN NATIONAL LIFE INSURANCE COMPANY | CHECK | 09/15/2023 | 5,897.66 |
| LINE-X OF TEMECULA VALLEY | CHECK | 09/15/2023 | 1,958.44 |
| MODULAR BUILDING CONCEPTS, INC | CHECK | 09/15/2023 | 1,687.37 |
| NATIONAL SAFETY COMPLIANCE, INC | CHECK | 09/15/2023 | 485.01 |
| NUTRIEN AG SOLUTIONS, INC | CHECK | 09/15/2023 | 741.33 |
| PACIFIC HYDROTECH CORPORATION | CHECK | 09/15/2023 | 1,512.76 |
| PACIFIC PIPELINE SUPPLY | CHECK | 09/15/2023 | 1,580.06 |
| PARKHOUSE TIRE, INC. | ACH | 09/15/2023 | 3,234.34 |
| PERRAULT CORPORATION | CHECK | 09/15/2023 | 3,854.30 |
| PRECISION MOBILE DETAILING | ACH | 09/15/2023 | 873.78 |
| SAFETY-KLEEN | ACH | 09/15/2023 | 1,866.60 |
| SALIZCO INC | CHECK | 09/15/2023 | 3,363.75 |
| SAN DIEGO LAFCO | CHECK | 09/15/2023 | 50,000.00 |
| SHRED-IT USA LLC | CHECK | 09/15/2023 | 641.63 |
| SOUTH COAST ELECTRICAL, INC | CHECK | 09/15/2023 | 2,575.00 |
| SOUTHWEST ANSWERING SERVICE, INC. | CHECK | 09/15/2023 | 1,071.00 |
| SPECIALTY MOWING SERVICES, INC. | ACH | 09/15/2023 | 1,574.54 |
| STREAMLINE | CHECK | 09/15/2023 | 355.00 |
| SUNBELT RENTALS, INC | CHECK | 09/15/2023 | 353.72 |
| SUPERIOR READY MIX | CHECK | 09/15/2023 | 3,355.09 |
| T S INDUSTRIAL SUPPLY | CHECK | 09/15/2023 | 2,225.84 |
| TCN, INC | CHECK | 09/15/2023 | 3.80 |
| THE ALCHEMY GROUP INC | CHECK | 09/15/2023 | 21,000.00 |
| THE WELD SHOP, INC | ACH | 09/15/2023 | 500.00 |
| TRACY LARGENT | CHECK | 09/15/2023 | 87.10 |
| TRI POINTE HOMES - CUSTOMER REFUND | CHECK | 09/15/2023 | 1,718.80 |
| UNDERGROUND SERVICE ALERT | ACH | 09/15/2023 | 359.69 |
| VISTA FENCE INCORPORATED | ACH | 09/15/2023 | 9,280.00 |
| VNUIT | CHECK | 09/15/2023 | 1,666.40 |
| WHITE CAP CONSTRUCTION SUPPLY | CHECK | 09/15/2023 | 554.53 |
| WILLDAN FINANCIAL SERVICES | CHECK | 09/15/2023 | 1,959.64 |

| Description | Bank Transaction Code | Issue Date | Amount |
|--|-----------------------|------------|-----------|
| WEX - ADMIN FEES (AUG 2023) | EFT | 09/25/2023 | 89.90 |
| AGUILAR PLANT CARE, INC. | CHECK | 09/29/2023 | 1,100.00 |
| ALEX DAGONDON | CHECK | 09/29/2023 | 194.67 |
| APPLEONE EMPLOYMENT SERVICES | CHECK | 09/29/2023 | 1,775.82 |
| ARAMARK UNIFORM SERVICES | CHECK | 09/29/2023 | 3,464.57 |
| ARDURRA GROUP, INC. | CHECK | 09/29/2023 | 2,000.00 |
| AT&T | CHECK | 09/29/2023 | 158.21 |
| AT&T LONG DISTANCE | CHECK | 09/29/2023 | 47.25 |
| AZUGA, INC. | ACH | 09/29/2023 | 238.95 |
| BANNER BANK | CHECK | 09/29/2023 | 36,090.14 |
| BASSETT COMMUNICATIONS, INC | CHECK | 09/29/2023 | 4,527.74 |
| BLACKROCK FINANCIAL SERVICES | CHECK | 09/29/2023 | 698.92 |
| BONSALL PEST CONTROL | CHECK | 09/29/2023 | 210.00 |
| BOOT BARN INC | CHECK | 09/29/2023 | 800.00 |
| BOOT WORLD, INC | ACH | 09/29/2023 | 194.83 |
| BP BATTERY INC. | ACH | 09/29/2023 | 989.30 |
| BRIGHTVIEW TREE CARE SERVICES, INC. | CHECK | 09/29/2023 | 4,995.00 |
| CECILIA'S SAFETY SERVICE | ACH | 09/29/2023 | 1,820.00 |
| COLONIAL LIFE & ACCIDENT INS. | CHECK | 09/29/2023 | 60.71 |
| CORE & MAIN LP | CHECK | 09/29/2023 | 7,011.82 |
| COUNTY OF SAN DIEGO AUDITOR & CONTROLLER | CHECK | 09/29/2023 | 28,660.05 |
| COUNTY OF SAN DIEGO, RCS | CHECK | 09/29/2023 | 1,233.12 |
| CRAIG SHOBE | CHECK | 09/29/2023 | 560.00 |
| DIAMOND ENVIRONMENTAL SERVICES | CHECK | 09/29/2023 | 466.40 |
| DR HORTON | CHECK | 09/29/2023 | 1,345.37 |
| ESCONDIDO METAL SUPPLY, INC. | CHECK | 09/29/2023 | 59.24 |
| EVERBANK, N.A. | CHECK | 09/29/2023 | 3,275.88 |
| FALLBROOK ACE HARDWARE | CHECK | 09/29/2023 | 11.03 |
| FALLBROOK MUFFLER | CHECK | 09/29/2023 | 288.56 |
| FALLBROOK WASTE AND RECYCLING | CHECK | 09/29/2023 | 487.47 |
| FEDEX | CHECK | 09/29/2023 | 240.65 |
| FERGUSON WATERWORKS #1083 | CHECK | 09/29/2023 | 3,955.20 |
| FLEETCREW, INC. | ACH | 09/29/2023 | 618.87 |
| FLYERS ENERGY LLC | ACH | 09/29/2023 | 5,641.75 |

| Description | Bank Transaction Code | Issue Date | Amount |
|---|-----------------------|------------|------------|
| GIL FRANCO, TIRE HAULER | CHECK | 09/29/2023 | 216.00 |
| GOSCH FORD TEMECULA | CHECK | 09/29/2023 | 668.79 |
| HARRIS & ASSOCIATES, INC. | ACH | 09/29/2023 | 2,761.69 |
| HAWTHORNE MACHINERY COMPANY | CHECK | 09/29/2023 | 915.67 |
| HELIX ENVIRONMENTAL PLANNING INC | ACH | 09/29/2023 | 1,430.00 |
| INFOSEND, INC. | CHECK | 09/29/2023 | 5,669.71 |
| J.L. WINGERT | CHECK | 09/29/2023 | 995.40 |
| JAMES W FOWLER CO | ACH | 09/29/2023 | 685,712.64 |
| JULIE JOHNSON | CHECK | 09/29/2023 | 162.72 |
| KATHERINE MEYER-CANALES | CHECK | 09/29/2023 | 1,019.56 |
| KENNEDY/JENKS CONSULTANTS INC | ACH | 09/29/2023 | 5,548.75 |
| KEVIN MILLER | ACH | 09/29/2023 | 363.00 |
| KNOCKOUT PEST CONTROL& TERMITE, INC. | CHECK | 09/29/2023 | 100.00 |
| LIQUID ENVIRONMENTAL SOLUTIONS OF CA, LLC | ACH | 09/29/2023 | 210.00 |
| MICHAEL MACK | CHECK | 09/29/2023 | 80.30 |
| MIKE LACKEY | CHECK | 09/29/2023 | 941.33 |
| MOBILE MINI, INC | CHECK | 09/29/2023 | 1,132.42 |
| MOBILE MODULAR | CHECK | 09/29/2023 | 3,987.28 |
| MOTOROLA SOLUTIONS INC. | CHECK | 09/29/2023 | 10,683.36 |
| ONESOURCE DISTRIBUTORS, LLC | CHECK | 09/29/2023 | 202.85 |
| ORTIZ CORPORATION | CHECK | 09/29/2023 | 127,544.19 |
| PACIFIC PIPELINE SUPPLY | CHECK | 09/29/2023 | 5,470.36 |
| PARKHOUSE TIRE, INC. | ACH | 09/29/2023 | 969.76 |
| PERRAULT CORPORATION | CHECK | 09/29/2023 | 4,018.19 |
| PETERS PAVING & GRADING, INC | ACH | 09/29/2023 | 3,150.00 |
| PITNEY BOWES INC. | CHECK | 09/29/2023 | 596.43 |
| PRECISION MOBILE DETAILING | ACH | 09/29/2023 | 842.28 |
| PRINCIPAL LIFE INSURANCE COMPANY | ACH | 09/29/2023 | 8,013.88 |
| R & C STRUCTURES, INC. | CHECK | 09/29/2023 | 2,872.08 |
| RHO MONSERATE C.C.H.A. | CHECK | 09/29/2023 | 566.98 |
| RIGHT-OF-WAY ENGINEERING SERV | CHECK | 09/29/2023 | 5,908.70 |
| ROLLIN C BUSH | CHECK | 09/29/2023 | 5,224.23 |
| RT LAWRENCE CORPORATION | ACH | 09/29/2023 | 634.43 |
| SALIZCO INC | CHECK | 09/29/2023 | 2,859.19 |

| Description | Bank Transaction Code | Issue Date | Amount |
|--|------------------------------|------------|--------------|
| SAN DIEGO GAS & ELECTRIC | CHECK | 09/29/2023 | 68,607.24 |
| SAN DIEGO LAFCO | CHECK | 09/29/2023 | 49,099.92 |
| SPECIALTY MOWING SERVICES, INC. | ACH | 09/29/2023 | 42,497.20 |
| SUSAN BOREN POA | CHECK | 09/29/2023 | 25.17 |
| T S INDUSTRIAL SUPPLY | CHECK | 09/29/2023 | 4,906.41 |
| TOPECO PRODUCTS, INC | ACH | 09/29/2023 | 1,231.58 |
| TRAFFIC SUPPLY, INC. | CHECK | 09/29/2023 | 1,620.19 |
| ULINE | CHECK | 09/29/2023 | 977.52 |
| US BANK | ACH | 09/29/2023 | 291.67 |
| VALLEY CONSTRUCTION MANAGEMENT | CHECK | 09/29/2023 | 65,734.56 |
| VERIZON WIRELESS | CHECK | 09/29/2023 | 7,151.15 |
| WATERLINE TECHNOLOGIES INC. | CHECK | 09/29/2023 | 4,557.83 |
| WESTERN ALLIANCE BUSINESS TRUST | CHECK | 09/29/2023 | 189,305.80 |
| WESTERN LANDSCAPE MAINTENANCE PLUS, INC. | ACH | 09/29/2023 | 532.51 |
| WHITE CAP CONSTRUCTION SUPPLY | CHECK | 09/29/2023 | 1,473.64 |
| | | TOTAL: | 5,077,597.41 |

Director's Expenses FY 2023-2024

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

Director's Expenses FY 2023-2024

| Disbursement Date | Description | Miguel Gasca | Claude Hamilton | Julie Johnson | Michael Mack | Tow | Pam vnsend-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 | \$ 300.00 | \$ 300.00 | \$ 300.00 | \$ 300.00 | \$ | 300.00 |

Director's Expenses FY 2023-2024

| 2023 Total | Miguel Gasca | Claude Hamilton | Julie Johnson | Michael Mack | To | Pam wnsend-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.) | \$ - | \$ - | \$ 675.00 | \$ 675.00 | \$ | - |
| TRAINING | \$ - | \$ - | \$ - | \$ - | \$ | - |
| COUNCIL OF WATER UTILITIES | \$ - | \$ - | \$ - | \$ - | \$ | - |
| DIRECTORS' PER DIEMS | \$ 900.00 | \$ 750.00 | \$ 1,500.00 | \$ 1,350.00 | \$ | 900.00 |
| TRAVEL EXPENSES | \$ - | \$ - | \$ 1,673.46 | \$ 1,708.46 | \$ | - |
| MILEAGE EXPENSE | \$ - | \$ - | \$ 40.61 | \$ 131.00 | \$ | 48.47 |
| REIMBURSEMENT FROM DIRECTORS | \$ - | \$ - | \$ - | \$ - | \$ | - |
| REPORT TOTAL FOR 2023: | \$ 970.00 | \$ 820.00 | \$ 3,959.07 | \$ 3,934.46 | \$ | 1,018.47 |



American Express September 2023

| GL Finance Code | GL Transaction Amount | Description |
|-----------------|-----------------------|---------------------------------------|
| GL 02 61 63100 | 1,912.16 | 4 WHEEL PARTS |
| GL 03 41 63401 | 98.01 | CULLIGAN |
| GL 03 42 56513 | 1,196.90 | ACE PARTY RENTAL |
| GL 03 51 75300 | 11.99 | FM AIRFARE |
| GL 03 51 75300 | 30.00 | FM AIRFARE |
| GL 03 42 75300 | 297.99 | HR MGR AIRFARE |
| GL 03 42 75300 | 648.00 | HR ASST AIRFARE |
| GL 03 44 72000 | 0.52 | AMAZON WEB SERVICES |
| GL 03 41 63400 | 409.19 | AMAZON #114-6572816-5601868 |
| GL 03 41 63400 | 228.04 | AMAZON #114-6572816-5601868 |
| GL 03 41 63400 | 197.48 | AMAZON #114-6572816-5601868 |
| GL 03 51 72000 | 26.93 | AMAZON #114-2370843-0902609 |
| GL 03 41 63401 | 45.42 | AMAZON #114-4251648-3477826 |
| GL 03 41 63401 | 15.62 | AMAZON #114-9718841-5474657 |
| GL 03 41 56511 | 861.50 | AMAZON #114-0839976-7565022/PO# 13239 |
| GL 02 61 72000 | 38.78 | AMAZON #114-1353352-3089040/PO# 13280 |
| GL 03 44 60100 | 213.65 | AMAZON #112-8661170-8681801 |
| GL 03 44 60100 | 270.44 | AMAZON #112-2108852-4858647 |
| GL 03 44 60100 | 268.45 | AMAZON #112-9755621-1063414 |
| GL 03 44 60100 | 72.17 | AMAZON #112-4140614-4115462 |
| GL 03 44 60100 | 100.53 | AMAZON #112-7276774-9859460 |
| GL 03 42 56513 | 51.66 | AMAZON #111-9412654-1250653 |
| GL 03 44 72000 | 149.24 | AMAZON #112-5102169-2005852 |
| GL 03 44 60100 | 29.07 | AMAZON #112-6542734-3984213 |
| GL 03 44 60100 | 27.95 | AMAZON #112-5118994-6086617 |
| GL 03 44 60100 | 229.05 | AMAZON #112-1154389-3026615 |
| GL 03 44 60100 | 393.29 | AMAZON #112-8951271-8624238 |

| GL Finance Code | GL Transaction Amount | Description |
|-----------------|-----------------------|--|
| GL 03 44 60100 | 67.45 | AMAZON #112-3067261-0586614 |
| GL 03 42 56513 | 1,227.60 | AMAZON #112-8015430-0837850 |
| GL 03 44 60100 | 30.16 | AMAZON #112-7059873-5419433 |
| GL 03 44 60100 | 32.20 | AMAZON #112-1346965-6512256 |
| GL 03 44 60100 | 947.97 | AMAZON #112-8902658-6715452 |
| GL 03 44 60100 | 465.48 | AMAZON #112-5677584-8081002 |
| GL 03 44 60100 | 90.67 | AMAZON #112-8890764-4863401 |
| GL 03 42 56513 | 21.10 | AMAZON #111-9716106-4547463 |
| GL 03 42 56513 | | AMAZON #111-1737521-2978604 |
| GL 03 42 56513 | 110.96 | AMAZON #111-8423109-8375454 |
| GL 03 44 60100 | | AMAZON #112-0273773-8033001 |
| GL 03 44 60100 | | AMAZON #112-5601230-4415449 |
| GL 03 44 60100 | | AMAZON #112-0273773-8033001 |
| GL 03 42 56513 | | AMAZON #112-2183844-2289827 |
| GL 03 44 60100 | | AMAZON #112-2081053-3481011 |
| GL 03 44 60100 | | AMAZON #112-5260127-2969860 |
| GL 03 44 72400 | | WIZARDPINS.COM |
| GL 03 44 60100 | · | APPLE.COM |
| GL 03 44 72400 | | ATLASSIAN |
| GL 03 44 60100 | | AUTHORIZE.NET |
| GL 03 42 56513 | | AWARD.COM |
| GL 03 42 56513 | · | BAJA EATS |
| GL 03 44 60100 | , , | BEST BUY |
| GL 03 51 75300 | | CSDA - BOARD SECRETARY CONFERENCE (KILMER) |
| GL 03 42 75300 | | CALPELRA CONFERENCE - HR MGR |
| GL 03 42 75300 | | CALPELRA CONFERENCE - HR ASST |
| GL 03 42 75300 | | CALPELRA MEMBERSHIP (RAMIREZ) |
| GL 03 42 56513 | | SNAPFISH |
| GL 03 44 72400 | 60.00 | |
| GL 03 44 72400 | | DIRECT TV |
| GL 03 42 56513 | | DJ MANDY MIXES |
| GL 03 41 63401 | | CHC REFRIGERATION #2033 |
| GL 03 44 72400 | | GOOGLE DOMAIN |
| GL 03 44 72400 | 83.00 | GOTOMYPC.COM |

| GL Finance Code | GL Transaction Amount | Description |
|-----------------------|-----------------------|---------------------------------|
| GL 03 41 74100 | 1,273.48 | GOTOCONNECT |
| GL 03 51 72400 | 160.00 | GFOA MEMBERSHIP |
| GL 01 34 72000 | 559.38 | GRAINGER #9816115746/PO# 13221 |
| GL 01 34 72000 | 844.17 | GRAINGER #9792839319/PO# 13175 |
| GL 03 43 72500 | 1,004.51 | GRAINGER #9792839327/PO# 13174 |
| GL 03 44 72400 | 310.95 | GRAMMARLY |
| GL 03 42 75300 | 389.29 | HR MGR HOTEL STAY |
| GL 03 42 75300 | 930.90 | HR ASST HOTEL STAY |
| GL 03 42 72400 | 210.00 | ISTOCK PHOTO SUBSCRIPTION |
| GL 03 20 75300 | 225.00 | ACWA/JPIA CONFERENCE - LJOHNSON |
| GL 03 42 75300 | 225.00 | ACWA/JPIA CONFERENCE - CRAMIREZ |
| GL 01 34 72000 | 1,000.00 | LEER TRUCK ACCESSORY |
| GL 03 44 72400 | 191.13 | MICROSOFT |
| GL 03 20 75300 | 1,114.82 | BM HOTEL STAY |
| GL 01 34 75300 | 542.46 | OPS MGR HOTEL STAY |
| GL 03 20 75300 | 855.29 | BM HOTEL STAY |
| GL 01 34 72000 | 428.88 | MOTOROLA |
| GL 03 42 72400 | 40.00 | NCOUNTY HR - MEMBERSHIP |
| GL 03 41 70300 | 4,294.73 | NOSSAMAN #550949 |
| GL 03 91 70300 | 3,621.00 | NOSSAMAN #550949 |
| GL 60 99 70300 600034 | 710.00 | NOSSAMAN #550949 |
| GL 03 43 70300 | 390.50 | NOSSAMAN #550949 |
| GL 03 91 70300 700014 | 781.00 | NOSSAMAN #550949 |
| GL 03 41 70300 300020 | 5,184.00 | NOSSAMAN #550950 |
| GL 03 91 70300 300020 | 2,250.00 | NOSSAMAN #550950 |
| GL 03 91 70300 700035 | 1,170.00 | NOSSAMAN #550950 |
| GL 03 91 70300 700014 | 4,140.00 | NOSSAMAN #550950 |
| GL 03 91 70300 700027 | 225.00 | NOSSAMAN #550950 |
| GL 03 41 70300 300022 | 682.00 | NOSSAMAN #550951 |
| GL 03 41 70300 300024 | • | NOSSAMAN #551771 |
| GL 03 41 72900 | | OFFICE DEPOT #328925075001 |
| GL 03 41 72900 | | OFFICE DEPOT #327720255001 |
| GL 03 41 63401 | | OFFICE DEPOT #327784761001 |
| GL 01 34 75300 | 166.57 | OPS MGR MEAL |

| GL Finance Code | GL Transaction Amount | Description |
|-----------------|-----------------------|-------------------------------------|
| GL 03 42 75500 | 245.29 | WELCOME LUNCH - GM |
| GL 03 42 75300 | 380.00 | CALPELRA MEMBERSHIP |
| GL 03 51 75300 | 833.73 | FM HOTEL STAY |
| GL 03 41 75300 | 17.65 | PREPASS |
| GL 03 44 72400 | 10.00 | RING |
| GL 03 43 72500 | 1,228.16 | SAFETY DEPOT #15475/PO# 13269 |
| GL 03 41 72900 | 38.05 | STAPLES |
| GL 03 41 75300 | 18.68 | BOARD MEETING - BEVERAGES |
| GL 03 41 63400 | 48.25 | FRUIT GUYS #5616952 |
| GL 03 41 63400 | 96.50 | FRUIT GUYS #5616759 |
| GL 03 41 63400 | 48.25 | FRUIT GUYS #5616615 |
| GL 03 41 63400 | 96.50 | FRUIT GUYS #5616352 |
| GL 03 99 21450 | 168.80 | VINTANA - TK PARTY |
| GL 03 44 72400 | 20.10 | TWILIO |
| GL 03 44 72400 | 131.73 | WASABI |
| GL 03 41 63401 | 208.13 | WAXIE |
| GL 03 41 63401 | 391.37 | WAXIE |
| GL 03 41 63401 | 305.58 | WAXIE |
| GL 01 99 15260 | 4,519.04 | WESTERN WATER #1325725-00/PO# 13147 |
| GL 01 35 72000 | 40.25 | ZOHO |
| GL 03 44 72400 | 299.87 | ZOOM |
| GL 03 36 72000 | 483.87 | WHIP AROUND |
| | 126,042.63 | TOTAL |

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 | | 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 |
| | Rice Canyon Tank | 1.00 |
| 1084410300 | Canonita Tank | 2.41 |
| 1091410700 | Gomez Creek Tank | 1.00 |
| 1092310900 | Rainbow Heights Tank | 0.35 |
| | 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 |
| | Huntley Chlorination Station (not in use) | 0.2 |
| 1212011000 | | 0.31 |
| 1212011100 | | 4.85 |
| | Morro Reservoir | 13.01 |
| | Morro Reservoir | 6.79 |
| | Sumac Reservoir (Not in Use) | 1.72 |
| | Headquarters | 7.38 |
| | Headquarters | 4.43 |
| | Headquarters | 3.40 |
| | Headquarters | 17.03 |
| | Rancho Viejo Lift Station #5 | 0.05 |
| | Hutton Tank | 1.39 |
| | Hutton Tank | 0.89 |
| | Via de los Cepillos Easement | 0.47 |
| | Lift Station #2 | 0.08 |
| | Lift Station #2 | 0.12 |
| | Lift Station #1 | 0.01 |
| | Bonsall Reservoir (Not in Use) | 6.19 |
| | Connection 6 | 0.28 |
| | Turner Tank | 15.12 |
| 1/21404300 | Gopher Canyon Tank | 1.84 167.68 |
| | Total | 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 |
|---|---|----------------------|-----------------------------------|--|
| State and Local Cybersecurity Grant Program (SLCGP) CalOES | 10/03/23 State plan submitted to CISA in September. Awaiting further work group sessions. | 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. |
| Regional Conservation Partnership Program USDA Natural Resources Conservation Service | 02/21/23 Partners to hold meeting within week | \$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. |
| Regional Resilience Planning Grant Program CA Governor's Office of Planning and Research | Drafting additional scope for multi-agency cooperation section | \$650,000 | TBD Awaiting second funding term | 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. |
| Community Partnering Program Metropolitan Water District | 10/25/2023 Application Submitted | \$2,902 | Rolling application process | For supplies for the District-hosted educational field trips for STEM students from Bonsall High School. |
| Innovative Water Infrastructure Workforce Development Program EPA | In progress | 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, preapprenticeship, and post-secondary bridge programs for priority water utility trades. Page 225 of 22 |

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. |