



AGENDA

Budget and Finance Committee Meeting

Board Room
3707 Old Highway 395
Fallbrook, CA 92028

Tuesday, November 12, 2024
1:00 PM

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL:** Flint Nelson (Chair), Bill Stewart (Vice Chair), Members Peter Hensley and Patti Townsend- Smith, Alternate Chad Williams
4. **SEATING OF ALTERNATES**
5. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA**
6. **APPROVAL OF THE AGENDA**
7. **PUBLIC COMMENT**

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

Members of the public may make comments in person by submitting a Speaker Slip to the Board Secretary, virtually through virtual or teleconference options, or by submitting an email to tquintanar@rainbowmwd.ca.gov no less than one hour prior to the posted start time of the meeting. Comments shall be made in an orderly manner, and profanity, slander, or abusive language which is disruptive to the meeting will not be tolerated. Individuals have a limit of three (3) minutes to make comments and will have the opportunity when called upon by the presiding officer.
8. **APPROVAL OF MINUTES**
 - A. October 9, 2024
9. **COMMENTS & REQUESTS**
 - A. General Manager's Comments
 - B. Finance Manager's Comments
 - C. Committee Member's Comments

10. **CONSIDER A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT WITH U.S. BANK FOR FINANCING FIFTEEN MILLION EIGHT HUNDRED THOUSAND DOLLARS FOR THE EXIT FEE FROM THE SAN DIEGO COUNTY WATER AUTHORITY**
11. **DISCUSSION OF FINANCIAL OPTIONS FROM ONE TIME SAVINGS FROM EARLY DETACHMENT FROM THE SDCWA**
12. **CONSIDERATION OF THREE RATE RELATED ACTIONS: (1) ADOPTION OF A RESOLUTION RECLASSIFYING PSAWR CUSTOMERS TO AGRICULTURE AND LOWERING AGRICULTURE WATER RATES, (2) PROVIDING DIRECTION TO STAFF TO NOT IMPLEMENT THE 3.6% IMPORTED WATER COST INCREASE PASS-THROUGH RATE INCREASE ON JANUARY 1, 2025, AND (3) ADOPTION OF AN ORDINANCE AMENDING ORDINANCE NO. 23-04 REVISING PROVISIONS RELATING TO CONSTRUCTION WATER RATES**
13. **REVIEW OF THE FISCAL YEAR (FY) 2024-2025 BUDGET**
14. **REVIEW OF MONTHLY FINANCE PACKET**
15. **SUGGESTED AGENDA ITEMS FOR THE NEXT MEETING**
16. **ADJOURNMENT - To Tuesday, December 17, 2024, at 1:00 p.m.**

ATTEST TO POSTING:

/s/Terese Quintanar
 Terese Quintanar
 Secretary of the Board

11/8/2024 7:40 AM
 Date and Time of Posting
 Outside Display Cases

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

For Online Participation:

Go to: <https://rainbowmwd.zoom.us/j/81793411953>

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

For Call-in Only:

Call: (669) 900-6833, or (669) 444-9171, or
 (309) 205-3325, or (312) 626-6799, or
 (564) 217-2000, or (689) 278-1000
 Meeting ID: 817 9341 1953

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

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

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

**MINUTES OF THE ADJOURNED BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
OCTOBER 9, 2024**

1. **CALL TO ORDER:** The Adjourned Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order on October 9, 2024, by Chairman Nelson at 2:00 p.m. in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028. Chairman Nelson presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Members Nelson, Stewart, Hensley, and Townsend-Smith

Also Present: General Manager Wiley, District Secretary Quintanar, Finance Manager/Chief Financial Officer Aragon, Information Technology Specialist III Espino, Administrative Manager Harp, and Director Johnson

Present Via

Teleconference or

Video Conference: Safety and Risk Management Officer Johnson, Director Dale, Mig Gasca

Members of the public, Rick Carey, Duane Urquhart were present in person. Directors Johnson and Dale acting as members of the public were also present.

4. **SEATING OF ALTERNATES**

There were no alternates seated.

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

There were no changes.

6. **APPROVAL OF THE AGENDA**

Motion:

To approve the Agenda as presented.

Action: Approve, Moved by Member Stewart, Seconded by Member Hensley

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

Ayes: Members Nelson, Stewart, Hensley, and Townsend-Smith

7. **PUBLIC COMMENT**

Rick Carey addressed the Committee to relay that he attended today's meeting to better understand the budget and rates, and he commented on his unsustainably high water bill and the ongoing difficulties experienced. He also mentioned salinity and hardness of the water and the resulting challenges as a grower.

8. **APPROVAL OF MINUTES**

A. June 19, 2024

Motion:

To approve the Minutes as presented.

Action: Approve, Moved by Member Hensley, Seconded by Member Stewart

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

Ayes: Members Nelson, Stewart, Hensley, and Townsend-Smith

9. REVIEW OF RAINBOW MUNICIPAL WATER DISTRICT’S FIXED CHARGES AND COSTS

Mr. Aragon presented information pertaining to fixed costs.

Public members Duane Urquhart and Rick Carey expressed concerns for the cost of doing business as growers and water quality concerns. They both urged for efforts to find immediate relief, sustainable rates, and revised policies.

Mr. Wiley acknowledged the concerns expressed, and explained that RMWD had to impose a passthrough from the SDCWA. On January 1, 2024 but FPUD did not as they had already detached from the SDCWA> A 14% and 16% rate increase being imposed by SDCWA over the next two years will be avoided. He understood the situation and the concerns and explained how hard staff has worked toward building the facilities we need to complete the detachment. He emphasized the efforts to do everything we can to assist growers, immediately and in the future.

Mr. Aragon continued his presentation, comparing ag rates with other rates, and comparing fixed costs and variable costs before and after detachment from the SDCWA. After detachment, we will have much lower fixed imported water costs from EMWD than from SDCWA but Operations costs will remain the same, and there is now higher debt and a exit fee which cause overall fixed costs to remain essentially the same after detachment.

Addressing the concerns throughout several comments from Mr. Carey and Mr. Urquhart, Member Stewart recalled that when Proposition 218 was established, it had a very negative affect on agricultural customers as it requires no subsidizing between classes of customers. Mr. Wiley explained the need for the construction of the pump stations. Additional information was exchanged and questions were answered.

Continuing, Mr. Aragon explained especially high water sales risks, the need for higher fixed cost recovery, agriculture rates versus other rates, fixed rates before and after the detachment from the SDCWA, and variable costs. For every acre foot of water from the SDCWA, we pay \$1,600 to 1,800, and we will be paying EMWD approximately \$1,400, after the detachment.

Ms. Johnson suggested a forum with agricultural growers and relayed appreciation for their attendance and feedback.

10. COMMENTS & REQUESTS

- A. General Manager’s Comments
- B. Finance Manager’s Comments
- C. Committee Member’s Comments

Mr. Wiley updated the Committee on the process of the construction of the three pump stations, and shared the good news about the SDCWA’s desire to utilize facilities that RMWD would otherwise have to decommission. He also reported on the CropSWAP Program, and that he anticipates the need to seek additional grant funds for continuation of the program, eventually.

DRAFT

DRAFT

DRAFT

The Gopher Canyon Road pipeline replacement project is complete and staff will provide an update on the final costs at the next meeting.

Mr. Aragon reported that there is a way to finance the exit fee with tax-exempt, low rate financing over ten years instead of five years. Staff will be presenting a reimbursement resolution for \$3.2M in October, and additional legal documents pertaining to authorizing issuing debt to pay the exit fee will be presented to the Board on November 19, 2024. He relayed information regarding avenues for investing reserves, and maturing investments which will provide liquidity, and efforts underway to complete the audit by the December deadline.

11. REVIEW OF MONTHLY FINANCE PACKET

Mr. Aragon recapped the highlights of the financial reports included in the packet and answered questions.

12. SUGGESTED AGENDA ITEMS FOR THE NEXT MEETING

The Committee requested discussion of the Exit Fee financing and a detachment update at the next meeting.

13. ADJOURNMENT - To Tuesday, November 12, 2024, at 1:00 p.m.

The meeting was adjourned by Chairman Nelson at 3:50 p.m.

Flint Nelson, Committee Chairperson

Terese Quintanar, District Secretary



BOARD ACTION

BOARD OF DIRECTORS

November 19, 2024

SUBJECT

CONSIDER ADOPTION OF A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT WITH U.S. BANK FOR FINANCING FIFTEEN MILLION EIGHT HUNDRED THOUSAND DOLLARS FOR THE EXIT FEE FROM THE SAN DIEGO COUNTY WATER AUTHORITY

BACKGROUND

At its July 10, 2023 meeting, the San Diego Local Agency Formation Commission (LAFCO) approved the District in Resolution 23-12 to be able to detach from the San Diego County Water Authority (SDCWA), and imposed as a condition of detachment the requirement to pay the SDCWA an exit fee (Exit Fee) totaling \$15,798,250. Furthermore, the District entered into a settlement agreement with the SDCWA, dated December 21, 2023, where the District agreed to pay the SDCWA the full Exit Fee within 90 days of issuing the certificate of completion to detach, or otherwise incur interest at the current LAIF rate.

It was assumed in the FY2024-25 budget and 5-year financial projection presented to the Board in the Spring of 2024 budget workshops that the District would make 5 annual payments of \$3.2M beginning at detachment in mid- FY2024-25, to pay the Exit Fee obligation, as well as any accrued interest above this on a monthly basis. This was based on a previous understanding that the District could not issue tax-exempt debt to finance the Exit Fee obligation and that it was more advantageous to the District and its customers to pay the interest to the SDCWA per the settlement agreement at the LAIF rate which is currently at 4.5%, than to take out taxable debt at a much higher interest rate (6-7%).

Recently, staff was able to confirm with Bond Counsel at Nossaman that the District could issue tax exempt debt for the Exit Fee based on the understanding that the Exit Fee is an intangible capital asset per Government Accounting Standard Board (GASB) accounting standards. This accounting treatment and the assumption of a 10-year amortization was independently confirmed by the District's financial statement auditor, Lance, Soll and Lunghard LLP. As such, staff is requesting the Board to approve issuing tax exempt debt with U.S. Bank, its primary bank and recent lender, for the full \$15,798,250, inclusive of the initial Exit Fee payment of \$3,159,650 initial payment paid on October 30, 2024 that will be reimbursed to the District from this financing in accord with the resolution stating its intent to be reimbursed (Resolution 2024-13).

DESCRIPTION

Out of a sensitivity to limited time due to the remaining Exit Fee of \$12.6M being due by January 30, 2025 (90 days from detachment) or otherwise incurring interest to the SDCWA, and the desire to lock in lower interest rates in a rising interest rate environment for longer term debt, staff negotiated the proposed terms of this financing with US Bank for the Board's consideration and approval. US Bank was selected as the initial bank to negotiate with as they had already agreed in the recent \$10M financing done this last spring to acceptable terms in the legal documents, and had offered a competitive interest rate due to the District existing relationship with them as its primary bank and investment trustee. Having the primary legal terms and the language on the financing agreements already agreed upon offered significant time savings to the process.

[Type here]

Likewise, the District engaged with Robert Porr and Lora Nichols with Fieldman Rolapp and Associates (FRA) to act as the District's Municipal (Financial) Advisor to help review and negotiate the terms of this financing. FRA is a leading Municipal Advisory firm specializing in public financings, and specifically California water districts. Staff also engaged with Barney Allison with Nossaman LLP to act as the District's bond counsel to help with the review and drafting of legal documents, and in providing the necessary tax opinion that the proposed financing can be tax-exempt. Mr. Allison has been bond counsel for the most recent District financings and has familiarity with its related debt covenants this financing must adhere to. Both FRA and Nossaman represented the District on the recent \$10M financing with US Bank. This financing team comprised of staff, FRA, and Nossaman negotiated the terms included in the attached Installment Purchase Agreement (draft) which would provide for \$15,800,000 of financing for the full Exit Fee. FRA confirmed that the 4.63% fixed interest rate is competitive in the current municipal debt environment, taking into account the District's creditworthiness and financial position. The major terms of the financing are described below:

- \$15,800,000 in total financing will be provided by U.S. Bank on a tax-exempt basis to finance the Exit Fee from the SDCWA, an intangible capital asset.
- The debt be a 10 year fixed interest rate debt at a rate of 4.63%.
- The fixed rate 10 year loan may per prepaid in whole or in part any time on or after 5 years without penalty.
- The fixed rate 10 year loan is payable on a semi-annual basis with one of the two payments including principal.
- The U.S. bank loan would be on parity (same priority) with the District's other debt (SRF Loans, Zion Loan & Lease, and Western Alliance Loan) with the same base debt covenants including:
 - Setting water rates to achieve a minimum of a projected 1.2x debt service coverage on net operating revenues; and
 - Achieving a minimum of 1.2x debt service coverage on net operating revenues to cover maximum annual debt service for existing debt and new proposed debt in order to issue new debt on a parity basis; and
 - Pledge of gross water revenues to repay the loan obligation, consistent with the other loans.
- Since the Exit Fee is an intangible asset, the Bank requires tangible facilities to purchase in this financing agreement and sell back to the District to legally allow for the debt. The facilities included in this transaction have to approximate the value of the financing, cannot be encumbered by other debt or grants, and consist of the following;
 - Rainbow Heights Tank #1 (4 MG)
 - Rice Canyon Tank (4 MG)
 - Hutton Tank (4 MG)
 - Gopher Tank (4 MG)

If approved, the Installment Purchase Agreement is tentatively set to close on January 7th, 2025 and would be available to receive funds shortly thereafter.

Attachments:

Resolution **2024-ZZ** - Approving and authorizing the execution and delivery of an installment purchase agreement with U.S. Bank for financing the \$15.8M exit fee from the SDCWA

Exhibit A: Draft Installment Purchase Agreement

Exhibit B – 5 Year Cash Flow Impact from Financing and Other Related Items

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

[Type here]

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 District originally anticipated in its 5-year financing plan reviewed with the Board this fall that the District would cash fund the \$3.2M initial Exit Fee from net revenues and pay the remaining \$12.6M Exit Fee in four installments of \$3.2M annually in the following four years (FY26 through FY29) plus interest to the SDCWA. This financing will allow the full \$15.8M to be paid to the SDCWA within 90 days from detachment, thereby no incurring any additional interest. Additionally, because the initial Exit Fee payment was budgeted to be cash funded from net revenues and will now be reimbursed from this debt, it allows a cash flow savings to cover the necessary increase to the Three Pump Stations Project (PN 600013) of \$1.15M discussed on another item on this Board Agenda, and cover the reduced revenue of \$0.68M in FY25 if the Board directs staff not implement the originally anticipated 3.6% pass-through rate increase on 1/1/2025 as discussed on the rates item on this Board Agenda. Exhibit 1 attached to this item shows the cash flow impacts from this financing over the next 5 years and how it can fully cover the additional \$1.15M necessary for the Three Pump Stations project and the \$0.68M (partial year) necessary in FY25 and \$1.6M (full-year) over this period, while positively increasing overall unrestricted fund balance by a net \$0.6M by the end of FY29.

Debt Analysis/Good Faith Estimates

Set forth below are good faith estimates of Fieldman, Rolapp & Associates, Inc., the municipal advisor, as required under Section 5852.1 of the California Government Code (the "Code"). The following estimates are based on market conditions as of October 23, 2024, and have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by resolution.

(a) The true interest cost of the 2025 Installment Purchase Agreement is estimated at 4.63%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.

(b) The finance charge of the 2025 Installment Purchase Agreement, including all fees and charges paid to third parties, is estimated at \$77,000 and consists of the following.

1. Fieldman, Rolapp, and Associates fee on a not-to-exceed basis - \$15,000
2. Nossaman LLP as Bond Counsel on a fixed fee basis - \$37,500
3. Nixon Peabody LLP as Bank's Counsel on a fixed fee basis - \$20,000
4. CDIAC Reporting Fee - \$4,500

(c) Proceeds of the 2025 Installment Purchase Agreement expected to be received by the District for the sale of the 2025 Installment Purchase Agreement less the finance charge described in (b) above and any capitalized interest or reserves paid from proceeds of the 2025 Installment Purchase Agreement (if any), is equal to \$15,798,250.

(d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$20,155,642.

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

RECOMMENDATION

Staff recommends the Board adopt Resolution 2024-ZZ - Approving and authorizing the execution and delivery of an installment purchase agreement with U.S. Bank for financing the \$15.8M Exit Fee from the SDCWA.



Richard R. Aragon

11/19/2024

[Type here]

FOR COMMITTEE REVIEW

[Type here]

RESOLUTION NO. 2024-_____

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

WHEREAS, the Rainbow Municipal Water District (the "District"), a special district duly organized and existing under the laws of the State of California, is authorized to acquire, or contract to acquire, water rights and privileges, and has determined it is in the District's best interest to detach from the San Diego County Water Authority (the "Water Authority") in order to accomplish such purposes; and

WHEREAS, on July 10, 2023, per Resolution 23-12, the San Diego LAFCO authorized the District to detach from the Water Authority and imposed as a condition of detachment an exit fee payment totaling \$15,798,250 (the "Exit Fee Payment"); and

WHEREAS, the District has entered into that certain Settlement Agreement with the Water Authority, dated as of December 21, 2023, pursuant to which the District has agreed to pay the Exit Fee Payment to the Water Authority; and

WHEREAS, the District desires to enter into an Installment Purchase Agreement (the "Installment Purchase Agreement") with U.S. Bank National Association (the "Purchaser") for the purpose of financing the Exit Fee Payment; and

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

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

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

Section 2. The form of the Installment Purchase Agreement is hereby approved and each of the President, the Vice-President, the General Manager, and the Chief Financial Officer and Treasurer of the District, or their written designees (the "Authorized Officers"), acting alone, is hereby authorized and directed to execute and deliver the Installment Purchase Agreement (subject to the limitations set forth in the following sentence) in the name of and on behalf of the District, in substantially the form and content now before this meeting, but with such

changes, modifications, additions and deletions therein as shall be deemed necessary, desirable or appropriate by the Authorized Officer or Authorized Officers executing the same, such approval to be conclusively evidenced by the execution and delivery thereof by one or more of the Authorized Officers. The Installment Purchase Agreement shall be executed only if the total principal components due thereunder do not exceed \$15,800,000 and the maximum interest rate shall not exceed 4.63% (provided that no event of default or event of taxability has occurred as provided in the Installment Purchase Agreement).

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

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

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

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Rainbow Municipal Water District this 19th day of November, 2024.

Hayden Hamilton, Board President

ATTEST:

Terese Quintanar, Secretary
STATE OF CALIFORNIA)

) ss.

COUNTY OF SAN DIEGO)

I, _____, Secretary of the Rainbow Municipal Water District, hereby certify that the foregoing is a full, true and correct copy of a Resolution duly adopted at a regular meeting of the members of said District duly and regularly held at the regular meeting thereof on the ____ day of November, 2024, of which meeting all of the members of said District had due notice and at which a majority thereof was present; and that at said meeting said Resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

I further certify that I have carefully compared the foregoing Resolution with the original minute of said meeting on file and of record in my office; that said Resolution is a full, true and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Secretary, Rainbow Municipal Water District

INSTALLMENT PURCHASE AGREEMENT

by and between

RAINBOW MUNICIPAL WATER DISTRICT

and

U.S. BANK NATIONAL ASSOCIATION

Dated as of January [7], 2025

(2025 PROJECT)

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS.....	1
Section 1.1 Definitions.....	1
ARTICLE II REPRESENTATIONS AND WARRANTIES.....	13
Section 2.1 Representations by the District	13
Section 2.2 Representations and Warranties by the Purchaser	16
ARTICLE III ACQUISITION OF THE FACILITIES; Closing.....	16
Section 3.1 Changes to the Facilities	16
Section 3.2 Sale and Purchase of the Facilities.....	16
Section 3.3 Purchase and Sale of the Facilities.....	17
Section 3.4 Title	17
Section 3.5 Acquisition and Construction of the Project.....	17
Section 3.6 Conditions to Closing.	17
ARTICLE IV SERIES 2025 INSTALLMENT PAYMENTS.....	18
Section 4.1 Deposit of Moneys; Purchase Price	18
Section 4.2 Series 2025 Installment Payments	19
Section 4.3 Increased Payments.....	20
Section 4.4 Payment in Lawful Money; No Set Off.....	22
ARTICLE V SECURITY.....	22
Section 5.1 Pledge of Revenues.....	22
Section 5.2 Allocation of Revenues.....	22
Section 5.3 Additional Contracts and Bonds	23
Section 5.4 Investments	25
ARTICLE VI COVENANTS OF THE DISTRICT.....	25
Section 6.1 Compliance with Installment Purchase Agreement and Ancillary Agreements	25
Section 6.2 Against Encumbrances.....	26
Section 6.3 Against Sale or Other Disposition of Property	26
Section 6.4 Against Competitive Facilities.....	27
Section 6.5 Tax Covenants.....	27
Section 6.6 Maintenance and Operation of the Water System.....	28
Section 6.7 Payment of Claims.....	28
Section 6.8 Compliance with Contracts.....	28
Section 6.9 Insurance.....	28
Section 6.10 Accounting Records; Financial Statements and Other Reports	29
Section 6.11 Protection of Security and Rights of the Purchaser	30
Section 6.12 Payment of Taxes and Compliance with Governmental Regulations.....	30
Section 6.13 Amount of Rates and Charges	30
Section 6.14 Collections of Rates and Charges	31

Section 6.15	Eminent Domain Proceeds.....	31
Section 6.16	Further Assurances.....	31
Section 6.17	Enforcement of Contracts.....	31
Section 6.18	Superior Additional Obligations.....	31
ARTICLE VII PREPAYMENT OF SERIES 2025 INSTALLMENT PAYMENTS.....		32
Section 7.1	Prepayment.....	32
Section 7.2	Method of Prepayment.....	32
ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY.....		32
Section 8.1	Events of Default and Acceleration of Maturities.....	32
Section 8.2	Application of Funds Upon Acceleration.....	34
Section 8.3	Other Remedies of the Purchaser.....	34
Section 8.4	Non-Waiver.....	35
Section 8.5	Remedies Not Exclusive.....	35
ARTICLE IX DISCHARGE OF OBLIGATIONS.....		35
Section 9.1	Discharge of Obligations.....	35
ARTICLE X MISCELLANEOUS.....		36
Section 10.1	Liability of District Limited.....	36
Section 10.2	Benefits of Installment Purchase Agreement Limited to Parties.....	36
Section 10.3	Successor Is Deemed Included in all References to Predecessor.....	37
Section 10.4	Waiver of Personal Liability.....	37
Section 10.5	Article and Section Headings, Gender and References.....	37
Section 10.6	Partial Invalidity.....	37
Section 10.7	Assignment.....	37
Section 10.8	Net Contract.....	38
Section 10.9	California Law.....	38
Section 10.10	Notices.....	38
Section 10.11	Effective Date.....	38
Section 10.12	Execution in Counterparts.....	38
Section 10.13	Indemnification of Purchaser.....	39
Section 10.14	Amendments Permitted.....	39
Section 10.15	Arm’s Length Transaction.....	39
Section 10.16	Judicial Reference.....	39
EXHIBIT A DESCRIPTION OF THE FACILITIES.....		A-1
EXHIBIT B PURCHASE PRICE.....		B-1
EXHIBIT C FORM OF SUBSTITUTION CERTIFICATE.....		C-1
EXHIBIT D FORM OF LENDER LETTER.....		D-1

INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, made and entered into and dated as of January [7], 2025, by and between RAINBOW MUNICIPAL WATER DISTRICT (the “District”), a municipal water district duly organized and validity existing under the laws the State of California, and U.S. BANK NATIONAL ASSOCIATION, a national banking association (herein called the “Purchaser”).

WITNESSETH:

WHEREAS, on July 10, 2023, per Resolution 23-12, the San Diego LAFCO authorized the District to detach from the San Diego County Water Authority and imposed as a condition of detachment an exit fee payment totaling \$15,798,250 (the “Exit Fee Payment”); and

WHEREAS, the District has entered into that certain Settlement Agreement with the San Diego County Water Authority, dated as of December 21, 2023, pursuant to which the District has agreed to pay the Exit Fee Payment to the San Diego County Water Authority; and

WHEREAS, the District proposes to finance the Exit Fee Payment (the “Project”); and

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

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

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

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

ARTICLE I

DEFINITIONS

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

Assumed Interest Rate

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

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

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

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

practicable the Payment Agreement Receipts and the Payment Agreement Payments under such Contracts or Bonds, the following assumptions shall be made:

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

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

(D) Interest on Balloon Contracts. If any outstanding Contracts or Bonds constitute Balloon Contracts (and such Contracts or Bonds do not constitute Short-Term Obligations excluded from the calculation of the Payments pursuant to clause (E), below) or if Contracts or Bonds proposed to be incurred would constitute Balloon Contracts (and such Contracts or Bonds would not constitute Short-Term Obligations excluded from the calculation of the Payments pursuant to clause (E), below), then such Balloon Contracts shall be treated as if the principal amount of such Contracts or Bonds were amortized from the date originally incurred in substantially equal installments of principal and interest over a term of 30 years (provided, however, that the full principal amount of such Balloon Contract shall be included in making such calculation if such principal amount is due within 90 days of the date such calculation is being made); and, if interest accrues under such Balloon Contract at other than a fixed rate, the interest rate used for such computation shall be the Assumed Interest Rate.

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

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

Authorized Officer

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

Balloon Contract

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

Balloon Installment Payments

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

Beck SRF Agreement

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

Beck SRF Payment

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

Bonds

The term “Bonds” means all revenue bonds or notes of the District authorized, executed, issued and delivered by the District, the payments of which are on a parity with the Series 2025 Installment Payments and which are secured by a pledge of and lien on the Gross Revenues. The term Bonds does not include bonds heretofore or hereafter issued required by law to be paid by the District from taxes or assessments which are not Gross Revenues.

Business Day

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

Closing Date

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

Contracts

The term “Contracts” means this Installment Purchase Agreement, and any amendments and supplements hereto, and all contracts of the District authorized and executed by the District, the Series 2025 Installment Payments or payments under which are on a parity with the Beck SRF Payments, the Morro SRF Payments, the 2018 Installment Payments, the 2018 Lease Payments, the 2022 Installment Payments, the 2024 Installment Payments and the Series 2025 Installment Payments and which are secured by a pledge and lien on the Gross Revenues.

Debt Service

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

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

Default Interest Rate

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

Determination of Taxability

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

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

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

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

(d) on the date when the District shall receive notice from the Purchaser that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Purchaser on the interest component of the Installment Payments due to the occurrence of an Event of Taxability;

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

District

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

Event of Default

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

Event of Taxability

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

Exit Fee Payment

The term “Exit Fee Payment” means the \$15,798,250 payment required to be paid, as a condition of detachment, by the District to the San Diego County Water Authority pursuant to Resolution 23-12 adopted by the San Diego LAFCO on July 10, 2023, and that certain Settlement Agreement, between the District and the San Diego County Water Authority, dated as of December 21, 2023.

Facilities

The term “Facilities” means the four water tanks, as more particularly described in Exhibit A hereto.

Fiscal Year

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

Gross Revenues

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

Independent Certified Public Accountant

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

Installment Payment Date; Series 2025 Installment Payment Date

The term “Installment Payment Date” means any date on which Installment Payments are scheduled to be paid by the District under and pursuant to any Contract. The term “Series 2025

Installment Payment Date” means the Installment Payments due hereunder as described further herein and in Exhibit B hereto.

Installment Payments; Series 2025 Installment Payments

The term “Installment Payments” means the payments scheduled to be paid by the District under and pursuant to the Contracts, including the Series 2025 Installment Payments. The term “Series 2025 Installment Payments” means the Installment Payments scheduled to be paid by the District under and pursuant hereto.

Installment Purchase Agreement

The term “Installment Purchase Agreement” means this Installment Purchase Agreement, dated as of January [7], 2025, by and between the District and the Purchaser, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

Interest Rate

The term “Interest Rate” means, assuming no Event of Default or Event of Taxability, the fixed interest rate per annum of 4.63%, calculated as set forth in Section 4.2 hereof; provided however, that upon an Event of Taxability, the Interest Rate shall be the Taxable Rate; provided, further, however, that upon the occurrence of an Event of Default, the Interest Rate shall be the Default Interest Rate.

Law

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

Maintenance and Operation Costs

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

Maximum Annual Debt Service

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

Maximum Rate

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

Morro SRF Agreement

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

Morro SRF Payment

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

Net Proceeds

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

Net Revenues

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

Parity Payment Agreement

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

Parity Payments

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

Parity Payments Date

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

Payment Agreement

The term “Payment Agreement” means a written agreement for the purpose of managing or reducing the District’s exposure to fluctuations in interest rates or for any other interest rate, investment, asset or liability managing purposes, entered into either on a current or forward basis by the District and a Qualified Counterparty as authorized under any applicable laws of the State in connection with, or incidental to, the entering into of any Contracts or Bonds, that provides for an exchange of payments based on interest rates, ceilings or floors on such payments, options on such payments or any combination thereof, or any similar device.

Payment Agreement Payments

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

Payment Agreement Receipts

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

Policy Costs

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

Project

The term “Project” means the Exit Fee Payment.

Purchase Price

The term “Purchase Price” means the principal amount plus interest thereon owed by the District to the Purchaser under the terms hereof as provided in Section 4.1.

Purchaser

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

Qualified Counterparty

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

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

Resolution

The term “Resolution” means Resolution No. 24-__ adopted by the District on November 19, 2024, approving this Installment Purchase Agreement and all matters related thereto.

Revenue Fund

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

Short-Term Obligations

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

Subordinate Obligations

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

Taxable Date

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

Taxable Period

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

Taxable Rate

The term “Taxable Rate” means, with respect to a Taxable Period, 5.35%

2018 Installment Purchase Contract

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

2018 Installment Payments

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

2018 Lease/Purchase Agreement

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

2018 Lease Payments

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

2022 Installment Purchase Agreement

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

2024 Installment Purchase Agreement

The term “2024 Installment Purchase Agreement” means the Installment Purchase Agreement, dated as of May 1, 2024, by and between the Purchaser and the District.

2022 Installment Payments

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

2024 Installment Payments

The term “2024 Installment Payments” means the installment payments scheduled to be paid by the District under and pursuant to the 2024 Installment Purchase Agreement.

Termination Payments

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

Variable Interest Rate

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

Variable Interest Rate Contracts

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

Water System

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

ARTICLE II

REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

thereof for federal income tax purposes or being subject to State of California personal income taxation.

(e) To the best of the District's knowledge, the District is not in violation of any of the provisions of the laws of the State of California or the United States of America or any of the provisions of any order of any court of the State of California or the United States of America which would affect its existence, or its powers referred to in the preceding Section 2.1(b). The execution, delivery and performance by the District of this Installment Purchase Agreement (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment or decree of any court, arbitrator or governmental authority; (ii) will not violate any provisions of any document constituting, regulating or otherwise affecting the operations or activities of the District; and (iii) will not violate any provision of, constitute a default under, or result in the creation, imposition or foreclosure of any lien, mortgage, pledge, charge, security interest or encumbrance of any kind other than liens created or imposed by this Installment Purchase Agreement, on any of the revenues or other assets of the District which could have a material adverse effect on the assets, financial condition, business or operations of the District, on the District's power to cause this Installment Purchase Agreement to be executed and delivered, or its ability to pay in full in a timely fashion the obligations of the District under this Installment Purchase Agreement.

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

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

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

(i) To the best knowledge of the District, there is not pending any change of law which, if enacted or adopted could have a material adverse effect on the assets, financial condition, business or operations of the District, on the District's power to enter into this

Installment Purchase Agreement or its ability to pay in full in a timely fashion the obligations of the District under this Installment Purchase Agreement.

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

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

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

(m) The District is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds provided by the Purchaser hereunder will be or have been used to extend credit to others for the purpose of purchasing or carrying any margin stock.

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

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

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

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

(r) The District shall, promptly following a request by the Purchaser, provide all documentation and other information that the Purchaser reasonably requests in order to comply

with its ongoing obligations under applicable law or regulation, including, without limitation, “know your customer” and anti-money laundering rules and regulations, including the Patriot Act (USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001))), as amended from time to time, and any successor statute, and shall comply with all applicable Bank Secrecy Act laws and regulations, as amended.

(s) Upon the execution and delivery of this Installment Purchase Agreement, except for the Beck SRF Payments, the Morro SRF Payments, the 2018 Installment Payments, the 2018 Lease Payments, the 2022 Installment Payments and the 2024 Installment Payments, the District will have no other Bonds or Contracts outstanding payable from or secured by the Gross Revenues or any portion thereof. The District represents and warrants that it will incur additional Bonds or Contracts only in accordance with the provisions of Section 5.3 of this Installment Purchase Agreement.

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

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

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

ARTICLE III

ACQUISITION OF THE FACILITIES; CLOSING

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

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

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

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

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

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

Section 3.5 Acquisition of the Facilities. The Purchaser hereby agrees to acquire the Facilities in order to facilitate the Project for the benefit of the District, as its agent. The District shall enter into contracts and provide for, as agent for the Purchaser, the re-acquisition of the Facilities from the Purchaser in order to facilitate the Project. The District hereby agrees that it will cause the acquisition of the Project to be diligently performed after the deposit of funds set forth in Section 4.1 below, and that it will use its best efforts to cause the re-acquisition of the Project to be completed, except if and to the extent that any force majeure event has occurred, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lock outs, lack of transportation facilities, pandemics, fire, explosion, or acts or regulations of governmental authorities. It is hereby expressly understood and agreed that the Purchaser shall be under no liability of any kind or character whatsoever for the payment of any cost of the Project and that all such costs and expenses shall be paid by the District.

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

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

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

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

the District and the Purchaser and certifying as to such other matters as the Purchaser might reasonably request.

(d) The District has provided a certificate certifying that, other than this Installment Purchase Agreement, the only Senior Debt outstanding as of the Closing Date is the Beck SRF Payments, the Morro SRF Payments, the 2018 Installment Payments, the 2018 Lease Payments, the 2022 Installment Payments and the 2024 Installment Payments, and that it can meet the tests required under such Contracts to issue this Installment Purchase Agreement.

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

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

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

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

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

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

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

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

ARTICLE IV

SERIES 2025 INSTALLMENT PAYMENTS

Section 4.1 Deposit of Moneys; Purchase Price.

(a) In order to induce the District to enter into this Installment Purchase Agreement, the Purchaser shall pay \$15,798,250 to the District on the Closing Date, which amount shall be used by the District to pay the Exit Fee Payment. As an accommodation the District, the Purchaser shall use \$_____ of such amount to pay certain costs of issuance of the District, including but not limited to the fees and expenses of Nixon Peabody LLP and Nossaman LLP, as approved by an Authorized Officer of the District in connection with the execution of this Installment Purchase Agreement.

(b) The Purchase Price to be paid by the District hereunder to the Purchaser is the sum of the principal amount of the District's obligations hereunder plus the interest at the Interest Rate to accrue on the unpaid balance of such principal amount from the date hereof over the term hereof, subject to prepayment as provided in Article VII.

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

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

Section 4.2 Series 2025 Installment Payments. (a) The District shall, subject to its rights of prepayment provided in Article VII, pay the Purchaser the Purchase Price in installment payments of interest and principal in the amounts and on the Series 2025 Installment Payment Dates as set forth in Exhibit B hereto. Whenever any Series 2025 Installment Payment to be made hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, with the same force and effect as if made on the applicable Series 2025 Installment Payment Date. The Interest Rate on the Series 2025 Installment Payments shall be calculated based upon a 360-day year of twelve 30-day months.

(b) Each Series 2025 Installment Payment shall be paid to the Purchaser in lawful money of the United States of America. In the event the District fails to make any of the payments required to be made by it under this section, such payment shall continue as an obligation of the District until such amount shall have been fully paid and the District agrees to pay the same with interest accruing thereon at the rate or rates of interest then applicable to the remaining unpaid principal balance of the Series 2025 Installment Payments if paid in accordance with their terms.

(c) The obligation of the District to make the Series 2025 Installment Payments is absolute and unconditional, and until such time as all of the Series 2025 Installment Payments have been paid in full (or provision for the payment thereof shall have been made pursuant to Article IX), the District will not discontinue or suspend any Series 2025 Installment Payments required to be made by it under this section when due, whether or not the Water System or any part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

(d) The payment of the Series 2025 Installment Payments due hereunder shall be made by the District to the Purchaser via wire instructions to be provided by the Purchaser to the District from time to time.

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

Section 4.3 Increased Payments. (a) Increased Costs. If, after the execution and delivery of this Installment Purchase Agreement, (1) the introduction of or any change in or in the interpretation of any law, treaty or regulation, (2) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law) or (3) the introduction of any applicable law, rule, regulation or guideline regarding capital adequacy, or any change therein or any change in the interpretation or administration thereof by any central bank or governmental authority charged with the interpretation or administration thereof or supervision of compliance by the Purchaser with any request, guideline or directive regarding capital adequacy (whether or not having the force of law and after taking into account the Bank’s or such Participant’s policies as to capital adequacy) of any such central bank or other authority, shall either (x) impose, modify or deem applicable any reserve, special deposit, insurance premium, assessment, fee, capital requirement (other than reserves and assessments taken into account in determining the applicable interest rate), tax (other than income tax) or similar requirement against loan agreements entered into by the Purchaser similar to this Installment Purchase Agreement, or (y) impose on the Purchaser any other condition relating, directly or indirectly, to this Installment Purchase Agreement, and the result of any event referred to in (x) or (y) above shall be to (A) increase the cost to the Purchaser of maintaining this Installment Purchase Agreement in any material way, or (B) reduce any amount (or the effective return on capital) received or receivable by the Purchaser hereunder in any material way, then the District shall, upon written notice from the Purchaser (which notice shall set forth the matters described below), pay to the Purchaser, for the account of the Purchaser, from time to time as specified by the Purchaser, such additional amounts as shall be demanded by the Purchaser as sufficient to compensate the Purchaser, for such increased cost or reduction in yield or return, together with interest at the Interest Rate (as in effect from time to time) on amounts required to be paid under this Section 4.3 from the date of such notice until payment in full thereof, such amounts shall be due and payable within thirty (30) days after the District’s receipt of written notice thereof; *provided*, that interest thereon shall not begin to accrue until the thirtieth (30th) day after such demand.

Notwithstanding the foregoing, for purposes of this Section 4.3(a), all requests, rules, guidelines or directives in connection with the Dodd-Frank Act enacted or issued after the effective date of this Agreement shall be deemed to be included in the provisions of this Section 4.3 and all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the

Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar Institution) or any Governmental District with proper jurisdiction over the Purchaser in regard to the foregoing enacted or issued after the date of this Agreement shall be deemed included in the provisions of this Section 4.3(a).

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

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

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

(b) **Determination of Taxability.** (i) In the event a Determination of Taxability occurs, to the extent not payable to the Purchaser under the terms of this Installment Purchase Agreement, the District hereby agrees to pay to the Purchaser on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Purchaser on the interest component of the Installment Payments during the period for which the interest component of the Installment Payments is included in the gross income of the Purchaser if the interest component of the Installment Payments had borne interest at the Taxable Rate, beginning on the Taxable Date (the "Taxable Period"), and (B) the amount of interest actually paid to the Purchaser during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by the Purchaser as a result of the interest component of the Installment Payments becoming included in the gross income of the Purchaser, together with any and all attorneys' fees, court costs, or other out of pocket costs incurred by such the Purchaser in connection therewith;

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

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

Section 4.4 Payment in Lawful Money; No Set Off. Each Series 2025 Installment Payment shall be paid or caused to be paid by the District on each Series 2025 Installment Payment Date in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, to or upon the order of the Purchaser at such place as the Purchaser shall designate, in writing, to the District.

Notwithstanding any dispute between the District and the Purchaser, the District shall make each and all Series 2025 Installment Payments when due and shall not withhold any Series 2025 Installment Payments pending the final resolution of such dispute nor shall the District assert any right of set off or counterclaim against its obligation to make Series 2025 Installment Payments as set forth herein.

The obligation of the District to pay the Series 2025 Installment Payments from the Gross Revenues as herein provided is absolute and unconditional, and until such time as all of the Series 2025 Installment Payments have been fully paid, the District will not discontinue or suspend any Series 2025 Installment Payments required to be made by it under this section when due, whether or not the Facilities or any part thereof is operating or operable, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to abatement because of any damage to, destruction or condemnation of the Facilities, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

ARTICLE V

SECURITY

Section 5.1 Pledge of Revenues. All Gross Revenues and all amounts on deposit in the Revenue Fund are hereby irrevocably pledged to the payment of the Series 2025 Installment Payments as provided herein, and except as provided in and according to the priorities with respect to the use of Gross Revenues established in Section 5.2 hereof, the Gross Revenues shall not be used for any other purpose while any of the Series 2025 Installment Payments remain unpaid; provided that out of the Gross Revenues and amounts on deposit in the Revenue Fund there may be apportioned such sums for such purposes as are expressly permitted herein including the parity claim of any Bonds or Contracts. This pledge, together with the pledge created by all other Contracts and Bonds, shall constitute a first lien on and security interest in the Gross Revenues and the Revenue Fund and all amounts on deposit therein as permitted herein and subject to the application of Gross Revenues in accordance with the terms hereof.

Section 5.2 Allocation of Revenues. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants that all Gross Revenues shall be received by the District in trust and shall be deposited when and as received in the "Revenue Fund" which fund the District has previously established and hereby agrees and covenants to maintain and to hold separate and apart from other funds so long as any Series 2025 Installment Payments, Contracts or Bonds remain unpaid. Moneys in the Revenue Fund shall be used and applied by the District as provided in this Installment Purchase Agreement and as needed to make payments on other Bonds and Contracts.

The District shall, from the moneys in the Revenue Fund, first, pay all Series 2025 Installment Payments and amounts due on other Bonds and Contracts (including as required to replenish Reserve Funds), all on a pro rata basis; second, pay all Operation and Maintenance Costs (including amounts reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required); and third, make all payments due on Subordinate Obligations, as the same shall become due and payable. All moneys in the Revenue Fund used to pay the Series 2025 Installment Payments shall be set aside by the District and applied as follows: On or before each Series 2025 Installment Payment Date, the District shall, from the moneys in the Revenue Fund, transfer to the Purchaser for a sum equal to the Series 2025 Installment Payment coming due on such Series 2025 Installment Payment Date.

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

Section 5.3 Additional Contracts and Bonds. The District may at any time execute any Contract or issue any Bonds, as the case may be, payable from Gross Revenues on a parity with the Beck SRF Payments, the Morro SRF Payments, the 2018 Installment Payments, the 2018 Lease Payments, the 2022 Installment Payments, the 2024 Installment Payments and the Series 2025 Installment Payments in accordance herewith; provided there shall be on file with the District either:

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

(b) Either

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

(ii) the average annual Net Revenues for the prior 36-month period, calculated in accordance with Generally Accepted Accounting Principles, as shown by the books of the District for the three prior Fiscal Years for which audited financial information is available or as shown by the books of the District for any more recent 36-month period selected by the District in its sole discretion, verified by a certificate or opinion of an independent certified public accountant

acceptable to the Purchaser in its sole discretion, plus, at the option of the District, any or all of the items described in the following subsection (c), at least equal 120% of the amount of Maximum Annual Debt Service;

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

- (i) An allowance for Net Revenues from any improvements to the Water System to be made with the proceeds of such Bonds and Contracts and also for Net Revenues from any such improvements which have been made from moneys from any source but in any case which, during all or any part of the period described in the foregoing subsection (b), were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such improvements for the first 36 month period in which each improvement is respectively to be in operation, all as shown by the certificate or opinion of a qualified independent engineer acceptable to the Purchaser in its sole discretion.
- (ii) An allowance for Net Revenues arising from any increase in the charges made for service from the Water System which has been adopted prior to the incurring of such Bonds and Contracts but which, during all or any part of the period described in the foregoing subsection (b), was not in effect, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such period, all as shown by the certificate or opinion of an independent certified public accountant acceptable to the Purchaser in its sole discretion.

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

(d) Notwithstanding the foregoing, the District may issue evidence of indebtedness or incur other obligations for any lawful purpose that are payable from and secured by a lien on Gross Revenues or money in the Revenue Fund as may from time to time be deposited therein subordinate to the Series 2025 Installment Payments, so long as each of the following conditions has been met:

- (i) No Events of Default hereunder have occurred and are continuing and all amounts due and owing under this Installment Purchase Agreement have been paid.

(ii) Either

1. The Net Revenues, calculated in accordance with Generally Accepted Accounting Principles, as shown by the books of the District for the latest Fiscal Year for which audited financial information is available or as shown by the books of the District for any more recent 12-month period selected by the District in its sole discretion, in either case verified by a certificate or opinion of an independent certified public accountant acceptable to the Purchaser in its sole discretion, plus, at the option of the District, any or all of the items described in the prior subsection (c), at least equal 110% of the amount of annual Debt Service based at the Assumed Interest Rate after payment of any senior Bonds or Contracts (including this Installment Purchase Agreement); or which would have accrued had such Contract been executed or Bonds been issued at the beginning of such Fiscal Year or twelve month period.
2. The average annual Net Revenues for the prior 36-month period, calculated in accordance with Generally Accepted Accounting Principles, as shown by the books of the District for the three prior Fiscal Years for which audited financial information is available or as shown by the books of the District for any more recent 36-month period selected by the District in its sole discretion, verified by a certificate or opinion of an independent certified public accountant acceptable to the Purchaser in its sole discretion, plus, at the option of the District, any or all of the items described in the prior subsection (c), at least equal 110% of the amount of annual Debt Service based at the Assumed Interest Rate of any senior Bonds or Contracts (including this Installment Purchase Agreement);

- (ii) Any remedies to be exercised under any subordinate obligation shall not interfere with the District's receipt of Gross Revenues to pay Maintenance and Operations Costs and debt service on any senior Bonds or Contracts (including this Installment Purchase Agreement) and no acceleration of such subordinate obligation may be accelerated without the prior written consent of the Purchaser.

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

ARTICLE VI

COVENANTS OF THE DISTRICT

Section 6.1 Compliance with Installment Purchase Agreement and Ancillary Agreements. The District will punctually pay the Series 2025 Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements,

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

It is expressly understood and agreed by and among the parties to this Installment Purchase Agreement, subject to Section 10.6 hereunder, each of the agreements, conditions, covenants and terms contained in each such agreement is an essential and material term of the purchase of and payment for the Facilities by the District pursuant to the Law.

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

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

Section 6.3 Against Sale or Other Disposition of Property. The District will not enter into any agreement or lease which materially impairs the operation of the Water System or any part thereof necessary to secure adequate Gross Revenues for the payment of the Series 2025 Installment Payments, or which would otherwise impair the rights of the Purchaser hereunder or the operation of the Water System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Water System, or any material or equipment which has become worn out, may be sold if such sale will not materially impair the ability of the District to pay the Series 2025 Installment Payments and if the proceeds of such sale are deposited in the Revenue Fund.

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

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

Section 6.5 Tax Covenants. Notwithstanding any other provision of this Installment Purchase Agreement, absent an opinion of counsel to the District that the exclusion from gross income of the interest component of the Series 2025 Installment Payments will not be adversely affected for federal income tax purposes, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income on the interest component of the Series 2025 Installment Payments and specifically covenant, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The District will not take or omit to take any action or make any use of the proceeds received under this Installment Purchase Agreement or of any other moneys or property which would cause the interest component of the Series 2025 Installment Payments to be "private activity bonds" within the meaning of Section 141 of the Code.

(b) Arbitrage. The District will make no use of the proceeds received under this Installment Purchase Agreement or of any other amounts or property, regardless of the source, or take or omit to take any action which would cause the interest component of the Series 2025 Installment Payments to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(c) Federal Guarantee. The District will make no use of the proceeds received under this Installment Purchase Agreement or take or omit to take any action that would cause the interest component of the Series 2025 Installment Payments to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirements of Section 149(e) of the Code necessary to preserve the exclusion of the interest component of the Series 2025 Installment Payments pursuant to Section 103(a) of the Code.

(e) Hedge Bonds. The District will make no use of the proceeds received under this Installment Purchase Agreement or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the interest component of the Series 2025 Installment Payments to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the District take all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of the interest component of the Series 2025 Installment Payments for federal income tax purposes.

(f) Miscellaneous. The District will take no action, or omit to take any action, inconsistent with the expectations stated in any Tax Certificate executed in connection with this

Installment Purchase Agreements and will comply with the covenants and requirements stated therein and incorporated by reference herein.

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

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

Section 6.7 Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Gross Revenues or the funds or accounts created hereunder or on any funds in the hands of the District pledged to pay the Series 2025 Installment Payments prior or superior to the lien of the Series 2025 Installment Payments or which might impair the security of the Series 2025 Installment Payments

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

Section 6.9 Insurance.

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

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

If such Net Proceeds exceed the costs of such reconstruction, repair or replacement portion of the Water System, and/or the cost of the construction of additions, betterments, extensions or

improvements to the Water System, then the excess Net Proceeds may, at the option of the District, be applied in part to the prepayment of Series 2025 Installment Payments as provided in Section 7.1 and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion which the aggregate unpaid principal balance of Series 2025 Installment Payments then bears to the aggregate unpaid principal amount of such Bonds and Contracts. If such Net Proceeds are sufficient to enable the District to retire the entire obligation evidenced hereby prior to the final due date of the Series 2025 Installment Payments as well as the entire obligations evidenced by Bonds and Contracts then remaining unpaid prior to their final respective due dates, the District may elect not to reconstruct, repair or replace the damaged or destroyed portion of the Water System, and/or not to construct other additions, betterments, extensions or improvements to the Water System; and thereupon such Net Proceeds shall be applied to the prepayment of Series 2025 Installment Payments as provided in Section 7.1 and to the retirement of such Bonds and Contracts.

(b) The District will procure and maintain such other insurance which it shall deem advisable or necessary to protect its interests and the interests of the Purchaser, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with municipal retail water systems similar to the Water System.

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

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

Section 6.10 Accounting Records; Financial Statements and Other Reports.

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

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

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

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

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

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

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

Section 6.11 Protection of Security and Rights of the Purchaser. The District will preserve and protect the security hereof and the rights of the Purchaser to the Series 2025 Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

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

Section 6.13 Amount of Rates and Charges.

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

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

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

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

(a) If (1) the District files with the Purchaser a certificate showing (i) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions or improvements to the Water System proposed to be acquired and constructed by the District from such Net Proceeds, and (iii) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements, and (2) the District, on the basis of such certificate filed with the Purchaser, determines that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive), then the District shall promptly proceed with the acquisition and construction of such additions, betterments, extensions or improvements substantially in accordance with such certificate and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any balance of such Net Proceeds not required by the District for such purpose shall be held by the District and shall be treated as Gross Revenues.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied by the District in part to the prepayment of Series 2025 Installment Payments as provided in Section 7.1 and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion which the aggregate unpaid principal components of the Series 2025 Installment Payments then bears to the aggregate unpaid principal amount of such Bonds and Contracts.

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

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

Section 6.18 Superior Additional Obligations. The District shall not execute any Contracts or issue any Bonds, as the case may be, that are payable from or secured by a pledge of

and lien on Gross Revenues and any money in the Revenue Fund superior to the pledge securing the Series 2025 Installment Payments.

ARTICLE VII

PREPAYMENT OF SERIES 2025 INSTALLMENT PAYMENTS

Section 7.1 Prepayment.

(a) The District may or shall, as the case may be, prepay from the Net Proceeds as provided in Sections 6.9 and 6.15 herein on any date all or any part of the unpaid Series 2025 Installment Payments at a prepayment price equal to the sum of the principal components prepaid plus accrued interest thereon to the date of prepayment.

(b) Prior to January 7, 2030, the Series 2025 Installment Payments may not be prepaid. On or after January 7, 2030, the District may prepay the Series 2025 Installment Payments, as a whole or in part, on any Business Day at a prepayment price equal to the principal component of the Series 2025 Installment Payments being prepaid, together with all interest components of the Series 2025 Installment Payments due through such prepayment date, without premium.

In the event of prepayment in part, the partial prepayment shall be applied by the Purchaser against Installment Payments in the manner directed by the District, and the District shall cause to be provided to the Purchaser a revised schedule of Series 2025 Installment Payments reflecting said partial prepayment.

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

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

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY

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

(1) if default shall be made by the District in the due and punctual payment of any Series 2025 Installment Payment or any Contract or Bond when and as the same shall become due and payable;

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

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

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

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

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

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

(8) moratorium, suspension or termination of the existence of the District; then and in each and every such case upon the occurrence of such Event of Default specified in clauses (3) and (4) above, without any notice to the District, the Purchaser shall declare the entire principal amount of the unpaid Series 2025 Installment Payments and the accrued interest thereon shall be immediately due and payable, and for any other Event of Default the Purchaser may, by notice in writing to the District, declare the entire principal amount of the unpaid Series 2025 Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding. This section, however, is subject to the condition that if at any time after the entire principal amount of the unpaid Series 2025 Installment Payments and the accrued interest thereon shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered the District shall deposit with the Purchaser a sum sufficient to pay the unpaid principal amount of the

Series 2025 Installment Payments or the unpaid payment of any other Contract or Bond referred to in clause (1) above due prior to such declaration and the accrued interest thereon, with interest on such overdue installments, at the rate or rates applicable to the remaining unpaid principal balance of the Series 2025 Installment Payments or such Contract or Bond if paid in accordance with their terms, and the reasonable expenses of the District, and any and all other defaults known to the District (other than in the payment of the entire principal amount of the unpaid Series 2025 Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Purchaser, if appropriate, or provision deemed by the Purchaser, if appropriate, to be adequate shall have been made therefor, then and in every such case the Purchaser, if appropriate by written notice to the District, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

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

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

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

Third, to the payment of the entire principal amount of the unpaid Series 2025 Installment Payments and the unpaid principal amount of all Bonds and Contracts and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the Series 2025 Installment Payments and such Bonds and Contracts if paid in accordance with their respective terms; and

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

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

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

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

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

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

Section 8.4 Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the Series 2025 Installment Payments to the Purchaser at the respective due dates or upon prepayment from the Gross Revenues, the Revenue Fund and the other funds herein pledged for such payment, or shall affect or impair the right of the Purchaser, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Purchaser shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Purchaser to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Purchaser under the Law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Purchaser.

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

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

ARTICLE IX

DISCHARGE OF OBLIGATIONS

Section 9.1 Discharge of Obligations. When

(a) all or any portion of the Series 2025 Installment Payments shall have become due and payable in accordance herewith or a written notice of the District to prepay all or any portion of the Series 2025 Installment Payments shall have been filed with the Purchaser; and

(b) there shall have been deposited with the Purchaser, or a third party escrow agent, at or prior to the Series 2025 Installment Payment Dates or date (or dates) specified for prepayment, in trust for the benefit of the Purchaser or its assigns and irrevocably appropriated and set aside to the payment of all or any portion of the Series 2025 Installment Payments, sufficient moneys and non-callable Defeasance Securities, the principal of and interest on which when due will provide money sufficient to pay all principal, prepayment premium, if any, and

interest of such Series 2025 Installment Payments to their respective Series 2025 Installment Payment Dates or prepayment date or dates as the case may be; and

(c) provision shall have been made for paying all fees and expenses of the Purchaser, then and in that event, the right, title and interest of the Purchaser herein and the obligations of the District hereunder shall, with respect to all or such portion of the Series 2025 Installment Payments as have been so provided for, thereupon cease, terminate, become void and be completely discharged and satisfied (except for the rights of the Purchaser and the obligation of the District to have such Defeasance Securities applied to the payment of such Series 2025 Installment Payments).

In such event, upon request of the District the Purchaser shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence such total or partial discharge and satisfaction, as the case may be, and, in the event of a total discharge and satisfaction, the Purchaser or third party escrow agent shall pay over to the District all such Defeasance Securities held by it pursuant hereto other than such Defeasance Securities, as are required for the payment or prepayment of the Series 2025 Installment Payments , which Defeasance Securities shall continue to be held by the Purchaser or third party escrow agent in trust for the payment of the Series 2025 Installment Payments and shall be applied to the payment of the Series 2025 Installment Payments of the District.

ARTICLE X

MISCELLANEOUS

Section 10.1 Liability of District Limited. Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Gross Revenues and the other funds provided herein for the payment of the Series 2025 Installment Payments or for the performance of any agreements or covenants required to be performed by it contained herein. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

The obligation of the District to make the Series 2025 Installment Payments is a special obligation of the District payable solely from such Gross Revenues and other funds described herein, and does not constitute a debt of the District or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

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

Section 10.3 Successor Is Deemed Included in all References to Predecessor.

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

Section 10.4 Waiver of Personal Liability. No director, officer or employee of the District shall be individually or personally liable for the payment of the Series 2025 Installment Payments , but nothing contained herein shall relieve any director, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 10.5 Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith” and other words of similar import refer to the Installment Purchase Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

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

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

Any such assignment, transfer or conveyance (i) shall be made only to an investor which is a “qualified institutional buyer” as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended, or an “Accredited Investor” as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933 Act and is purchasing its right, title and interest in and to this Installment Purchase Agreement for its own account with no present intention to resell its interest herein; (ii) shall not require the District to make Series 2025

Installment Payments to, send notices to or otherwise deal with respect to matters arising under this Installment Purchase Agreement with any entity other than the Purchaser or a subsequent entity to whom the Purchaser transfers its right, title and interest hereunder in whole, and (iii) shall be made only to investors who complete and submit to the District a letter substantially in the form attached hereto as Exhibit D. Neither the Purchaser nor any subsequent assignee may participate out any interest held by it in this Installment Purchase Agreement and the Series 2025 Installment Payments other than in accordance with this Section 10.7. No assignment, transfer or conveyance of any of the Purchaser's rights hereunder shall be effective until such subsequent assignee has executed a letter substantially in the form attached hereto as Exhibit D and delivered it to the District.

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

Section 10.8 Net Contract. The Installment Purchase Agreement shall be deemed and construed to be a net contract, and the District shall pay absolutely net during the term hereof of the Series 2025 Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

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

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

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

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

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

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

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

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

Section 10.15 Arm's Length Transaction. The transaction described in this Installment Purchase Agreement is an arm's length, commercial transaction between the District and the Purchaser in which: (i) the Purchaser is acting solely as a principal (i.e., as a lender) and for its own interest; (ii) the Purchaser is not acting as a municipal advisor or financial advisor to the District; (iii) the Purchaser has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the District with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Purchaser or any of its affiliates has provided other services or is currently providing other services to the District on other matters); (iv) the only obligations the Purchaser has to the District with respect to this transaction are set forth in this Installment Purchase Agreement; and (v) the Purchaser is not recommending that the District take an action with respect to the transaction described in this Installment Purchase Agreement and the other Loan Documents, and before taking any action with respect to the this transaction, the District should discuss the information contained herein with the District's own legal, accounting, tax, financial and other advisors, as the District deems appropriate.

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

(b) To the extent that the foregoing waiver of a jury trial is unenforceable under applicable State of California law, the parties agree to refer, for a complete and final adjudication, any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between a party or the parties and the Purchaser arising out of, in connection with or otherwise related or incidental to this Installment Purchase Agreement to a judicial referee who shall be appointed under a general reference pursuant to California Code of Civil Procedure Section 638,

which referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The parties shall select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that the event the parties and the Purchaser cannot agree upon a referee, the referee will be appointed by the court. The fees and expense of any referee that is appointed in such action or proceeding shall be shared equally among the parties, but the prevailing party shall have the right to recover the portion paid by it from the non-prevailing party at the conclusion of the case.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

RAINBOW MUNICIPAL WATER DISTRICT

By: _____
Jake Wiley, General Manager

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

By: _____
Name: _____
Title: _____

EXHIBIT A

DESCRIPTION OF THE FACILITIES

The Facilities comprise the following:

1. Rainbow Heights Tank #1 (4 MG)
2. Rice Canyon Tank (4 MG)
3. Hutton Tank (4 MG)
4. Gopher Tank (4 MG)

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

EXHIBIT B
PURCHASE PRICE

B-1

EXHIBIT C

FORM OF SUBSTITUTION CERTIFICATE

[ADDRESSED TO PURCHASER]

The undersigned General Manager of the Rainbow Municipal Water District (the “District”) hereby states pursuant to Section 3.1 of the Installment Purchase Agreement, dated as of January [7], 2025, by and between District and U.S. Bank National Association (the “Installment Purchase Agreement”) that each component of the Facilities (as defined in the Installment Purchase Agreement) described in the Exhibit 1 attached hereto, with an estimated cost set forth in Exhibit 1, will be replaced by the corresponding improvement described in the Exhibit 1 with an estimated cost set forth in Exhibit 1.

Dated: _____, 20____

General Manager

EXHIBIT D

FORM OF LENDER LETTER

[Date]

Rainbow Municipal Water District
Fallbrook, California

Re: Rainbow Municipal Water District 2025 Installment Purchase Agreement (the
“Agreement”)

Ladies and Gentlemen:

The undersigned, a duly authorized officer of U.S. Bank National Association (the
“Purchaser”) hereby represents and warrants to you as follows:

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

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

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

4. The Purchaser acknowledges that no official statement has been prepared for the Loan, and that the District will not be entering into a continuing disclosure agreement to provide ongoing disclosure respecting the Loan; provided, however, that the District has agreed to provide certain ongoing information to the Purchaser. The Purchaser has been offered copies of or full access to all documents relating to the Loan and all records, reports, financial statements and other information concerning the District and pertinent to the source of payment for the Series 2025 Installment Payments as deemed material by the Purchaser, which the Purchaser as a commercial Purchaser, has requested and to which the Purchaser, as a commercial Purchaser, would attach significance in making its lending decision. The Purchaser acknowledges that the Installment Purchase Agreement is exempt from the requirements of Rule 15c2-12 of the Securities and Exchange District and that the District has not undertaken to provide continuing disclosure with respect to the Installment Purchase Agreement but that the District has agree to provide certain other ongoing financial information and notice of certain events pursuant to the Installment Purchase Agreement

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

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

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

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

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

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

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

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

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

Very truly yours,

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

By: _____
Name: _____
Title: _____

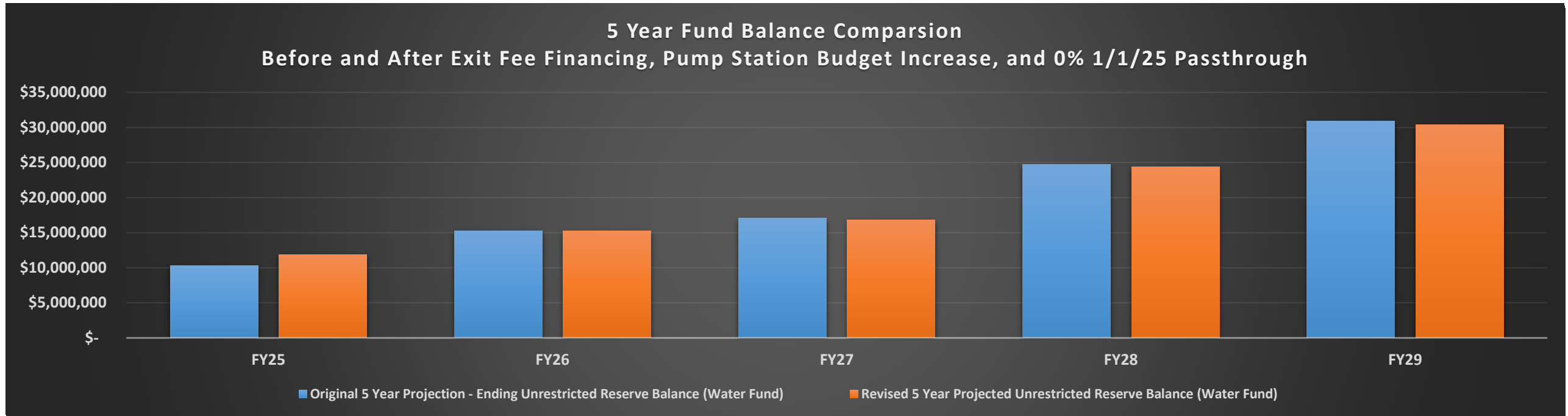
5 Year Cash Flow Impact Analysis -Before and After Exit Fee Financing, Pump Station Budget Increase, and 0% 1/1/25 Pass-through

Cash Flow Impacts from Exit Fee Financing	FY25	FY26	FY27	FY28	FY29	Total
Original Projection - Savings from Not Paying Exit Fee Payments to the SDCWA w/ Interest	\$ 3,410,000	\$ 3,645,000	\$ 3,466,000	\$ 3,310,000	\$ 3,200,000	\$ 17,031,000
Revised Projection - Cost from New Debt Service on \$15.8M US Bank Loan		\$ (2,009,350)	\$ (2,009,350)	\$ (2,009,350)	\$ (2,009,350)	\$ (8,037,400)
Cash Flow Savings / (Deficit) from Exit Fee Financing	\$ 3,410,000	\$ 1,635,650	\$ 1,456,650	\$ 1,300,650	\$ 1,190,650	\$ 8,993,600

Other Major Items Funded from Exit Fee Financing Cash Flow Savings	FY25	FY26	FY27	FY28	FY29	Total
Underfunding on 3 Pump Station Project (PN 600013)	\$ (1,150,000)					\$ (1,150,000)
Reduction in Assumed Revenue: 3.6% assumed pass-through on 1/1/2025 to 0%	\$ (675,000)	\$ (1,645,200)	\$ (1,645,200)	\$ (1,645,200)	\$ (1,645,200)	\$ (7,255,800)
Cash Flow Savings / (Deficit) from Other Items	\$ (1,825,000)	\$ (1,645,200)	\$ (1,645,200)	\$ (1,645,200)	\$ (1,645,200)	\$ (8,405,800)

Net Cash Flow Savings / (Deficit)	\$ 1,585,000	\$ (9,550)	\$ (188,550)	\$ (344,550)	\$ (454,550)	\$ 587,800
--	---------------------	-------------------	---------------------	---------------------	---------------------	-------------------

	FY25	FY26	FY27	FY28	FY29
Original 5 Year Projection - Ending Unrestricted Reserve Balance (Water Fund)	\$ 10,319,433	\$ 15,262,309	\$ 17,040,500	\$ 24,701,649	\$ 30,873,118
Revised 5 Year Projected Unrestricted Reserve Balance (Water Fund)	\$ 11,904,433	\$ 15,252,759	\$ 16,851,950	\$ 24,357,099	\$ 30,418,568
Difference	\$ 1,585,000	\$ (9,550)	\$ (188,550)	\$ (344,550)	\$ (454,550)
Target Fund Balance	\$ 27,297,114	\$ 27,386,923	\$ 28,310,967	\$ 29,279,402	\$ 30,011,900
Amount Above/Below Target Fund Balance	\$ (15,392,681)	\$ (12,134,164)	\$ (11,459,017)	\$ (4,922,303)	\$ 406,668





COMMITTEE ACTION Item No.11

BOARD OF DIRECTORS

November 12, 2024

SUBJECT

DISCUSSION OF FINANCIAL OPTIONS FROM ONE TIME SAVINGS FROM EARLY DETACHMENT FROM THE SDCWA

BACKGROUND

On October 30, 2024, staff discussed with the Board that due to detaching two months earlier compared to assumptions in the FY2024-25 budget (November 1, 2024 vs January 1, 2025), the District will incur \$767,000 less in fixed charges from its new water wholesaler (EMWD) as compared to what it would have paid to its old wholesaler (SDCWA). These savings were not considered or counted on in the FY2024-25 budget and as such provide one-time additional discretionary funds for the Board's consideration. At that meeting, the Board expressed interest in getting input from each of the Committees on their preferred option for use of the funds respective the Committee's purview. As such staff is asking each of the Committees in November for their preferred options as described below;

1. Engineering & Operations Committee: Preferred CIP Project
2. Budget and Finance Committee: Preferred Financial Option
3. Communication and Customer Service Committee: Preferred approach and messaging if funds rebated back to customers

DESCRIPTION

Staff have outlined three major potential financial options for the Committee's input if the Board did not want to spend the funding on CIP projects or rebate it back to customers.

1. Retain the \$767,000 in cash reserves until needed
 - a. Financial Value - Would earn an projected 4.0 to 4.5% per year (\$30,700 to \$34,500 annually or \$376,500 to \$434,900 if compounded over a 10 year period
 - b. Considerations: Interest rate is not certain and may be higher or lower than current levels. This option provides the most flexibility to use for future unanticipated District needs such as mainline breaks or other CIP replacements. The District is currently below its minimum target for cash reserves. Retaining the one-time savings would be in alignment with the District's Reserve Policy (Admin Code Section 5.03.220.02) that recommends the retention of one-time savings if reserves are below minimum targets to reach minimum target levels within 3 years.
2. Use the \$767,000 to pre-purchase water from EMWD via the MWD reverse-cyclic program if made available on 2025. This would allow the District to pre-buy water in 2026 at 2025 rates thereby avoiding the 8.5% MWD rate increase on January 1, 2026.
 - a. Financial Value: This would provide a \$65,200 savings on water cost by the avoidance of the January 1, 202 MWD rate increase.
 - b. Considerations: Locks in use of funds for at least one year. Depending on final program rules, the District might be able to carry forward that pre-purchased water for up to 5 years and avoid typical MWD rate increases anticipated in the 5-6% range during the final 4 years. Alternatively, the program may only be available for the one year and may not have

sufficient water available to the District to use the full \$767,000. Final program rules are not likely to be known until the end of December 2024.

3. Use the \$767,000 to reduce the Exit Fee Financing from \$15.8M to \$15.0M thereby reducing the amount of outstanding debt and interest expense (4.63%)
 - a. Financial Value: \$209,000 in total interest savings over the 10 year period of the debt
 - b. Considerations: One time inflexible use of funds but provides a certain benefit over 10 years.

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

Discussed above.

RECOMMENDATION

Staff recommends the Committee recommend Option 1 to the Board due to the current reserve levels being below minimum target levels and the need to keep the funds available for use for unanticipated funding needs, such as major mainline leaks.



Richard R. Aragon
Chief Financial
Officer/Treasurer

November 12, 2024

BOARD OF DIRECTORS

November 19, 2024

SUBJECT

CONSIDERATION OF THREE RATE RELATED ACTIONS: (1) ADOPTION OF A RESOLUTION RECLASSIFYING PSAWR CUSTOMERS TO AGRICULTURE AND LOWERING AGRICULTURE WATER RATES, (2) PROVIDING DIRECTION TO STAFF TO NOT IMPLEMENT THE 3.6% IMPORTED WATER COST INCREASE PASS-THROUGH RATE INCREASE ON JANUARY 1, 2025, AND (3) ADOPTION OF AN ORDINANCE AMENDING ORDINANCE NO. 23-04 REVISING PROVISIONS RELATING TO CONSTRUCTION WATER RATES

BACKGROUND

With the detachment from the San Diego County Water Authority (SDCWA) effective on November 1, 2024, the District is no longer in the SDCWA's Permanent Special Agricultural Water Rate (PSAWR) program. The PSAWR program allowed the District to pay lower rates for qualifying customer's water use in exchange for becoming the first customers to receive lower water amounts during times of drought or shortage. The District passed on the full savings from the lower rates from SDCWA directly to PSAWR customers in the form of lower special PSAWR customer rates. Since the District is no longer in the PSAWR program, PSAWR customers must now be returned to their original Agriculture or Agriculture w/ Residence classification, as applicable, since there is now no distinction between these agricultural related customer classes. The District now pays the same imported water rates to its new wholesaler, the Eastern Municipal Water District, for any water use from any customer. Additionally, all customers, including formerly PSAWR customers, all have the same priority with respect to reductions from drought or other water shortage allocations.

Furthermore, the District did not include the assumption of any additional revenues from the reclassification of PSAWR customers to higher Agriculture rates in its FY24-25 budget or 5-year financial projections, staff is proposing to reduce Agriculture and Agriculture with Residence rates so that the District remains revenue neutral before and after the reclassification change. The proposed revised Agriculture and Agriculture with Residence rates are shown on the attached Exhibit 1, including the basis of the calculation. These revised Agriculture related rates are 5.3% lower on the monthly variable charge based on water usage, and 1% to 5% lower for the fixed monthly service charge, depending on meter size. Former PSAWR customers will pay 10% more than previous PSAWR rates for the variable charge and 7% to 12% more for the monthly fixed service charge, depending on meter size, when paying the revised Agriculture and Agriculture with Residence rates. However, all of the District's customers, including PSAWR, would have paid an additional 13.8% in pass-through rate increases by January 1, 2025 for just rate the planned rate increases from the SDCWA of 14% on January 1, 2025 and a further 16% projected on January 1, 2026, if the District had not detached from the SDCWA.

Additionally, as discussed in the debt approval item on this Board agenda, the District will have sufficient additional cash flows in the next five years from the financing of the \$15.8M exit fee payment to the SDCWA over 10 years to cover the additional costs from the Metropolitan Water District of Southern California raising its rates by an average of 8.5% on January 1, 2025 without passing through these costs in the form of the originally anticipated 3.6% overall rate increase for all customers on the same date. This is anticipated to reduce revenues by \$0.68M in FY2024-25 due to the partial year, and \$1.6M

per year thereafter. The Board is recommended to direct staff to not implement the 3.6% rate increase on January 1, 2025.

Finally, an Ordinance is necessary as an administrative correction to update the water rates references in the Ordinance No. 23-04 under Miscellaneous Charges for Construction Water and Meters from a specific historical rate to the current rates applicable for Commercial Customers so that the Ordinance for Miscellaneous Charges does not need to specifically be updated every time rates are adjusted. Applicable customers are already being charged the appropriate rates but this item would minimize the risk for error in the future by only requiring the standard resolution adopting a revised rate table when rates need to be adjusted.

DESCRIPTION

The Resolution attached will approve the reclassification of PSAWR and PSAWR Domestic customers to Agriculture and Agriculture with Residence, respectively, and would likewise lower the Agriculture related rates as described above effective for any bills issued after December 1, 2024, such that the District remains revenue neutral from its agricultural related customers before and after the classification.

Attachments:

Resolution 2024-ZZ – Reclassifying PSAWR Customers to Agriculture and Lowering Agriculture Rates [placeholder for Board meeting on 11-19-24 – not yet completed]

Ordinance 24-ZZ – Amending Ordinance No. 23-04 Revising Provisions Relating to Construction Water Rates [placeholder for Board meeting on 11-19-24 – not yet completed]

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

Fiscal Impacts are discussed in the Background section above.

RECOMMENDATION

Staff recommends the Board take the following actions;

1. Adopt Resolution 2024-ZZ - Reclassifying PSAWR Customers to Agriculture and Lowering Agriculture Rates; and
2. Direct staff to not implement the originally anticipated 3.6% imported water cost increase pass-through increase on January 1, 2025; and
3. Adopt Ordinance 24-ZZ Amending Ordinance No. 23-04 Revising Provisions Relating to Construction Water Rates



Richard R. Aragon
Chief Financial Officer

11/19/2024

Ag Rates Change from Current to Revised Due to Reclassified PSAWR (effective 12-1-2024)

			Current Rate	New Rate (12-1-24)	Difference \$	Difference %
Variable Rate	AD	All Tiers	\$ 5.18	\$ 4.91	\$ (0.27)	-5.3%
Variable Rate	AG	All Tiers	\$ 5.18	\$ 4.91	\$ (0.27)	-5.3%
Variable Rate	PSAWR - Domestic	Tier 1 (1-22 units)	\$ 5.18	\$ 4.91	\$ (0.27)	-5.3%
Variable Rate	PSAWR - Domestic	Tier 2 (22+ units)	\$ 4.46	\$ 4.91	\$ 0.45	10.0%
Variable Rate	PSAWR	All Tiers	\$ 4.46	\$ 4.91	\$ 0.45	10.0%
Monthly Fixed Meter Charges	AD	5/8"	\$ 151.70	\$ 143.81	\$ (7.89)	-5%
Monthly Fixed Meter Charges	AD	3/4"	\$ 151.70	\$ 143.81	\$ (7.89)	-5%
Monthly Fixed Meter Charges	AD	1"	\$ 248.77	\$ 239.68	\$ (9.09)	-4%
Monthly Fixed Meter Charges	AD	1 1/2"	\$ 491.42	\$ 479.36	\$ (12.06)	-2%
Monthly Fixed Meter Charges	AD	2"	\$ 782.61	\$ 766.97	\$ (15.64)	-2%
Monthly Fixed Meter Charges	AD	3"	\$ 1,704.68	\$ 1,677.75	\$ (26.93)	-2%
Monthly Fixed Meter Charges	AD	4"	\$ 3,063.53	\$ 3,019.94	\$ (43.59)	-1%
Monthly Fixed Meter Charges	AD	6"	\$ 6,315.07	\$ 6,231.63	\$ (83.44)	-1%
Monthly Fixed Meter Charges	AG	5/8"	\$ 151.70	\$ 143.81	\$ (7.89)	-5%
Monthly Fixed Meter Charges	AG	3/4"	\$ 151.70	\$ 143.81	\$ (7.89)	-5%
Monthly Fixed Meter Charges	AG	1"	\$ 248.77	\$ 239.68	\$ (9.09)	-4%
Monthly Fixed Meter Charges	AG	1 1/2"	\$ 491.42	\$ 479.36	\$ (12.06)	-2%
Monthly Fixed Meter Charges	AG	2"	\$ 782.61	\$ 766.97	\$ (15.64)	-2%
Monthly Fixed Meter Charges	AG	3"	\$ 1,704.68	\$ 1,677.75	\$ (26.93)	-2%
Monthly Fixed Meter Charges	AG	4"	\$ 3,063.53	\$ 3,019.94	\$ (43.59)	-1%
Monthly Fixed Meter Charges	AG	6"	\$ 6,315.07	\$ 6,231.63	\$ (83.44)	-1%
Monthly Fixed Meter Charges	PSAWR - Domestic	5/8"	\$ 134.38	\$ 143.81	\$ 9.43	7%
Monthly Fixed Meter Charges	PSAWR - Domestic	3/4"	\$ 134.38	\$ 143.81	\$ 9.43	7%
Monthly Fixed Meter Charges	PSAWR - Domestic	1"	\$ 219.90	\$ 239.68	\$ 19.78	9%
Monthly Fixed Meter Charges	PSAWR - Domestic	1 1/2"	\$ 433.69	\$ 479.36	\$ 45.67	11%
Monthly Fixed Meter Charges	PSAWR - Domestic	2"	\$ 690.23	\$ 766.97	\$ 76.74	11%
Monthly Fixed Meter Charges	PSAWR - Domestic	3"	\$ 1,502.61	\$ 1,677.75	\$ 175.14	12%
Monthly Fixed Meter Charges	PSAWR - Domestic	4"	\$ 2,699.81	\$ 3,019.94	\$ 320.13	12%
Monthly Fixed Meter Charges	PSAWR - Domestic	6"	\$ 5,564.54	\$ 6,231.63	\$ 667.09	12%
Monthly Fixed Meter Charges	PSAWR	5/8"	\$ 134.38	\$ 143.81	\$ 9.43	7%
Monthly Fixed Meter Charges	PSAWR	3/4"	\$ 134.38	\$ 143.81	\$ 9.43	7%
Monthly Fixed Meter Charges	PSAWR	1"	\$ 219.90	\$ 239.68	\$ 19.78	9%
Monthly Fixed Meter Charges	PSAWR	1 1/2"	\$ 433.69	\$ 479.36	\$ 45.67	11%
Monthly Fixed Meter Charges	PSAWR	2"	\$ 690.23	\$ 766.97	\$ 76.74	11%
Monthly Fixed Meter Charges	PSAWR	3"	\$ 1,502.61	\$ 1,677.75	\$ 175.14	12%
Monthly Fixed Meter Charges	PSAWR	4"	\$ 2,699.81	\$ 3,019.94	\$ 320.13	12%
Monthly Fixed Meter Charges	PSAWR	6"	\$ 5,564.54	\$ 6,231.63	\$ 667.09	12%

New AG Rate Calculation due to PSAWR Reclassification to AG

Current Rates - Variable Revenue Projection

Rate Classification	Customer Classification	FY25 Projected Annual Revenue \$*	FY25 Projected Annual Consumption (HCF)**
Variable Charges	Agriculture w/ Residence	\$ 3,748,799	723,706
Variable Charges	Agriculture	\$ 5,073,570	979,454
Variable Charges	PSAWR - Domestic	\$ 2,534,772	568,335
Variable Charges	PSAWR	\$ 2,125,050	476,469
Total Variable Revenues - (All AG ar		\$ 13,482,191	2,747,963

*Based on rates adopted as of July 1, 2024

* Assumes 10,000 AF total annual sales and sales by class allocation based on 5 year year average.

New Variable Rate Calculation

FY25 Projected Annual Revenue \$* (All AG and PSAWR)	\$ 13,482,191
FY25 Projected Annual Consumption (HCF)**(All AG and PSAWR)	2,747,963
Average Variable Rate - (All AG and PSAWR)	\$ 4.91

Current Rates - Fixed Revenue Projection

Rate Classification	Customer Classification	FY25 Annual Revenues - Fixed Monthly Charges *
Fixed Charge	Agriculture w/ Residence	\$ 359,528
Fixed Charge	Agriculture	\$ 260,181
Fixed Charge	PSAWR - Domestic	\$ 106,540
Fixed Charge	PSAWR	\$ 66,989
Total FY25 Fixed Monthly Charges R		\$ 793,238

New Fixed Rates Calculation (12-1-24)

Total AG and PSAWR Accounts by Meter Size

Line #	Meter Size	AWWA Capacity (gpm)	AWWA Capacity Ratio	Agriculture w/ Res	Agriculture	PSAWR Domestic	PSAWR Commercial	Total Accounts
1	5/8"	30	1.00	2	1	0	0	3
2	3/4"	30	1.00	170	44	16	4	234
3	1"	50	1.67	800	236	167	40	1,243
4	1 1/2"	100	3.33	147	104	61	33	345
5	2"	160	5.33	69	117	51	48	285
6	3"	350	11.67	3	16	4	5	28
7	4"	630	21.00	1	6	0	1	8
8	6"	1,300	43.33	-	1	0	0	1
				1,192	525	299	131	2,147

Total AG and PSAWR Accounts by Equivalent Units (Meter Capacity Ratio x # of Meters per Size)

Line #	Meter Size	AWWA Capacity (gpm)	AWWA Capacity Ratio	Agriculture w/ Res	Agriculture	PSAWR Domestic	PSAWR Commercial	Total Equivalent Units
1	5/8"	30	1.00	2	1	0	0	3
2	3/4"	30	1.00	170	44	16	4	234
3	1"	50	1.67	1,333	393	278	67	2,071
4	1 1/2"	100	3.33	490	347	203	110	1,150
5	2"	160	5.33	368	624	272	256	1,520
6	3"	350	11.67	35	187	47	58	327
7	4"	630	21.00	21	126	0	21	168
8	6"	1,300	43.33	0	43	0	0	43
				2,419	1,765	816	516	5,516
		\$ 793,238 Total FY25 Fixed Monthly Charges Revenues - (All AG and PSAWR)						
		5,516 Total AG and PSAWR Meter Equivalent Units (MEU)						
		\$ 143.81 Average Rate per MEU (All Ag and PSAWR)						

Line #	Meter Size	AWWA Capacity (gpm)	AWWA Capacity Ratio	Revised Fixed Monthly Charge	Total Accounts	Total Monthly Fixed Charges
1	5/8"	30	1.00	\$ 143.81	3	\$ 431.42
2	3/4"	30	1.00	\$ 143.81	234	\$ 33,650.78
3	1"	50	1.67	\$ 239.68	1,243	\$ 297,919.64
4	1 1/2"	100	3.33	\$ 479.36	345	\$ 165,377.76
5	2"	160	5.33	\$ 766.97	285	\$ 218,586.25
6	3"	350	11.67	\$ 1,677.75	28	\$ 46,976.87
7	4"	630	21.00	\$ 3,019.94	8	\$ 24,159.53
8	6"	1,300	43.33	\$ 6,231.63	1	\$ 6,231.63
					2,147	\$ 793,333.87

Difference from
Current
(rounding)

\$ 95.87



COMMITTEE INFORMATION

Item No.

BOARD OF DIRECTORS

November 12, 2024

SUBJECT

REVIEW OF THE APPROVED FISCAL YEAR (FY) 2024-2025 BUDGET

BACKGROUND

On June 25, 2024, the Board approved the Fiscal Year 2024/25 Budget, after a series of joint Budget Workshops including the Board of Directors, the Engineering and Operations (E&O) and the Budget and Finance (B&F) Committees, held between March and June of 2024. In those meetings, a five-year comprehensive financial plan and the proposed FY2025 budget, including operating, non-operating, and capital improvement project budgets was developed.

DESCRIPTION

Staff has completed the assembling of the comprehensive budget document, and has submitted it to the Government Finance Officers Association (GFOA) for consideration for the Distinguished Budget Presentation Award and is available on the District's website, at: <https://www.rainbowmwd.ca.gov/annual-budget-fy-2024-2025>

Staff is presenting the completed Fiscal Year 24/25 Budget document for review, and will provide answers to any questions the Committee may have, at the meeting.

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

Not applicable. Information only.

RECOMMENDATION

No action is recommended.

Richard R. Aragon
Chief Financial
Officer/Treasurer

November 12, 2024

ANNUAL OPERATING, NON-OPERATING, & CAPITAL IMPROVEMENT BUDGET



FISCAL YEAR ENDING
JUNE 30, 2025

ANNUAL OPERATING, NON-OPERATING, & CAPITAL IMPROVEMENT BUDGET

TABLE OF CONTENTS

Executive Summary	1
Budget Message	2-9
Officials	10
Organization Chart	11-12
Mission Statement & Core Values	13-14
Certificate of Award	15-16
Profile of the District	17-24
District Service Area Map	25-26
Employees Compensation & Benefits	27-28
Strategic Plan	29-30
Financial Policies	31
Reserve Summary	32
Basis of Budget & Accounting	33-35
Budget Calendar	36
Description of Major Funds	37-38
Revenue & Expense Assumptions	39-44
Fund Structure	45-46
Operating Budget	47
Water Fund Budget Summary	48-49
Water Fund Budgeted Revenues	50
Water Fund Budgeted Expenses	51-56
Debt Service	57-62
Wastewater Fund Budget Summary	63
Wastewater Fund Budgeted Revenues	64
Wastewater Fund Budgeted Expenses	65-66
General Fund Budget Summary	67
General Fund Budgeted Revenues	69
General Fund Budgeted Expenses	70-79
Operating Funds Summary	80
Labor Trend	81
Revenue Trend	82



Capital Budget	83
Capital Projects Overview	84
Five-Year Water CIP Plan	85
Five-Year Wastewater CIP Plan	86
Capital Improvement Projects	87-124
Personnel Summaries	125
Staffing Analysis	126-151
Administration	152
Administrative Services	155-160
Finance	161-163
Engineering	164-166
Information Technology	167-170
Construction	171-172
Meters	173-174
Technical Services	175-176
Water System Operations & Valve Maintenance	177-179
Wastewater	180-182
Appendix	183
Glossary	183-184



3707 OLD HIGHWAY 395, FALLBROOK, CA 92028
RAINBOWMWD.CA.GOV

EXECUTIVE SUMMARY

Fiscal Year 2024-2025

Budget Message

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

On behalf of the Rainbow Municipal Water District (RMWD), we are pleased to present our 2024-25 Fiscal Year Operating and Capital Improvement Budget. The budget provides a forecast of the sources and uses of funds, it serves as a managerial tool for guiding the District towards achieving its goals outlined in the Strategic Plan. Our Strategic Plan is used to set priorities, focus energy and resources, strengthen operations, ensure that employees are working towards common goals, and assess and adjust the District's direction in response to an ever-changing environment. This plan defines the priorities and influences the development of the budgetary commitments needed in the upcoming fiscal year. The budget message will highlight some of the significant goals and priorities accomplished in the current budget year and highlight priorities for the coming year.

A New Era for Rainbow Water

In July of 2023, four years after the District's initial filing, the San Diego Local Agency Formation Commission (LAFCO) approved the Rainbow Municipal Water District's application for detachment from the San Diego County Water Authority and concurrent annexation into Eastern Municipal Water District (EMWD) for wholesale imported water purchases. Subsequently, in November 2023, the voters within the service area of Rainbow Water overwhelmingly approved Measure B, authorizing the reorganization. The detachment effort was done to source a lower cost wholesale water supply that provides long-term stability in water rates for our customers and strengthen the District's ability to fund critical operational needs and our Capital Improvement Program. The SDCWA initiated litigation on LAFCO and Rainbow Water over the detachment approvals. However, Rainbow and SDCWA reached a settlement agreement in December of 2023 that suspended litigation, saving millions in anticipated legal costs, and collaboratively defined the necessary steps to complete the detachment. Rainbow Water completed these actions and will finalize the detachment and concurrent annexation on November 1, 2024.

Challenges with Lower Water Sales

The District has continued to see declining water sales in a trend that has lasted well over 10 years. This decline has had a significant impact on the revenue of the district. Despite two consecutive winters that brought above average precipitation and snowpack to California, long-term drought in the West continues to threaten our imported water supply. Further restrictions and regulation by the State Water Resource Control Board could also affect the water demands in our region. The District has budgeted water sales conservatively (to the low side) and has transitioned to a strong balance of fixed revenues to combat the concerns and financial risks associated with drought and the decline in demand. Added stability in the rates due to lower cost supply may flatten the downward trend and strong growth in both water and wastewater customer accounts, primarily due to the addition of thousands of single-family residences along main transportation corridors in the District's service area is assisting with demand stability and cost allocation. This trend should continue and may be buoyed by a reduction in new development water capacity fees due to the detachment from SDCWA as EMWD collects no capacity fees on individual retail meter requests by the agencies that wholesale from them.

Accomplishments in Current Fiscal Year 2023-24

- Near completion of the installation of \$16.2M Thoroughbred Sewer Lift Station (PN 530001)
- Completed the \$818K Live Oak Park Bridge water mainline relocation project (Project 600037)
- Completed installation of Gopher Pump Skid to pump water from Turner tank to Gopher tank.
- Received approval from the Division of Dams for reclassifying Beck Reservoir from an active site to an inactive site saving over \$30K a year in weed abatement expenses.
- Successfully added a chloramine residual Morro Reservoir in preparation for detachment.
- The District successfully completed a comprehensive overhaul of the SCADA system, upgrading control and communication equipment across all sites to the latest technology. This advancement significantly enhances the District's capacity for remote site management while greatly improving the reliability and resilience of its infrastructure.
- The District has significantly bolstered its cybersecurity posture by adopting and rigorously applying industry-standard protocols and best practices. By aligning its cybersecurity measures with recognized industry standards, the District ensures a proactive approach to protecting sensitive information, mitigating risks, and maintaining the integrity and resilience of its digital assets.
- The District was named a Top Workplace for the third consecutive year in 2023 by the San Diego Union-Tribune, based on anonymous employee responses to a survey conducted by Energage. Survey highlights were that 90% of the workforce reported being motivated to do their best, and the District's Net Promotor Score is 82%.
- The Finance Department updated the District's investment policy and cash reserves policy with Board approval to align with current law, best practices, and set an updated cash reserve target of a range between \$13.2M (minimum) to \$44.2M (maximum), with \$31.4M being the target level.
- Completed a 5 year comprehensive financial projection and plan, including updated rate and debt actions necessary in light of the anticipated detachment from the SDCWA in mid-FY 2024-25. These actions included the ability to only implement half (or 4.5%) of the 9% water rate increase the previous water rate study had projected was necessary on July 1, 2025.
- Secured a \$10M loan with U.S. Bank at 4.7% for the Water Fund, and a \$5M loan with City National/First American Bank at 5.49% for the Wastewater Fund to cover most of the next 2 years of water CIP (FY25 and Fy26), and a portion for the \$16.2M Thoroughbred LS Wastewater Project, to help preserve cash reserve levels.
- The District developed a Comprehensive Annual Financial Report for FY 2022-23 and was awarded the Comprehensive Annual Financial Report Certificate of Achievement for Excellence award by the Government Finance Officers Association (GFOA) .
- The District developed the Annual Budget in compliance with GFOA standards (8th consecutive year) and received the Recognition of Distinguished Budget Presentation Award for the FY 2023-24 budget .
- The District achieved a clean and timely audit for FY 2022-23.

Priorities for Fiscal Year 2024-25 include:

- Transition to the purchase of wholesale water from EMWD will be a key focus for the District. This will include executing the necessary steps to satisfy the terms of the Settlement Agreement with SDCWA and includes the following major elements:
 - ✓ Construction of three new District pump stations (PN 600013) necessary for detachment and to provide additional system reliability and lower cost operations during Aqueduct shutdowns.
 - ✓ Operations plan w/SDCWA defining ongoing protocols/communications, transfer of facilities, etc.
 - ✓ Water supply agreements between MWD/EMWD/District.
 - ✓ Payment of initial exit fees (\$3.2M).
 - ✓ Tax exempt finance total exit fee of \$15.8M, including reimbursement of initial exit fee of \$3.2M
 - ✓ Filing of the Certificate of Completion finalizing the annexation of the District into EMWD.
 - ✓ Modify rate classes and programs no longer applicable with detachment (PSAWR, etc).
- Complete the feasibility study for a new local water supply through the San Luis Rey Imported Return Flow Recovery Project. This project proposes to expand on previous studies to identify a groundwater recovery project that would be eligible for grant funding through State and Federal Programs aimed at offsetting imported supplies. The project will identify the necessary steps and estimated costs to develop a local groundwater supply to diversify the district's water supply. Initiate and facilitate an update of the District's Strategic Plan, last updated in 2020.
- The District will initiate an update of the 2016 Water and Wastewater Master Plan. The Master Plan update will create a foundation for prioritization of future capital improvement projects through the construction of a hydraulic model and subsequent analysis of water supply, water distribution, and wastewater collection facilities under current conditions and future growth forecasts.
- Complete a compensation study to assess the District's market position for pay ranges and total compensation compared to similar positions at other local agencies, compare total wage progression from 2021 through the end of current labor agreements; and make recommendations in alignment with Board direction.
- Complete construction for the Lift Station No. 1 Replacement Project (PN 530001).
- Complete feasibility and design studies for a long term District facilities plan. Perform any as needed repairs or replace necessary District headquarters (PN:300008).
- Install new manual transfer switches at the Morro Hills Pump Station, Rainbow Hills Pump Station, and Vallecitos Pump Station (PN:600058).
- Acquire SDCWA Connections 1, 8, 9, & 10 (PN:600088).
- Decommission SDCWA Connections 3,6, 7, & 11 (PN:600089).
- Connect FPUD and the District's portable water systems at Maravilla Lane (PN:600091).
- Connect FPUD and the District's portable water systems at Olive Hill Road (PN:600092).
- Replace the La Canada pipeline and install two (2) pressure reducing stations (PN:600093).

Revenue Assumptions

Each year, the Board of Directors approves the Budget as the District’s foundational financial plan. It is on a full accrual basis with regard to operating expenses and revenues but cash basis for non-operating expenses (debt service, CIP spending, etc). Specifically, the Budget incorporates conservative revenue estimates, prudent spending plans, and a thorough review of necessary capital improvements to ensure the District’s long-term sustainability. In developing the budget, staff considered both internal and external factors, including the economy, weather, regulatory requirements, and the condition and age of the District’s infrastructure.

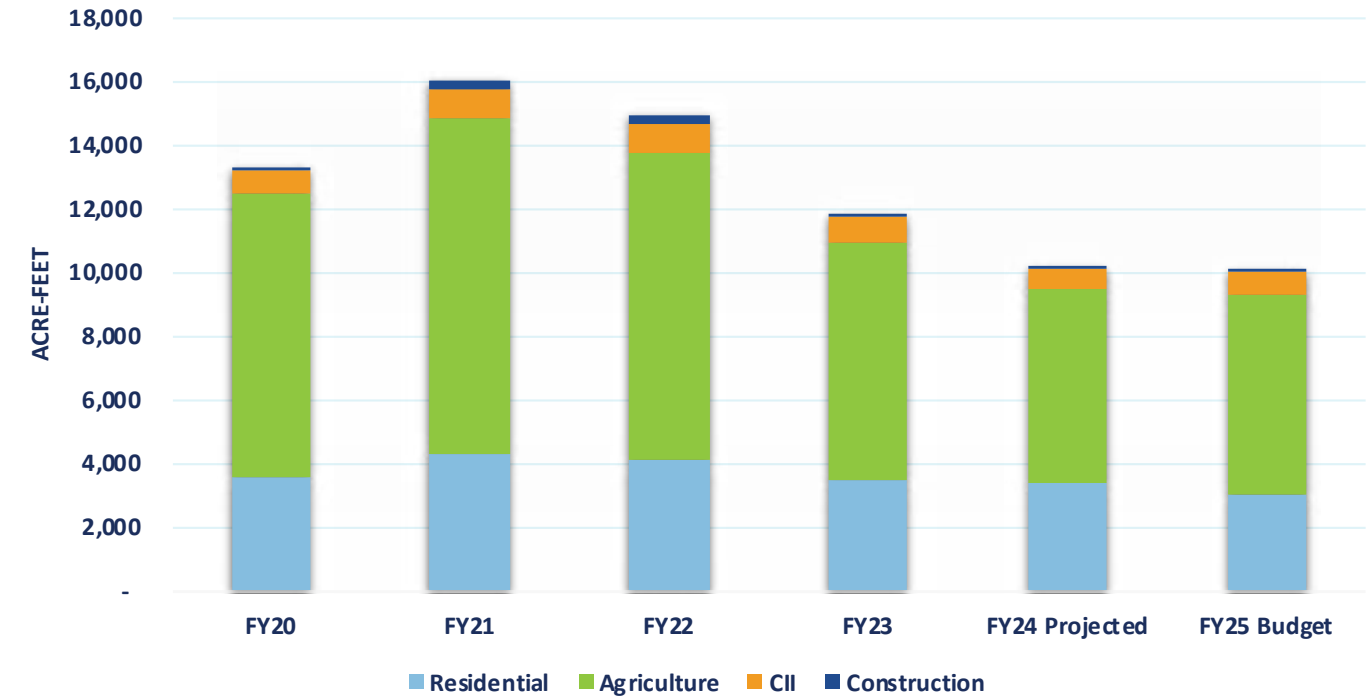
In FY23-24, water sales have decreased from the prior three years due to another particularly wet winter. Water sales have continued the years-long pattern of decline. The loss of agricultural production due to high water costs and increased irrigation efficiency has continued to impact sales. For FY24, sales are predicted to be just under 10,000 acre-feet. Increased revenues from new service connections because of development can help soften the reduction in water sales. New service connections were 112 in FY24, compared to 413 new water meters in FY23, along with 487 new wastewater EDUs in FY23, compared to 213 in FY23.

Since the inception of the District, the last few years were among the lowest in terms of water sales. At these reduced volumetric sales levels, prior to the five-year rate increase approved in June 2023, the District could not appropriately contribute to capital reserve levels for much-needed pipeline replacement projects. While delaying capital improvements may be acceptable for a short period, over time there are significant consequences for our ability to replace our aging infrastructure. The Board of Directors made the difficult decision to approve a multi-year rate increase with higher recovery of fixed costs from fixed charges that will get minimum reserve levels funded within 5 years and contribute to the capital improvement plan.

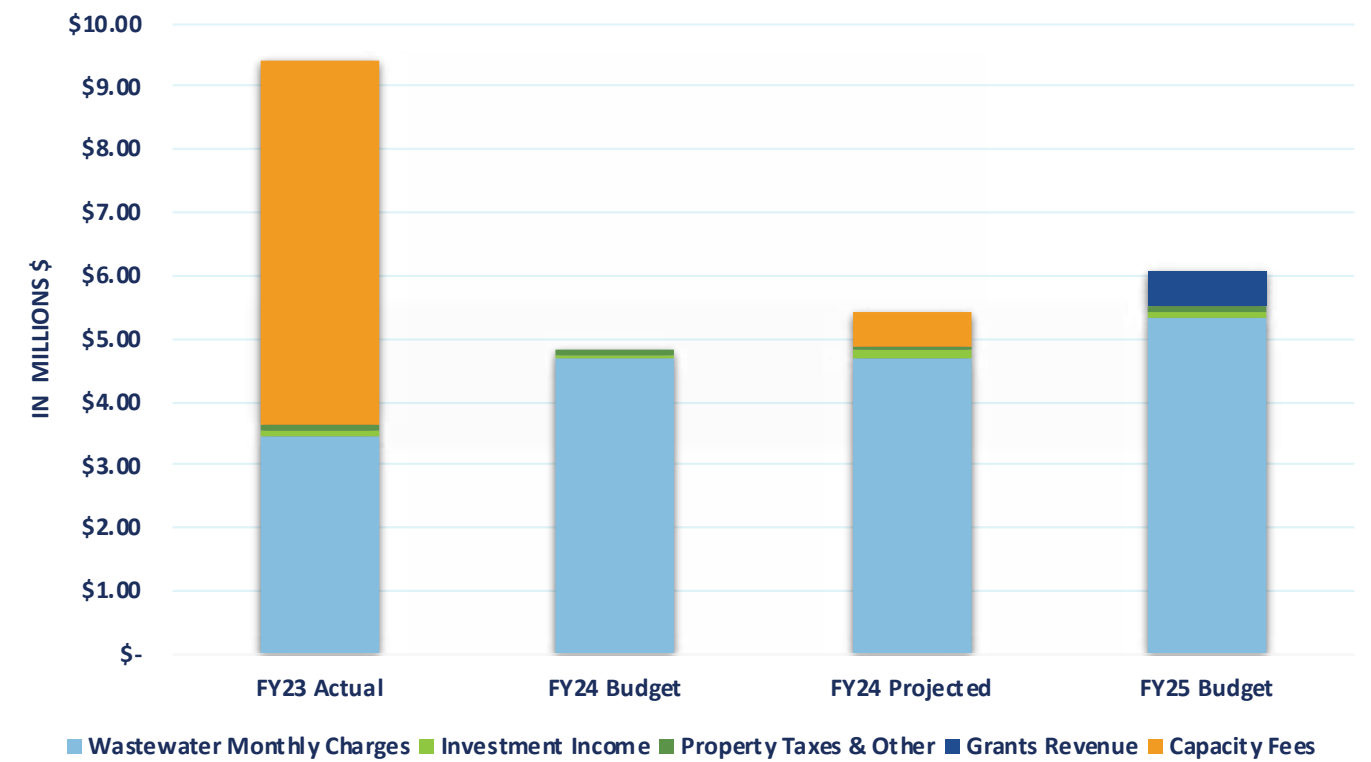
Major Revenue assumptions for FY24-25 include:

1. Water sales continuing at the level observed in the current year – 10,000 AF.
2. No increase in the number of accounts for water or wastewater to be conservative.
3. A 4.5% across the Board increase in water rates, instead of the 9% included in the June 2023 rate study with rate requirements of 5 years (FY24 through FY28) due to savings from assumed detachment from the SDCWA projected on 1/1/2025.
4. A 3.6% pass-through rate increase to cover a 8.5% increased imported water costs from EMWD/MWD as of 1/1/2025.
5. A 13% rate increase for Wastewater per the June 2023 rate study.
6. An average interest rate on investments and cash reserves of 5% of projected monthly cash balances.
7. A \$525,000 grant from EPA for wastewater lift station emergency generators. This grant was already awarded but needs to be reallocated from the EPA to this project.

Water Sales (AF)



Wastewater Revenue Breakdown



Expense Assumptions

The largest expense of the District is purchased imported water from its imported water provider at 55% of the total Water Operating Budget. The District currently purchases its imported water from the San Diego County Water Authority (SDCWA) but is anticipated to completed detachment from the SDCWA and attachment to the Eastern Municipal Water District (EMWD) by January 1, 2025, whereby the District will then be considered to be buying 100% of its water as imported water from the Metropolitan Water District of Southern California (MWD) and will pay EMWD just the MWD rates for water plus a small \$11 per AF administrative fee. The budget therefore includes half the year to be buying water from SDCWA and half from EMWD/MWD. Since water sales are heavily weighted to the first half of the fiscal year including the summer months, this breaks down to 6,745 AF assumed purchased from SDCWA and 4,055 AF from EMWD/MWD for a total of 10,800 AF (10,000 in sales + 8% water loss) for a total variable imported water cost of \$16.4M. Fixed charges are projected to be evenly split between SDCWA and EMWD/MWD, totaling \$3.3M, for a total imported water purchase budget of \$19.7M.

The District projects an overall \$8.3M decrease to the cost of imported water on a full year annual basis, offset by increased costs including an initial exit fee to detach of \$3.2M and remaining payments due to the SDCWA of \$12.6M, increased debt service from the \$10M US Bank loan total \$1.3M per year for 10 years but funds most of the CIP projects in FY25 and FY26, including \$5.4M of the \$15.5M three pump station project (Project 600013) that makes detachment possible, as well an additional \$1.3M in additional operating costs per year to power the three pump stations and add treatment chemicals necessary due to the changed operation of the system. The District also plans to use some of the savings from detachment to increase its annual Unfunded Accrued Liability (UAL) payment to CalPERS for pension debt from the minimum of \$855K to \$1.025M (+\$203K) in FY24-25 and increase the annual payment by the degree of overall payroll budget growth annually to accelerate the paydown of the debt. These additional payments are projected to reduce future UAL payments by \$1.4M and reduce complete payoff of the UAL from 20 years to 13 years.

Additionally, the budget also includes a major assumption that overall energy rates from SDG&E will increase by 10% in FY24-25 based on public information on SDG&E requests for rate increases to the California Public Utility Commission. This is on top of 30% energy cost increases observed from FY2022-23 to FY2023-24. Other major assumptions include staff compensation increases in line with approved MOU's including merit and COLAs (3%), and benefits inflationary increases of 9% starting in January 2025 when new rates are implemented from the District's health benefit provider. Finance staff reassessed the assumption on how much of the labor budget was assumed to accounted for in individual CIP project budgets by resetting the levels to actual amounts observed in the previous year (FY2022-23) since labor was consistently being capitalized less than assumed. This added approximately \$701K to the Labor Budget totaling \$10.8M that isn't an actual increase in staffing, compensation, or benefits. Materials and services operating expenses were analyzed for each department and adjusted for general inflationary increases depending on a case by case basis, while lowering contract expenses in the Administration by \$175K for FY24-25 due to unusually higher levels in FY23-24 to support detachment efforts (i.e. legal support, etc).

Capital equipment purchases for operating funds are \$150,000 for the replacement of aging vehicles required to provide service in our rural service area.

Additionally, approximately \$6.7M of capital improvement projects are included in this year's proposed Water capital budget, and \$525,000 in the proposed Wastewater capital budget. This amount represents the projects anticipated for the coming year that are scheduled on the District's five-year Capital Improvement Plan (CIP). A detailed list of planned CIP projects is included in the Capital section of this document.



Metropolitan Water District's Robert A. Skinner Treatment Plant

Five-Year Financial Projections and Target Reserve Levels

The below chart summarized the District's five year financial projection showing cash reserve levels meeting Target levels by FY28-29. Included in the projection are the following major assumptions for FY25-26 through FY28-29, projecting forward from the detailed FY24-25 budget:

1. Water sales of 10,000 AF per year.
2. No capacity fees from development.
3. Inflationary Adjustments.
 - a. Payroll and Benefits –6%
 - b. Electric Utility – 6%
 - c. Oceanside Wastewater Treatment Contract expenses – 3.5%
 - d. Supplies and Services – 2% to 4% depending on category
4. Water Rate Increase of 4% on January 1, 2026, 2027, 2028, and 2029.
5. A 13% rate increase for Wastewater annually on July 1st for FY25, FY26, FY27, and FY28, and FY29.
6. Fully funding \$124M 5 Year CIP.
7. Issuing debt to fund 5 Year CIP consisting of \$12.8M (20 year at 4%) for water CIP and \$11.8M in wastewater debt (20 year at 4.5%) in FY27-28.



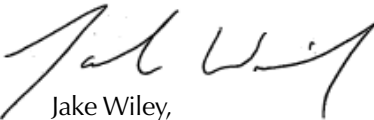
Future Outlook & Conclusion

As a ratepayer-centered agency, the District focuses on continuously providing reliable, high-quality water while maintaining the organizational capacity needed to service all ratepayers within the District's service area. Another fundamental focal point of interest to the District is supplying the needs of these customers at the lowest cost. Part of this effort is finding different avenues of diversifying our water source, now that detachment is on the near horizon to be completed. Presently, the District is 100% reliant on one single source of imported water. The staff has been actively exploring other options of obtaining a second source of water supply as well as an alternate less expensive supply. One of the first key focus areas of our Strategic Plan calls for the diversification of water supply sources.

The staff at the District pride themselves on a high level of service and transparency. The budget and rate setting process is an iterative process over multiple months. This is done through our customer led committee meetings that meet monthly. The public is encouraged to attend and be part of the process.

In closing, these key initiatives, in addition to District daily operations, will enable continued high-quality and reliable water and wastewater service to our customers. In the coming year, the District will carefully manage appropriate infrastructure expenditures while remaining committed to the strategic management of water resources and finances to meet customer needs. We look forward to another year of meeting the Strategic Plan goals and objectives outlined in detail later in this document.

Respectfully submitted,



Jake Wiley,
General Manager



Richard R. Aragon,
Chief Financial Officer

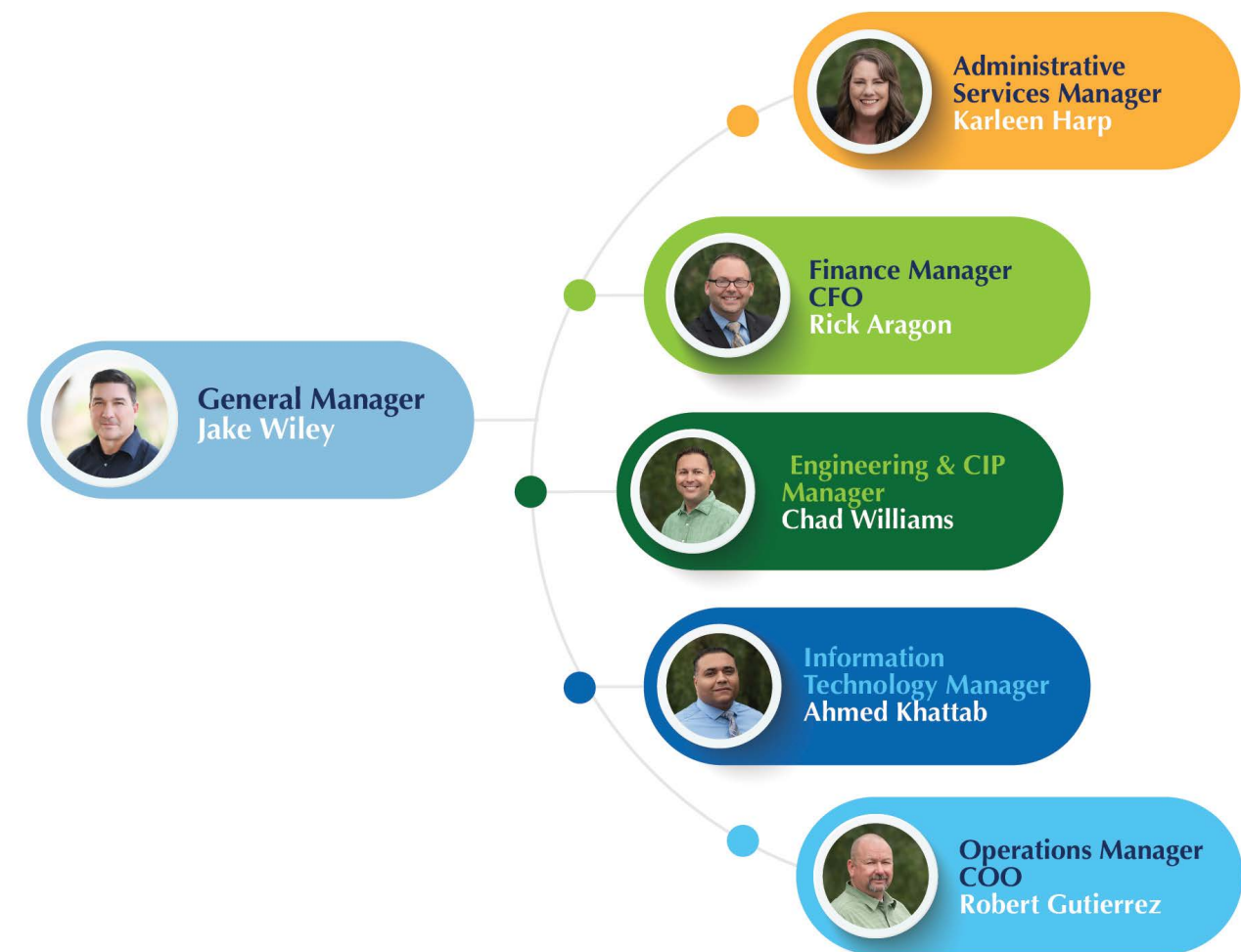
District Officials



Rainbow Water Board of Directors



Rainbow Water Management





Mission Statement

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

Core Values

Background

Rainbow Municipal Water District'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, Administrative Services 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 cost-effective 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.

Certificate of Award



Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented the award of Distinguished Budget Presentation Award to Rainbow Municipal Water District for the annual budget for the fiscal year beginning July 1, 2023. 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 2025 budget continues to meet the program requirements and will be submitted to the GFOA to determine its eligibility for another award.



Profile of The District



Rainbow Municipal Water District

The 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 57 full-time equivalent employees under the direction of the General Manager, Jake Wiley.

The District, comprising a total area of 82 square miles, is in northwestern 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, and has a population of an estimated 24,000 people with a average household income of about 78,000 annually (Fallbrook 2022).

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 6,500 homes and a total metered service of 8,905. In addition to water service, the District provides sewage collection and disposal service to approximately 3,500 accounts. On February 13, 2002, the 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.

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.

Water Supply Operations

Since the 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 60% 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 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 23-member agencies served by the SDCWA consisting of 6 cities, 16 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.



Metropolitan Water District's Robert A. Skinner Treatment Plant overlooking Lake Skinner in Riverside County.

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 35-member Board of Directors representing the 23-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. Metropolitan currently delivers water to a 5,200-square-mile service area.

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. The District 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.

System Pressures

The range of water pressures experienced at any location is a function of the hydraulic grade and the service elevation. Within a specific pressure zone, the hydraulic grade is affected by the reservoir or tank water level and pressure reducing valve settings, friction losses in the distribution system, and the flow delivered through aqueduct connections, if applicable. The maximum static pressure within a pressure zone is based on the high-water level of the reservoir or highest-pressure reducing valve setting and the elevation at any specific point in the zone. The system pressure ranges within the District between 20 to 475 pounds per square inch (psi). It is much more challenging to control the pressure in transmission pipelines as they must maintain the grade line of the zone and are typically less flexible in terms of installation locations. Despite the District's terrain, the vast majority of the District transmission system is within the desired maximum pressure range.

System Description

The District's existing water distribution system is comprised of twelve major pressure zones with storage facilities. Four of the significant zones are supplied directly from SDCWA aqueduct connections, and the remaining zones are supplied through pressure-reducing stations or booster pump stations. In addition to the multiple zones, 45 reduced pressure areas are supplied from the major zones through pressure-reducing stations. The District's hydraulic profile schematic shows the aqueduct connections, pressure zones, storage facilities, booster pump stations, pressure reducing stations, and emergency supply interconnects.

The twelve major pressure zones within the District's system are identified by a name and number corresponding to the hydraulic grade elevation set by the high-water level of the tank or reservoir. The District is characterized by steep and varying terrain, and the pressure zone grades range from 825 feet to 2,160 feet above mean sea level. The hydraulic grade line and water supply sources for each major pressure zone are summarized in the table below. The District had formed from the merging of several water purveyors decades ago, and as a result, the gradient spacing between zones is irregular. Zone boundaries have been modified over time to increase pressures in some local critical areas or reduce pressures in older pipelines. Field operators adjust some of the pressure boundaries seasonally to improve water circulation. The Morro, South, Pala Mesa, and Canonita zones each include multiple smaller reduced pressure areas supplied from pressure reducing stations.

Zone	HGL [▲] (feet)	Main	Secondary
Magee	2,160	Rainbow Heights via Booster Pump Station 7	None
Rainbow Heights	1,967	North Zone via Booster Pump Station 1	Magee
Gomez	1,710	North Zone via Booster Pump Station 6	Rainbow Heights
U-1	1,579	North Zone via Booster Pump Station 2	None
Vallecitos	1,338	North Zone via Booster Pump Station 3	Rainbow Heights
Northside	1,282	North Zone via Booster Pump Station 4	None
North	1,212	Connections 1, 9, and 10	Northside and Rainbow Heights
Canonita	1,019	Connections 7 and 8	Northside and North
South	1,011	Connections 3, 6, and 11	Morro via Emergency Pumps
Pala Mesa	897	Connection 7	Canonita
Morro Tank	865	Morro Zone thru Booster Pump Station 5	Pala Mesa via Morro Zone
Morro	825	South	Pala Mesa

▲ Hydraulic Grade Line





The existing distribution system has over 320 miles of pipelines ranging from 4-inches to 42-inches in diameter. Most of the pipe material in the system is CMLC. However, there are areas in the distribution system that have ductile iron and Transite pipes. In areas fed by pressure regulating station C-9000 is most prevalent.

PIPELINE SUMMARY	
Pipeline Diameter (inches)	Total Pipeline Length (miles)
4	4.5
6	65.1
8	114.7
10	17.7
12	42.2
14	20.3
16	27.0
18	11.7
20	10.9
22	1.0
24	5.8
27	0.3
30	0.6
36	0.4
42	0.6
TOTAL LENGTH OF PIPE	322.8

System Operations

The operation of the District's 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. Reservoir water levels are connected to the District's Supervisory Control and Data Acquisition (SCADA) system, such that the water operators can monitor the system 24 hours a day, 7 days a week, and 365 days a year. However, system operation relies upon several manual changes made from operator judgment rather than automation, such as adjusting the flow orders from the FCF connections based on tank levels.

The large storage capacity of Morro reservoir requires special operation of the distribution system to maintain water quality. The distribution system is operated in either a Morro fill or Morro drain mode, with the duration of each method varying seasonally but typically lasting two weeks or more. Changing between modes requires the manual closing and opening of several pressure stations, in addition to several operational changes. Tank water levels in several pumped zones are also 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. If 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 generally supplied from the Second Aqueduct are provided 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 Oceanside's Weese Water Filtration Plant from a portable pump. The Rainbow Hills Zone, North Zone, and all zones pumped from the North Zone are generally supplied from Connections 1 and 10 on the First Aqueduct and Connection 9 on the Second Aqueduct. During a simultaneous shutdown of both aqueducts, these zones rely on water from in-zone tank storage, the North and Rainbow Hills Reservoirs, and additional supply from FPUD's Red Mountain Reservoir pumped into the North Reservoir.

Wastewater Facilities

The collection and disposal of wastewater was first undertaken by the District on March 3, 1963, in conjunction with two subdivisions and the Fallbrook Country Club. In 1964, the second system was constructed to accommodate Pala Mesa Village and the Pala Mesa Country Club facilities and Motel. Later a 200-space mobile home park was connected to the system. Both systems were financed through the sale of improvement district bonds.

The third wastewater collection and disposal system were constructed by the developer of San Luis Rey Country Club and dedicated. In 1969, the subject improvement district was formed to expand wastewater collection facilities to accommodate the San Luis Rey Downs development and the community of Bonsall commercial businesses.

Seven wastewater lift stations are operated within the District's service area. The lift station type and location are described for each station below:

Golf Club: This station is located just south of Golf Club Drive and Old River Road on the south side of the San Luis Rey River. It consists of a Smith and Loveless packaged lift station with three 5-hp wet well/dry well pumps and a 3,000-gallon working volume wet well. The existing pumps were rated at 625 GPM each, and there is a backup generator in case of a power failure. The District replaced the pumps at this station in kind in 1994. Lift Station 1 is currently under design for replacement, which will expand the station's capacity to serve peak wet weather and future projected sewer flow. The replacement design has considered relocating the station to the north side of the San Luis Rey River to abandon the siphon crossing beneath the river and replacing it with a force main. In addition, the new design will move the station further away from nearby residences.

Old River Lift Station: This station is located at the intersection of Little Gopher Canyon Road and Old River Road, in the District's southwest corner. The station is a Flygt/Xylem packaged lift station consisting of three 70-hp wet well/dry well pumps and a 14,000-gallon working volume wet well. The existing pumps are rated at 1,500 GPM each. There is also a backup generator in case of a power outage. This station was replaced in 2010 due to a history of problems with overflows. Capacity was increased from 1,000 GPM per pump to the current 1,500 GPM per pump to allow significant ability to serve the ultimate projected sewer flow.



Horse Creek Lift Station

Historical Water Demand and Recent Trends

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. Since the height of water use in 1984, water sales have decline approximately 71% to about 10,000 AF for FY2023-24 due mostly to relatively high cost of water from high imported water prices and the international competition from Mexico on producing Avocados. The District has chose 10,000 AF as the new conservative baseline for water sales unless agricultural production continues to decline.

WATER DELIVERIES TO THE DISTRICT	
Calendar Year	Deliveries (Acre Feet Per Year)
1986	29,298
1987	27,382
1988	32,028
1989	34,828
1990	34,920
1991	24,567
1992	26,460
1993	24,567
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	24,918
2013	21,526
2014	22,625
2015	17,868
2016	18,151
2017	18,123
2018	17,910
2019	13,720
2020	15,373
2021	15,838
2022	17,910
2023	10,799
2024*	10,000

* Estimated

Plant B Lift Station: This station is located south of the District offices on Old Highway 395. This station is a Smith & Loveless prefabricated station consisting of two 5-hp wet well/dry well pumps and an 800-gallon working volume wet well. The pumps are each rated at 320 GPM. The station has a standby generator to run the lift station in case of a power failure. This is the District’s oldest lift station and is located in a sub-basin subject to high infiltration. The abandonment of this station is planned to coincide with the construction of the Pankey Sewer Lift Station.

Rancho Monserate Lift Station: Wastewater generated at the Rancho Monserate Mobile Home Park is tributary to this station, located north of the park off Dulin Road. Collected wastewater is conveyed north via force main for approximately 1,740 feet, where it intercepts the Rancho Viejo Force main. The Rancho Viejo Forcemain transports the wastewater an additional 2,350 feet before it discharges into Manhole No. 20L-M020 at Old Highway 395 and Pala Road. The Rancho Monserate lift station is a Flygt/Xylem lift station consisting of two 5-hp, wet well/dry well pumps with a 300-gallon working volume wet well. The pumps are each rated at 320 GPM. The station also has a backup power generator in case of a power failure.

Rancho Viejo Lift Station: This station is located on Dulin Road east of I-15. This station was built in 1990 to transport wastewater generated in the Lake Rancho Viejo subdivision. The lift station is a Gorman-Rupp prefabricated station consisting of two 40-hp wet well/dry well pumps and a 600-gallon working volume wet well. The pumps are each rated at 805 GPM. This station also has a backup power generator.

Fallbrook Oaks Lift Station: This station is located south of Sarah Ann Drive and Kate Lendre Drive in the Fallbrook Oaks subdivision off Gird Road. This is the only station that contains two submersible Meyer’s pumps inside of a 500-gallon working volume wet well. It consists of two 250 GPM, 5-hp, submersible Meyer’s pumps. The station has a standby generator to provide power to the lift station in case of a power failure.

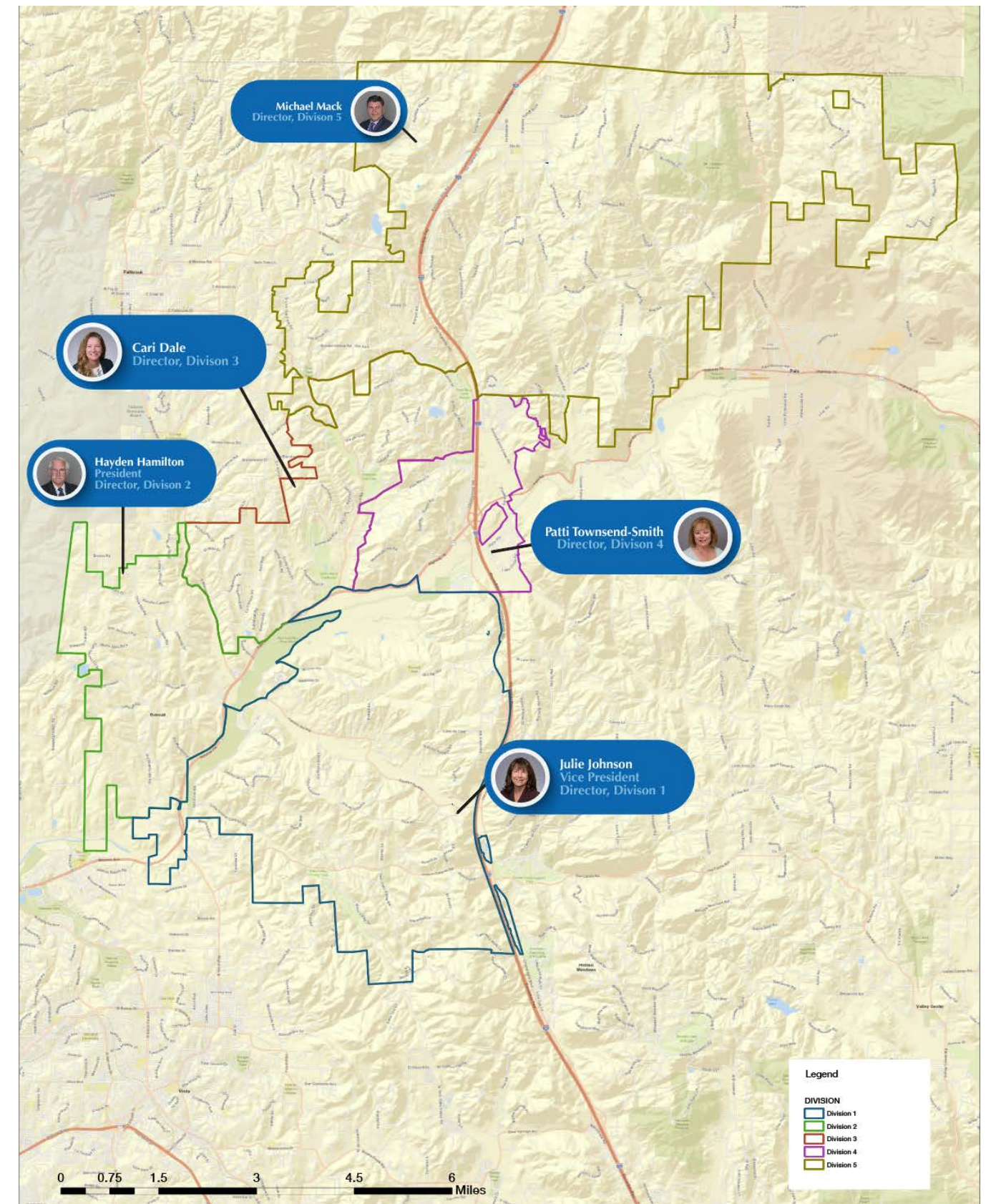
Horse Creek Lift Station: This lift station (pictured above) is located on Pankey Road and Hwy 76. This station handles flows from Horse Creek Ranch and will take flows from Citro once construction is complete. There are three submersible pumps that are manufactured by Xylem Flygt. Each pump is rated at 1200 GPM at 58 HP each. This station has a standby generator and video surveillance. There are two wet wells with a capacity of 8,400 gallons and an overflow capacity of 28,000 gallons.

District Service Area Map

Rainbow Water's service area is 82 square miles, or over 52,000 acres, and comprises the communities of Rainbow, Bonsall and portions of Fallbrook, Vista, Pala, and Oceanside.



District Service Area Map



Employee Benefits

The District's benefits package includes insurance coverage, health savings options, comprehensive retirement plans, paid time off, holiday pay, and education assistance, all designed to support employees' well-being and professional growth. Full benefits and compensation policies can be viewed in the Memorandum of Understanding with the three bargaining units at: rainbowmwd.ca.gov/careers



Insurance Benefits

Health Insurance

Rainbow Water provides five health insurance options with varying employee cost-sharing formulas based on the selected plan and coverage tier. The District covers 100% of the premium for employee-only coverage up to the cost of the middle plan, with employees paying the difference for more expensive plans. For dependent care coverage, the District contributes 100% for the least expensive plan, 85% for the second and middle plans, and 80% for the two highest-cost plans.

Health Savings Account

Employees enrolled in Anthem or Kaiser high-deductible Consumer Driven Health Plans are eligible for Health Savings Accounts (HSAs). The district contributes to employee HSA accounts annually to offset higher deductibles and encourage enrollment in these lower-cost plans.

Other Insurance

The District pays 100% of the premium costs for vision care, dental insurance, life insurance, and short-term and long-term disability insurance.

Paid Time Off (PTO)

PTO is granted to employees to use for vacation, personal illness, family leave, bereavement, and other types of protected time off. PTO is accrued based on length of service, ranging from 7.69 hours to 10.77 hours per pay period. Accruals are capped at twice the annual entitlement. Employees can cash out up to 280 hours of accrued PTO, provided they submit an irrevocable request by December, have taken at least 80 hours of PTO in the previous year, and leave a balance of at least 80 hours.

Retirement Benefits

CalPERS Pension Tiers

Rainbow Water contracts with CalPERS, with different plans for employees hired before and after January 1, 2013. Pre-2013 hires are Classic members under the 2.5% @ 55 formula, employees contributing 8% of their annual salary, and the District contributes approximately 14%. Post-2013 hires, considered New Members under PEPRAs, are under the 2% @ 62 formula, contributing 50% of the normal cost as determined by CalPERS. The District contributes approximately 8% for PEPRAs members.

Social Security

The District participates in social security, with employees and the District each contributing 6.2% of eligible wages. Other Post Employment Benefits (OPEB) Retirees hired on or before June 30, 2012, are eligible for a retirement medical monthly reimbursement of either \$363 or \$726 for up to 10 years if they retire from the District with a minimum of 10 years of service and have elected not to participate in the District's 401a plan. Currently, 14 active employees and 8 retirees qualify for this retirement medical benefit, and the maximum OPEB liability for this program is \$1.034 million for active employees and \$184,000 for current retirees.

Deferred Compensation Programs

Rainbow Water provides a 457(b) plan to assist employees with saving for retirement expenses. The plan offers a dollar-for-dollar match up to \$100 per pay period, which is immediately vested, and employees are allowed to contribute additional unmatched funds. Additionally, the District offers a 401(a)-retirement savings account with District matching of employee contributions ranging from \$35 per pay period to \$175 based on the bargaining unit and length of service, vesting over five years.

Strategic Plan

The District conducted a comprehensive process in 2016 where staff worked with the Board, Committees with public members, and invited the public, to receive input to develop the overall Strategic Plan with the six main focus area and related strategic goals noted below. This process involved multiple meetings consisting of recognizing the need for the plan, reviewing the existing situation and mission, determine the strategic direction going forward, and then setting a process to monitor progress.

Major Strategic Goals

1. Water Resources

Imported water supplies are becoming increasingly unreliable and more expensive. Increasing costs from drought, government, regulations, and additional forces outside of the District's control require that Rainbow Water diversify its water resources in the region to ensure a safe, sustainable, and reliable source for its customers.

Goal: Develop a diversified water portfolio including conservation and alternative sources, to provide a reliable, resilient supply.

2. Asset Management

Aging infrastructure, rising costs, increasing regulations, and security concerns require that key assets are maintained properly. Careful planning for anticipated future demands and pipeline rehabilitation is essential for efficient operation of the system. Effective asset management is an important tool to ensure we get the best value from the investments made by our customers in our assets.

Goal: Continue to refine the asset management process to plan for, prioritize and fund maintenance, replacement, expansion and rehabilitation of District infrastructure, facilities and equipment.

3. Workforce Development

Employees are the most valuable asset in any organization. Increasing demands, rapidly increasing regulations, and an aging workforce, require water districts to have highly motivated employees that are committed to continuous learning and improvement.

Goal: Recruit, develop, and retain a highly skilled and knowledgeable workforce that is experience, up-to-date, innovative and loyal to the District and its customers.

4. Fiscal Responsibility

Increasing costs of water, labor, supplies, and energy, along with public scrutiny requires that all public agencies be especially conscious of planning and managing their fiscal resources. It is critical that agencies have sound financial plans and make the best possible decisions for the sustainability of the District in service to its customers.

Goal: Fiscally responsible, transparent, and sustainable approaches to managing and forecasting the District's finances.

5. Customer Service

The primary purpose of the District is to provide reliable, quality water, and water reclamation to our customers. Water customers expect and deserve the best service at the best value.

Goal: Provide top quality customer service by meeting customer needs, being responsive, and providing timely communication.

6. Communication

Effective communication is the cornerstone of an organizations ability to collaborate and operate efficiently. As communication channels evolve and technology improves, it is essential to ensure clear, concise, and accurate communication, both within the organization and to the public. Effective communication ensures better understanding, improved teamwork, and increased customer satisfaction.

Goal: Ensure effective communication and good working relationships within the region, our customers, and staff.



FINANCIAL POLICIES

Cash Reserves

The purpose of the Reserve Policy is to ensure that the District will at all times have sufficient funding available to meet the operating, capital, and debt service cost obligations, as well as to enable stable water and wastewater rates and smooth rate transitions to minimize rate shock on customers. Adequate reserves and sound financial policies promote the District's bond ratings in the capital markets and lowers the cost of capital, provide financing flexibility, avoid potentially restrictive debt covenants. This Reserve Policy shall cover all reserve funds of the District.

Working Capital (Operating) Reserves

This reserve target is intended to provide funding for short-term cash flow needs from timing variances between revenues and expenses and provides liquidity to fund its operating and capital obligations. The target is set at 3 months of budgeted operating expenses, not including depreciation, for the current fiscal year. It is funded through net operating revenues sourced primarily from monthly rates and charges.

Debt Service Reserve

This reserve target is intended to ensure there is sufficient funding for the District to be able to fully pay its debt service obligations in any given year. The target is set at one year of debt service (principal and interest) for all external loans and outstanding bonds, less any restricted funds held in trust as a debt reserve according to debt agreements that may be used for the payment of debt service. The reserve target calculation for variable interest debt may use the rate used in the development of the budget or the most current projected probable rate. It is funded through net operating revenues sourced primarily from monthly rates and charges.

Rate Stabilization Reserve

This reserve target is intended to provide funding for unbudgeted higher expenses (operating and capital) or lower than anticipated revenues to enable stable rates and smoother year-to-year rate transitions. The target is set at 10% of current budgeted revenues, excluding grants and capacity fees, or other non-reoccurring type revenues. It is funded through net operating revenues sourced primarily from monthly rates and charges.

Capital Replacement Reserves

This reserve target is intended to fund unanticipated capital asset replacements, capital project cost increases, and advancing the implementation timing of planned capital projects, if prudent. The target is set at 1 year of depreciation on best available estimate of the current capital asset replacement value assuming an average useful life of assets of 75 years. Capital replacement reserves are primarily funded by capacity fees, and if insufficient, then net operating revenues.

Special Project Reserve

This reserve target is intended as a mechanism to set aside funding for future major capital improvement projects or initiatives that would require significant rate increases or undesired debt burden. The target is based on the cumulative total funding targets for any applicable specific projects or initiatives as included in the adopted budget or approved by separate Board action. It is funded through net operating revenues sourced primarily from monthly rates and charges.

Emergency (Disaster) Reserve

This reserve target is intended to provide initial liquidity to respond to major emergencies, such as earthquakes or wildfires, until other funding can be secured (i.e. FEMA, debt financing, insurance proceeds, etc.), or cover the costs of these disaster responses, in whole or part. The target is set at 1 year of depreciation on best available estimate of the current capital asset replacement value assuming an average useful life of assets of 75 years. It is funded through net operating revenues sourced primarily from monthly rates and charges.

Facility Expansion Reserve

Facility Expansion Reserves are funded by the cash collected for water or wastewater capacity fees assessed for the purpose of future expansion or improvement of the water system benefiting new customers. It does not have a specific target and is funded purely by the portion of collected capacity fees for this purpose and applicable interest revenues.

Basis of Budget & Accounting



Basis of Budgeting

A major element of financial data activity rests in the act of budgeting. Budgeting is the process of allocating finite resources to the prioritized needs of the District. As such, a balanced budget is one where all identified budgeted expenses have an equal number of budgeted financial resources to pay for them including revenues and any use of cash reserves (fund balance). The budget represents the legal authority to spend money. Adoption of the District's budget implies that a set of decisions has been made by the Board of Directors and administrators that culminates in matching District's resources with the needs. As such, the budget is a management tool intended to aid in the planning efforts of the District to serve as a control in expenditures and ensure the fiscal health and financial future of the District.

The budget also provides an important tool for the control and evaluation of the sources and the uses of resources. Using the accounting system to track funds of the will of the board, administrators can execute and control activities that have been authorized by the budget and to evaluate financial performance based on comparisons between budgeted and actual operations. Financial statements are issued to report the results of operations, which include the budget amounts to measure the performance, efficiency, and planning. This report is provided to the Budget and Finance Committee and Board of Directors monthly and provides a check and balance of the expenditure of public funds. Thus, the budget is implicitly linked to financial accountability and relates directly to the financial reporting objectives established by the Governmental Accounting Standards Board (GASB). The budget is prepared using a budgetary basis of accounting in accordance with GAAP. Specifically, the budget is accounted for on a full accrual basis for Operating Revenues and Expenses and Modified Accrual for CIP expenditures and debt-service. The financial statements are presented in full accrual for all activity.

The planning and control functions inherent to any organization, underscore the importance of sound budgeting practices for the following reasons:

- The services provided by the District are not always subject to competitive market forces. Thus, enacting and adhering to the budget establishes restrictions in the absence of a competitive market.
- These services provided by District are considered critical to public health and welfare.
- The scope and diversity of operations for water and wastewater make comprehensive financial planning essential for good decision making.

The financial planning process is critical to the expression of resident preferences and is the avenue for reaching consensus among stakeholders, directors of the board, and staff on the future direction of the District's operations.

The link between financial planning and budget preparation gives the budget document a unique role in the organization. Budgets in the public arena are often considered the definitive policy document because an adopted budget represents the financial plan used by the District to achieve its goals and objectives. The budget reflects:

- The prioritization of activities in which the District will be involved,
- The relative influence of various participants and advisory committees in the budget development process, and
- The District's plan for acquiring and using its resources.

Budgeting is an invaluable tool for both planning and evaluation. Budgeting provides a vehicle for translating goals and projects into financial resource plans—that is, developing a plan to meet performance goals should be directly linked to determining budgetary allocations. The link between goals and financial planning is critical to effective budgeting and enhances the evaluation of budgetary and accountability.

Performance evaluation allows stakeholders to hold directors and administrators in the District's organization accountable for their actions. Because accountability to residents often is stated explicitly in state laws and state constitutions, it is a cornerstone of budgeting and financial reporting.

- Financial reporting should provide information to determine whether current-year revenues were sufficient to pay for current-year services.
- Financial reporting should demonstrate whether resources were obtained and used in accordance with the District's legally adopted budget. It should also demonstrate compliance with other finance-related legal or contractual requirements.

Accounting Policies

The District accounts for its financial transaction in accordance with the policies and procedures of the Irrigation District Law, now Division 11 of the California State Water Code. The accounting policies of the District conform to accounting principles generally accepted in the United State of America (GAAP) as prescribed by the GASB and the American Institute of Certified Public Accountants (AICPA).

The District reports its activities as an enterprise fund, which is used to account for operations that financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water and wastewater to its customers on a continuing basis be financed or recovered primarily through user charges (water and wastewater sales and services) or similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flow took place.

Operating revenues and expenses are generated and incurred through the water and wastewater sales activities to the District’s customers. Administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

Deposits and Investments

For purposes of the statement of cash flows, cash and cash equivalents consist of short-term highly liquid investments with maturities of ninety days or less from the date of purchase. These include cash on hand, cash held in the restricted assets accounts, Local Government Investment Pools, and the Local Agency Investment Fund.

The District’s investment policy and state statutes authorize the District to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit with national and state-licensed or chartered banks or federal or state savings and loan associations, money market and mutual funds whose portfolios consist of one or more of the foregoing investments, Local Government Investment Pools, and the Local Agency Investment Fund.

State statutes require all deposits to be insured or collateralized. Depositories holding public funds on deposit are required to maintain appropriate collateral with the agent of depository, as defined by State statutes.

Inventory And Capital Assets

Inventories are recorded using the purchase method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are “available for appropriation and expenditure” even though they are a component of net current assets.

The District has the option of reporting an expense for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the benefiting period.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets’ lives are not capitalized. A capitalization threshold of \$10,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives as shown in the chart at right.

CAPITAL ASSETS DEPRECIATION	
Asset Class	Estimated Useful Lives
Buildings	10-50
Water Systems	10-50
Improvement of Sites	7-25
Equipment	5-10

Budget Calendar FY 2024-2025

DATE	TASK
February 13 - March 14, 2024	Engineering drafted 5-year CIP and meet with Eng/Finance/ Operations/IT to review, refine, and prioritize project list.
March 11, 2024	Budget input worksheets sent out to all Department to input materials, supplies, and services anticipated needs for FY25.
March 19, 2024	Joint Budget Workshop (Board/E&O/Budget & Finance) to review draft 5-year CIP and FY25 proposed CIP budget.
March 29, 2024	Department budget input worksheets due to Finance
April 1 - April 9, 2024	Department budget review meetings with CFO
April 2024	HR drafted Salaries and Labor budget and reviewed with Finance and GM. GM reviewed and worked with Departments to revise proposed budgets as necessary.
April 9, 2024	Joint Budget Workshop (Board/Budget & Finance) to review 5-year financial projections, proposed rate increases, debt plan, reserve policy proposal, and overview financial condition.
May 14, 2024	Joint Budget Workshop (Board/Budget & Finance) to review proposed FY25 operating and non-operating budget and amended 5-year CIP.
May 28, 2024	Regular Board Meeting – Staff presented proposed budget cuts and lowered rate increases per Board direction at 5/14 workshop.
June 10, 2024	Budget and Finance Committee – Review revised Cash Reserves policy per 5-year financial plan presented at 4/9 workshop.
June 25, 2024	Regular Board Meeting – Review and Adopt final FY25 Operating and Non-Operating Budget including CIP, Water and Wastewater Rates, Capacity Fees, and Cash Reserves Policy.

Description of Major Funds

For financial presentation purposes, the District is only one major enterprise fund consisting of water and wastewater activities. However, for practical internal tracking purposes, the District utilizes sub-fund tracking for major activities as described on the next page.



Fund Name and Description

Water Operating Fund - 01

The purpose of this fund is to track receipt of water revenues and expenditures for day-to-day water-related operations, including customer billing, water purchases and to provide funding in case of water-related operating emergencies and unforeseen circumstances. The fund includes cost centers: Pumping, Water Operations, Valve Maintenance, Water Distribution, and Meters.

Sewer Operating Fund - 02

The purpose of this fund is to track receipt of wastewater revenues and expenditures for day-to-day wastewater related operations, including customer billing, contractual payments to the City of Oceanside for treatment of sewage and to provide funding in case of wastewater related operating emergencies and unforeseen circumstances. This fund only includes the Wastewater cost center.

General Operating Fund - 03

The purpose of this fund is to account for general operations and activities not requiring the use of other funds. This includes the cost centers that provide day to day administrative duties for the District which are: Executive Administration, Human Resources, Safety, Finance, Customer Service, and Engineering.

Rate Stabilization Fund - 05

The purpose of this fund is to mitigate rate impacts from changes in water demand. The reserve should equal to 10% of annual water revenues. The fund was established on January 1, 2016. Funds for this reserve will come from water rates and charges.

Wastewater Replacement Capital Fund - 52

The purpose of this fund is used to provide funding for the District's long-term wastewater related capital replacement projects. It is funded by the cash collected for sewer capacity charges and surpluses generated by sewer operations (excess of revenue over expense before depreciation). The Sewer Allocation Plan determines the portion of the capacity fee that will be used for infrastructure repair, rehabilitations, and replacement projects.

Wastewater Expansion Capital Fund - 53

The purpose of this fund is used to provide funding for the District's long-term wastewater related capital expansion projects. It is funded by the cash collected for sewer capacity charges and surpluses generated by sewer operations (excess of revenue over expense before depreciation). The Sewer Allocation Plan determines the portion of the capacity fee that will be used for infrastructure repair, rehabilitations, and replacement projects.

Water Capital Fund - 60

The purpose of this fund is to provide funding for the District's long-term water related capital improvement projects. It is funded by the cash collected for water capacity charges and by surpluses generated by water operations (excess of revenue over expenses before depreciation). Reserves will be used to fund infrastructure expansion, repairs, rehabilitations, and replacement projects.

Debt Fund - 61

The purpose of this fund is to record the debt, repayment, proceeds, and uses of the District's FY24 \$10 million loan with US Bank to fund a variety of capital projects in the CIP Budget for years FY 24, 25, and 26.

Wholesale Water Efficiency Capital Fund - 62

The purpose of this fund is to provide funding for the District's wholesale water efficiency related capital projects. It is funded by debt issued by Western Alliance Bank at 4.02% interest. These projects will eliminate the transportation cost of \$175 per acre foot of water, increase redundancy during shutdowns, eliminate rental costs, and eliminate the need for temporary pump rentals in the event of a SDCWA shutdown.

Revenue and Expense Assumptions

Water Revenue Assumptions

Water Operating Fund sales are the largest source of District revenues, with most sales, approximately 60%, for agricultural use, 34% for residential customers, and 6% for commercial and construction customer classes.

The current water rate structure of the District consists of two main components: a monthly meter charge and variable water charges. The rates for the monthly meter charge vary by meter size, whereas the variable charges vary by customer class and water usage. The following tables summarize the current rate structure and identifies the current monthly meter fixed charges, by meter size and identifies the current variable charges by customer class.

Each year, the Board of Directors approves the Budget as the District's foundational financial plan. It is a cash-based projection of revenues and expenditures needed for operations, maintenance, administration, debt service and capital improvements associated with delivering high-quality service to customers throughout the year. Specifically, the Budget incorporates conservative revenue estimates, prudent spending plans, and a thorough review of necessary capital improvements to ensure the long-term sustainability of the District. In developing the budget, staff considered both internal and external factors including the economy, weather, regulatory requirements, and the condition and age of the District's infrastructure.

This year water sales have continued to decrease from prior years due to a particularly wet winter and spring. FY2024-25 water sales are budgeted at 10,000 AF, similar to the projected result for FY2023-24 to remain conservative. Water sales have continued the years-long pattern of decline. The loss of agricultural production due to high water costs and increased irrigation efficiency has continued to impact sales. For FY24, sales are predicted to be just under 10,000 acre-feet. Increased revenues from new service connections because of development can help soften the reduction in water sales. New service connections were 112 in FY24, compared to 413 new water meters in FY23, along with 487 new wastewater EDUs in FY23, compared to 213 in FY23.

An approach the District took with the new cost of service study is to be less susceptible to volatile revenues by increasing the distribution of fixed revenues. The last few years were the lowest water sales since the inception of the District, barely recovering costs. If variable sales persist at this reduced level, the District would not be able to sustain repeated years of cost recovery that fails to appropriately contribute to capital reserve levels for much-needed capital projects. As such, the direction the Board took was to reduce the reliance on variable revenue steadily over the next few years.

Fixed revenue estimated for FY 2024-25 includes the includes a projected rate increase of 4.5% on all water rates as of July 1, 2024, which is less than the 9% increase included in the rate study approved in June of 2023, due to anticipated detachment savings. The SDCWA pass-through increases scheduled for January 2025 will be added at midyear as an increase in revenue and an increase in the cost of water with a net zero impact on the budget. The prior three years' sales ranged between approximately 10,500 and 14,500-acre feet, and as a conservative approach, 10,000-acre feet has been projected for the upcoming budget year.

Other Water Services Revenues; including backflow fees, turn-on and reconnection fees, hydrant fees, plan check fees, NSF charges, and penalty fees, are projected based upon current fiscal year activity.

Rental and Lease Revenues are projected based upon contract agreements with various entities for use of the District's vacant land, as well as a lease agreement with Sprint Communication for use of space on facility grounds for their communication equipment.

Interest Income for the water and wastewater operating funds is projected based on an average yield for LAIF investments for the balance of our investment portfolio.

Monthly Water and Wastewater Service Rates

Rates effective July 1, 2024

Monthly Fixed Charges

SINGLE FAMILY, MULTI-FAMILY, COMMERCIAL, & INSTITUTIONAL			AGRICULTURAL AGRICULTURAL WITH RESIDENCE			PERMANENT SPECIAL AGRICULTURAL WATER RATE (PSAWR)		
Capacity Class	Meter Size	Monthly Fixed Charges	Capacity Class	Meter Size	Monthly Fixed Charges	Capacity Class	Meter Size	Monthly Fixed Charges
A	5/8"	\$96.76	A	5/8"	\$151.70	A	5/8"	\$134.38
B	3/4"	\$96.76	B	3/4"	\$151.70	B	3/4"	\$134.38
C	1"	\$157.20	C	1"	\$248.77	C	1"	\$219.90
D	1.5"	\$308.26	D	1.5"	\$491.42	D	1.5"	\$433.69
E	2"	\$489.56	E	2"	\$782.61	E	2"	\$690.23
F	3"	\$1,063.64	F	3"	\$1,704.68	F	3"	\$1,502.61
G	4"	\$1,909.66	G	4"	\$3,063.53	G	4"	\$2,699.81
H	6"	\$3,934.07	H	6"	\$6,315.07	H	6"	\$5,564.54

FIXED PUMPING CHARGES		BACKFLOW TESTING		WASTEWATER FIXED CHARGES	
Fixed Pumping Charges	Total Rate per Month+	Meter Size	Monthly Charge*	Monthly Sewer Service Charges per EDU^	
All Pumping Zones	\$8.77	5/8" - 2"	\$4.81	All Customer Classes \$75.23	
		3" - 6"	\$8.14		

Monthly Variable Charges

WATER VARIABLE CHARGES		VARIABLE PUMPING CHARGES+		
Customer Class	Total Rate per Unit*	Zone #	Pumping Zone	Rate per Unit*
Single Family Residence	\$6.23	1	Rainbow Heights	\$2.72
Multi-Family	\$6.23	2	ID U-1	\$1.45
Commercial	\$6.23	3	Vallecitos	\$0.27
Institutional	\$6.23	4	Northside	\$0.14
Construction	\$6.23	5	Morro Tank	\$0.37
Agriculture w/ Residence	\$5.18	6	Huntley	\$1.46
Agriculture	\$5.18	7	Magee Tank	\$0.74
PSAWR Domestic Tier 1 (1-22 Units)	\$5.18			
PSAWR Domestic Tier 2 (22+ Units)	\$4.46			
PSAWR Commercial	\$4.46			

+ Pumping charges apply to ratepayers who reside at higher elevations that require water to be pumped in order to provide service.
 * 1 unit of water = 748 gallons
 * Charges apply to ratepayers with a backflow devices
 ^ Charge per equivalent dwelling unit for customers connected to the District's sewer system

Water Expense Assumptions

The largest expense of the District is purchased water from San Diego County Water Authority (SDCWA) at 55% of the total Water Operating budget. Water cost is dependent on volumetric sales. In this forecast the cost of water, we will be using the 10,000 acre-feet of sales plus an estimated 8% of water loss to arrive at an estimated cost of \$19.7M of purchased water.

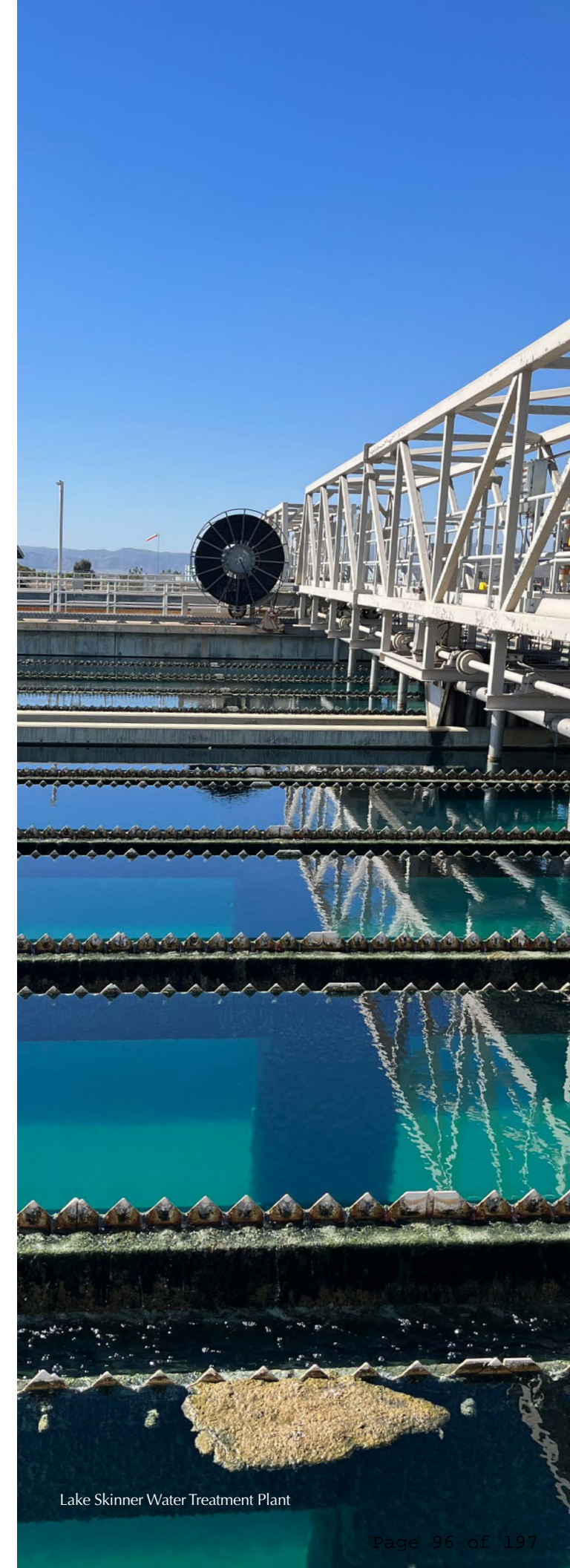
Operating expenses have remained consistent as a percentage of total costs compared to previous years, with the cost of water being by far the largest component, followed by the cost of our dedicated team members who deliver services to our community 24/7/365. Under the current organizational structure, the span of control of the leadership team ranges from one direct report to fifteen direct reports. However, all costs have increased due to hyperinflation, supply chain issues, and increased energy costs.

Capital equipment purchases of \$150,000 for FY 24/25 are planned for the replacement of aging vehicles required to provide service in our rural service area, with \$500,000 for future fiscal years planned.

Additionally, approximately \$6.7M of capital improvement projects are included in the FY 24/25 proposed water capital budget and \$525,000 in the proposed wastewater capital budget. This amount represents the projects anticipated for the coming year that are scheduled on the District's five-year Capital Improvement Plan (CIP). A detailed list of planned CIP projects is included in the Capital section of this report.

Purchased Water includes the cost at the point of delivery of water purchased for resale. SDCWA fixed charges are the following categories:

- Readiness-to-Serve charge,
- Infrastructure Access Charge,
- Customer Service Charge,
- Capacity Reservation Charge,
- Emergency Storage, and
- Supply Reliability Charge.



Lake Skinner Water Treatment Plant



The total amount of SDCWA assessed fixed charges for the Fiscal Year 2024-25 is estimated to be at \$4.7M. In addition to the fixed charges there is the commodity rate for the water purchase and transportation cost. SDCWA is planning a 14% rate increase effective January 1, 2025, however the District is anticipating being detached as of that date and will not incur those charges. However, the District will then pay imported water costs to EMWD for water it purchases from Metropolitan and sells to the District at Metropolitan rates. Metropolitan approved rate increases averaging 8.5% for January 1, 2025 that would require the District to pass-through these costs in the form of a 3.6% water rate increase on January 1, 2025.

The District Board of Directors receive compensation for attendance at regular and board approved special meetings. The budget estimates that each director will be compensated for the eleven regular meetings and two special meetings. It is also budgeted for training and travel for educational purposes.

The Pumping costs are maintained in a separate cost center to identify the specific costs of operating and maintaining the pumping equipment that pushes water to higher elevations within the district. The district identifies seven pumping zones to account for the cost and developed a discrete charge for customers in each zone. Labor expenses are charged to this cost center by various staff members when they are assigned to perform work in maintaining the pumping equipment. For budget purposes a 0.5 FTE staffing equivalent is calculated into the labor cost. The single largest expense item is the cost of the electricity and gas used by the pumps.

Water Operations is responsible for the maintenance and testing of water quality with the six reservoirs and twelve water tanks. The water tanks are maintained by a long-term contract with Utility Service Group Water Solutions (USG). The tank maintenance program ensures the tanks will remain in good operating condition for decades to come. Annually, Metropolitan and SDCWA schedule shutdowns for the major repair or upgrade of their pipelines. Shutdowns are scheduled but will not require the District to shut down any of our systems due to the use of temporary pumps that are rented by the district. The Wholesale water efficiency projects budgeted over the next two years will eliminate the need for temporary pumps. This avoids significant costs and inconvenience for the district.

Valve Maintenance fulfills the maintenance, repair, and replacement of nearly 5,000 valves within the district.

Water Distribution is responsible for the administration, construction, and maintenance of 350 miles of water mainlines.

Meter Services facilitates all monthly meter reads as well as customer onsite response, backflow services and the Itron radio read meter installation program.

Garage Services conducts the maintenance and repair of all district fleet vehicles. The district vehicles are typically kept in service based on age, mileage and or condition of the vehicle.

General Administration is comprised of the General Manager, administrative support to the General Manager, insurance, legal, and miscellaneous supplies as needed.

Information Technology includes computer and software support, GIS maintenance, fraud prevention, SCADA monitoring and electrical maintenance.

Human Resources handles recruiting, workforce development, and employee benefits management.

Safety coordinates the design, deployment and administration of programs that promote employee safety. In addition, the role manages property & liability insurance as well as district paid claims.

Finance is responsible for the monitoring of overall financial stability of the District, audits, financial reporting, accounts payable, payroll, budgeting, billing, new meter connections, and inventory.

Customer Service executes all billing services and responds to customers' questions and concerns.

Engineering performs capital project management, engineering, and inspection services for the district.

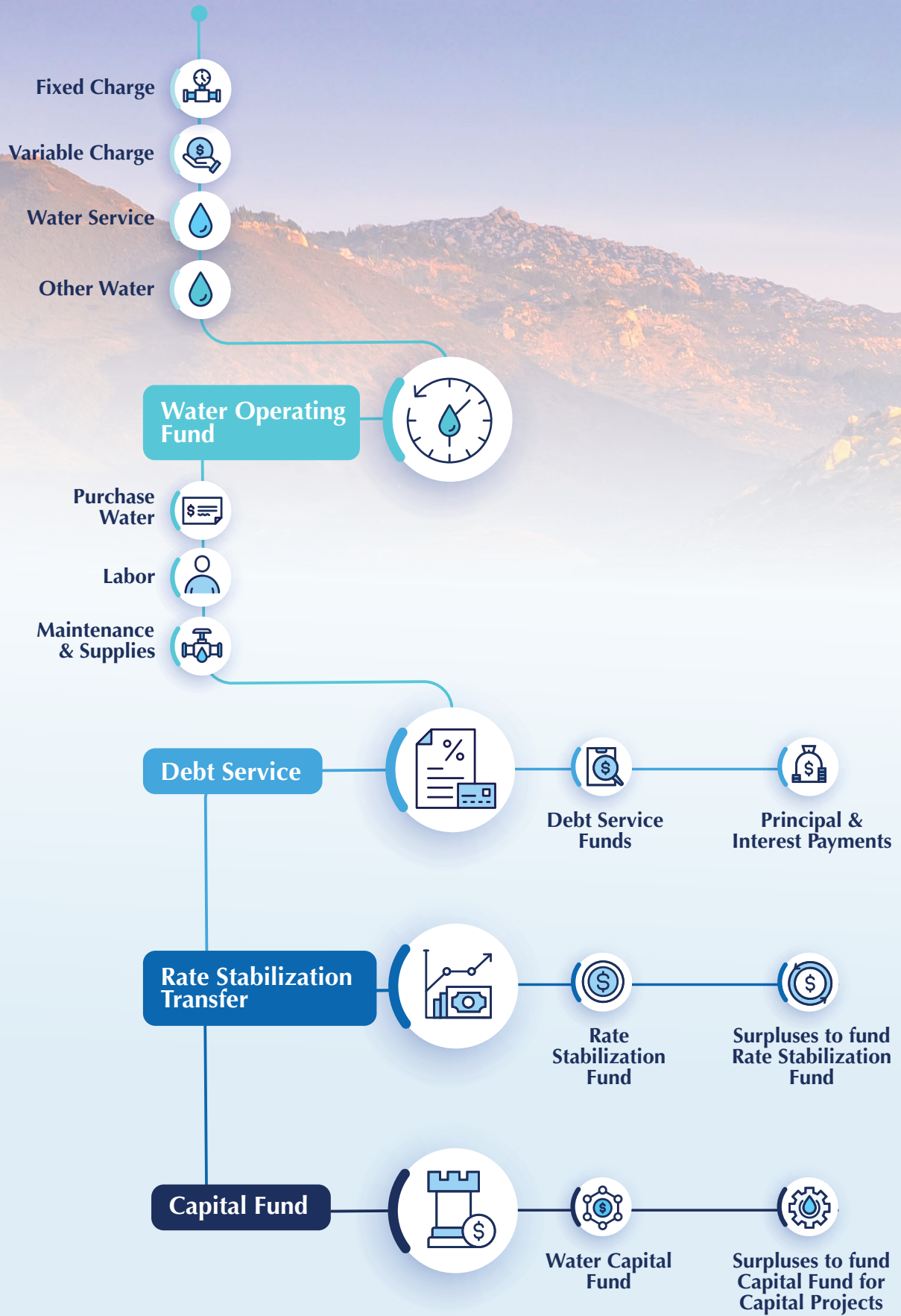


Wastewater Revenue Assumptions

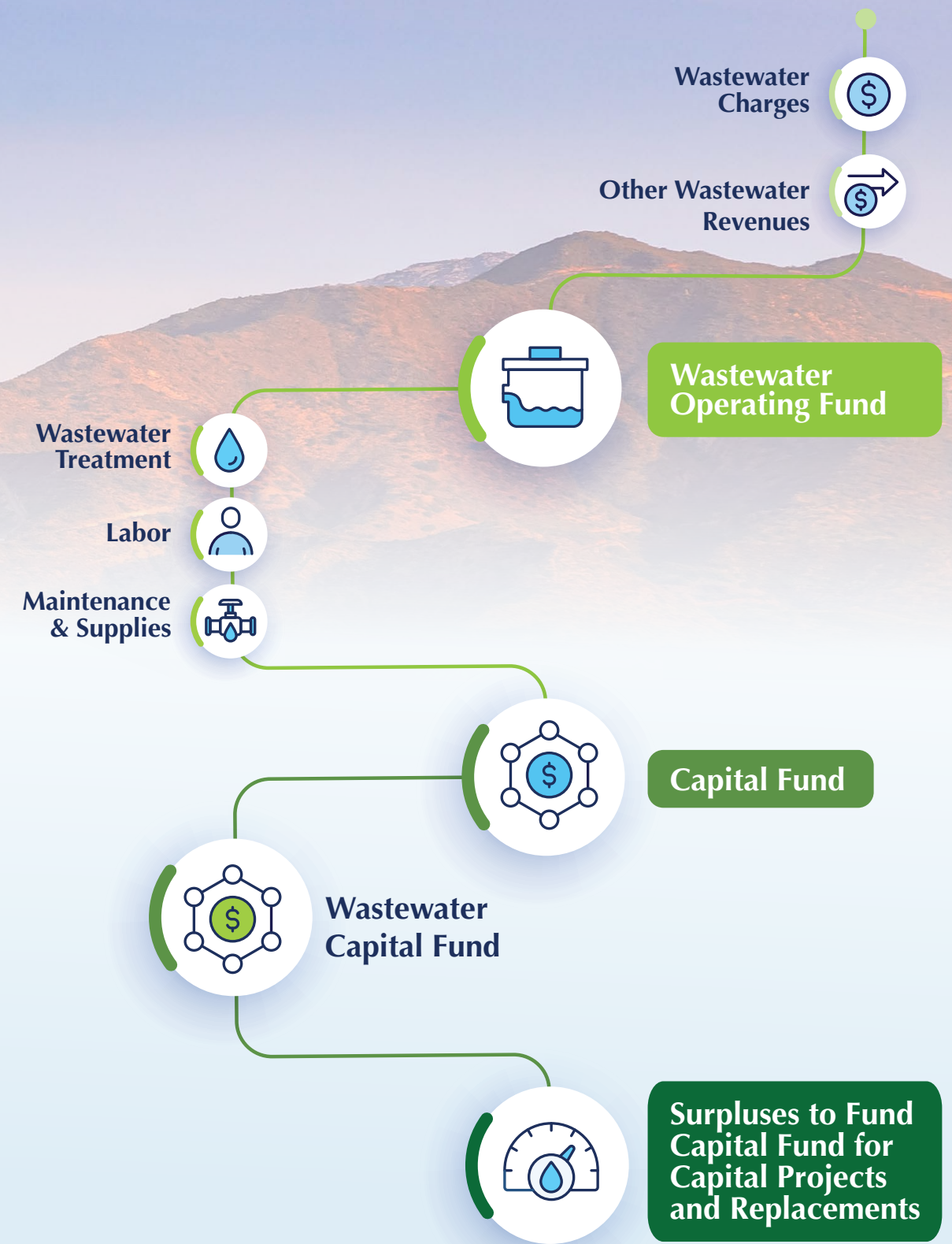
Wastewater revenues are based on wastewater collection and treatment services provided to our customers. Wastewater Service Revenues are projected based upon a total of 6,150 Equivalent Dwelling Units (EDUs), a total of 3,471 wastewater accounts compared to approximately 8,905 water accounts. For wastewater rates, we changed the way the rates are calculated. In the past, we used the lowest winter water consumption to set wastewater rates. When we reviewed this data, we found that there was not a strong correlation between our costs to provide service and the lowest winter water consumption. It turns out that low winter consumption is based more on weather than the cost to provide wastewater service. In the revised structure, for residential use there is a flat fee per home, or equivalent dwelling unit (EDU). A cost-of-service study was completed in FY 23 to assess the wastewater rates as the fund was operating at a loss. Rates had not been increased in over 5 years. The FY24-25 budget includes the assumption the District will increase wastewater rates by the full 13% included in the June 2023 rate study, and also assumes the \$525,000 in one time grant revenue (non-operating) to cover the sewer generator project from a grant already awarded through the EPA.

Wastewater is responsible for maintenance and repair of all 60 miles of wastewater lines and pumping systems. The contract with the City of Oceanside for the treatment and discharge of the wastewater is the primary cost factor for this department.

Water Operating Fund



Wastewater Operating Fund

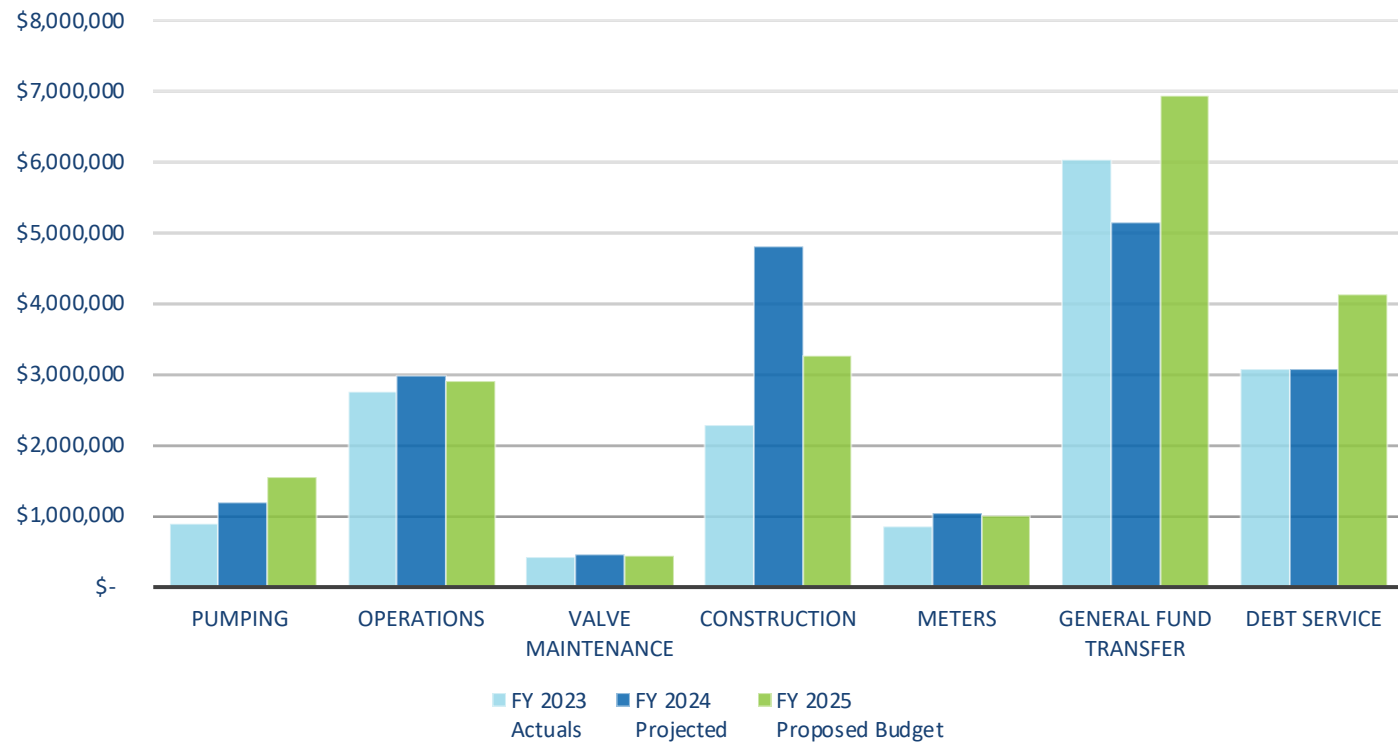


OPERATING AND NON-OPERATING BUDGET

Water Fund Budget Summary

WATER NET					
Description	FY22/23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
OPERATING REVENUES					
Water Sales	\$40,221,710	\$42,172,414	\$41,361,301	\$46,849,876	13%
Other Water Services	\$361,495	\$324,664	\$304,842	\$319,166	5%
TOTAL OPERATING REVENUES	\$40,583,205	\$42,497,078	\$41,666,143	\$47,169,042	13%
OPERATING EXPENSES					
Purchased Water	\$22,273,944	\$21,997,021	\$22,325,449	\$19,737,602	- 12%
Pumping	\$895,779	\$903,529	\$1,186,007	\$1,540,170	30%
Operations	\$2,757,129	\$2,723,168	\$2,991,910	\$2,911,913	-3%
Valve Maintenance	\$414,667	\$407,508	\$454,865	\$437,545	-4%
Construction	\$ 2,288,866	\$2,424,696	\$3,069,483	\$3,274,064	7%
Meters	\$843,155	\$1,071,718	\$1,044,414	\$1,011,298	-3%
General Fund Transfer	\$6,046,142	\$6,873,750	\$5,152,171	\$6,941,175	35%
TOTAL OPERATING EXPENSES	\$35,519,682	\$35,906,390	\$36,224,299	\$35,853,767	-1%
NON-OPERATING REVENUES					
Capacity Fees	\$2,909,690		\$822,930		100%
Debt Proceeds			\$10,000,000		100%
Investment Income	\$312,198	\$162,000	\$424,575	\$460,734	9%
Property Tax Revenue	\$777,390	\$650,000	\$566,273	\$588,924	4%
Other Non-Operating Revenues	\$(33,126)	\$106,000	\$18,101	\$17,184	5%
TOTAL NON-OPERATING REVENUES	\$3,966,152	\$918,000	\$11,831,879	\$1,066,842	-91%
NON-OPERATING EXPENSES					
Capital Improvement Projects	\$7,174,806	\$16,784,311	\$13,341,382	\$5,363,993	- 60%
Debt Service	\$3,077,414	\$3,077,165	\$3,076,907	\$4,140,069	35%
Detachment Payment				\$3,409,789	N/A
TOTAL NON-OPERATING EXPENSES	\$10,252,220	\$19,861,476	\$16,418,289	\$12,913,851	-21%
CHANGE IN NET POSITION	\$(1,222,545)	\$(12,352,788)	\$855,434	\$(531,734)	-162%
Description					Water Fund (FY25)
PROJECTED BEGINNING UNRESTRICTED FUND BALANCE					\$10,850,844
NET GAIN OR (REDUCTION) TO UNRESTRICTED FUND BALANCE					\$(531,734)
PROJECTED ENDING UNRESTRICTED FUND BALANCE					\$10,319,110

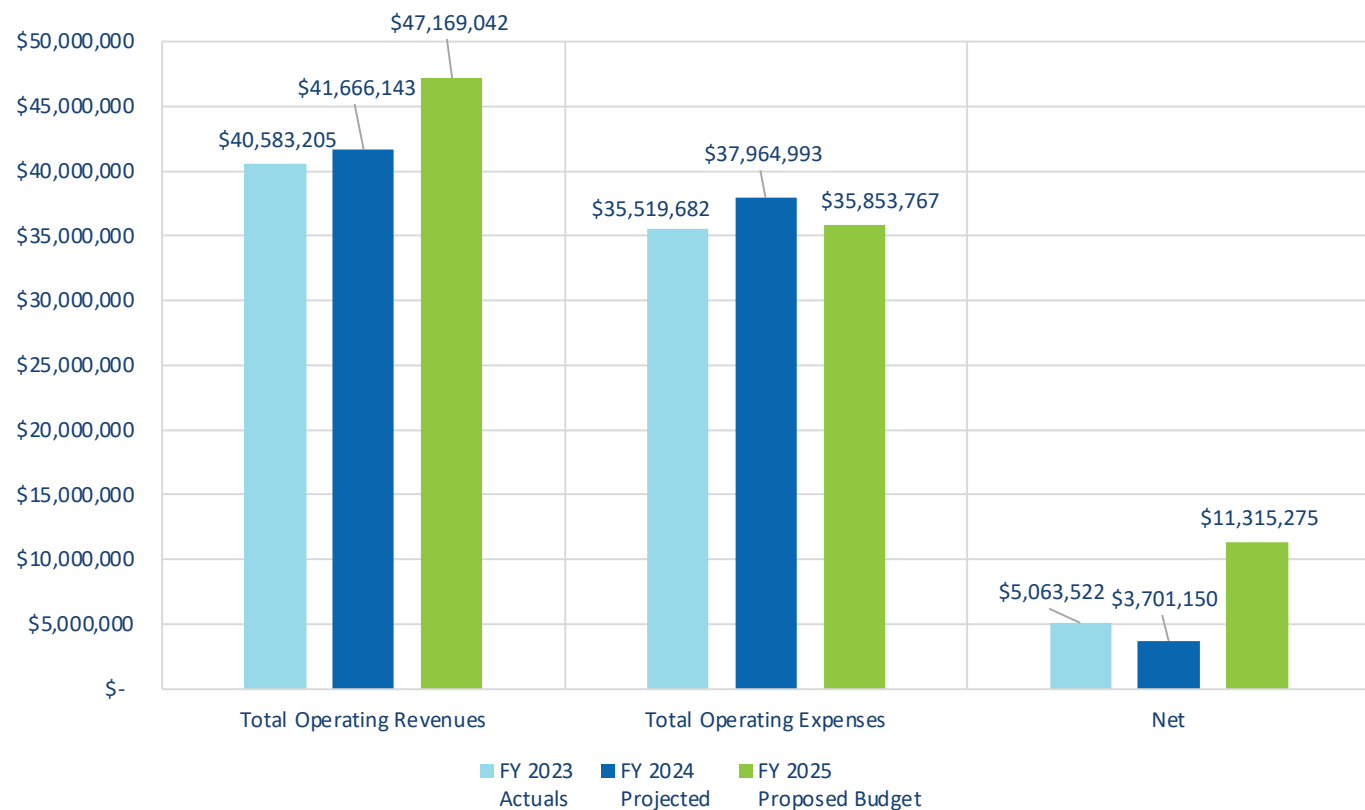
Water Operating Expenses



Water Fund Budgeted Revenues

WATER REVENUE						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
01-99-41110	Water Sales-SF, MF, CM, IS	\$9,634,436	\$9,338,822	\$9,526,573	\$10,131,930	6%
01-99-41120	Water Sales-Ag. Domestic	\$3,510,345	\$3,359,291	\$3,362,932	\$3,794,845	13%
01-99-41160	Water Sales- Agriculture	\$5,029,120	\$4,616,339	\$4,359,935	\$5,135,888	18%
01-99-41170	Water Sales-Construction	\$322,939	\$131,045	\$131,265	\$126,806	-3%
01-99-41180	Water Sales - TSAWR Com	\$2,038,793	\$1,878,972	\$1,921,816	\$2,150,860	12%
01-99-41190	Water Sales- TSAWR Dom	\$2,511,232	\$2,523,916	\$2,290,856	\$2,565,559	39%
01-99-42120	O&M Charges-RMWD	\$11,039,426	\$14,341,581	\$13,445,387	\$18,680,192	-43%
01-99-42121	O&M Charges-CWA	\$5,365,506	\$5,081,206	\$5,168,239	\$2,943,036	0%
01-99-42130	Readiness-To-Serve Rev	\$298,823	\$295,130	\$482,751	\$482,751	25%
01-99-42140	Pumping Charges	\$471,090	\$606,112	\$671,547	\$838,009	2%
01-99-43101	Operating Inc Unlock Fees	\$3,800	\$5,000	\$3,800	\$3,863	0%
01-99-43104	Operating Inc. RP Charges	\$277,604	\$245,665	\$277,323	\$277,385	N/A
01-99-43110	Operating Inc Inspections	\$62,657	\$20,000		\$20,000	-5%
01-99-43111	Operating Inc Install-Hyd.	\$4,025	\$2,000	\$2,913	\$2,760	-26%
01-99-43114	Operating Inc-Misc.	\$7,399	\$7,000	\$10,453	\$7,770	-29%
01-99-43116	New Meter/Install Parts	\$6,010	\$40,000	\$10,353	\$7,388	
01-99-43117	Notice Delivery Revenue		\$5,000			N/A
	TOTAL NON-OPERATING REVENUES	\$42,497,079	\$42,497,079	\$41,666,143	\$47,169,042	13%
01-99-4910	Non-Operating Inc-NSF		\$3,000	\$500	\$3,000	500%
01-99-49107	Recycling Revenue	\$18,635	\$8,000	\$3,267	\$3,675	13%
01-99-49109	Miscellaneous Revenue	(\$51,758)	\$95,000	\$9,335	\$10,509	13%
01-99-49200	Interest Revenues	\$312,198	\$162,000	\$424,575	\$460,734	9%
01-99-49201	Grant Revenue	(\$30,804)		\$5,000		-100%
01-99-49301	Property Tax Revenue	\$777,390	\$650,000	\$566,273	\$588,924	4%
	TOTAL NON-OPERATING REVENUES	\$1,025,658	\$918,000	\$1,008,950	\$1,066,842	6%
	TOTAL WATER REVENUES	\$41,608,863	\$43,415,079	\$42,675,093	\$48,235,884	13%

Water Fund Revenues vs Expenses

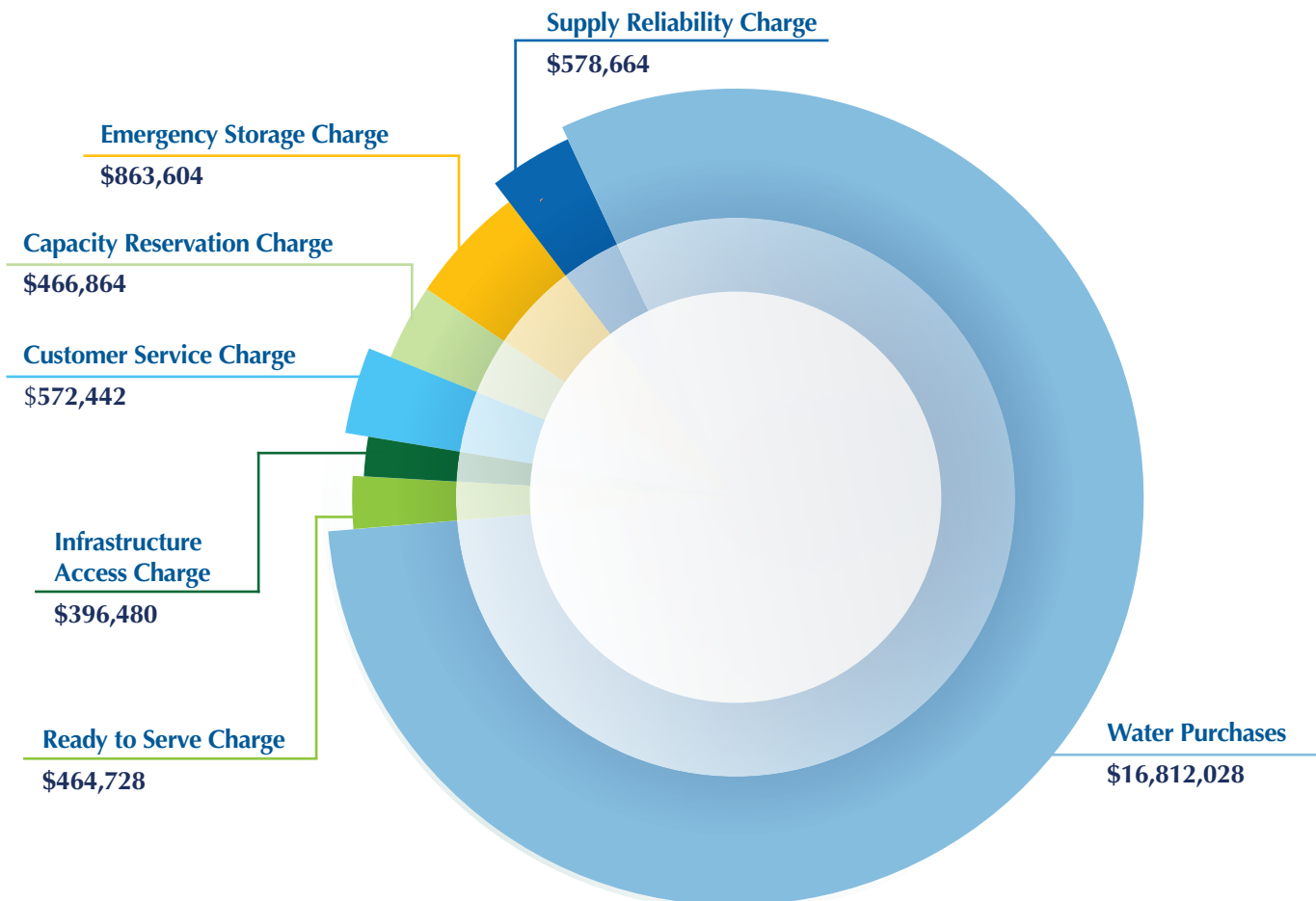


Water Fund Budgeted Expenses

PURCHASED WATER						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
01-99-50001	Water Purchases	\$17,654,975	\$17,240,184	\$17,411,099	\$16,812,028	-3%
01-99-50003	Water in Storage	(\$106,708)				N/A
01-99-50005	Ready to Serve	\$456,792	\$457,020	\$447,672	\$464,728	4%
01-99-50006	Infrastructure Access	\$758,424	\$776,760	\$776,760	\$396,480	-49%
01-99-50008	Agriculture Credit-TSAWR	(\$501,097)	(\$659,969)	(\$493,108)	(\$417,208)	-15%
01-99-50010	Customer Service	\$1,048,646	\$1,092,276	\$1,092,276	\$572,442	-48%
01-99-50011	Capacity Reservation	\$403,182	\$369,390	\$369,390	\$466,864	26%
01-99-50013	Emergency Storage	\$5,365,506	\$1,622,256	\$1,622,256	\$863,604	-47%
01-99-50013	Supply Reliability	\$1,020,693	\$1,099,104	\$1,099,104	\$578,664	-47%
	TOTAL PURCHASED WATER	\$22,273,945	\$21,997,021	\$22,325,449	\$19,737,602	-12%



FY 25 Adopted Purchased Water Expenses



Pumping Expenses

PUMPING EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
01-31-56101	Regular Salaries	\$14,396	\$31,529	\$24,873	\$35,306	42%
01-31-56103	Overtime & Comp Time	\$30	\$500			N/A
	TOTAL PAYROLL EXPENSES	\$14,426	\$32,029	\$24,873	\$35,306	42%
01-31-63100	Equipment Maint/Repair	\$33,064	\$37,000	\$4,650	\$37,000	69%
01-31-63401	Building Maintenance	\$7,878	\$7,000	\$14,100	\$12,000	-15%
01-31-72000	Supplies & Services	\$12,362	\$17,000	\$76,098	\$33,000	-57%
01-31-73000	Small Tools & Equipment	\$354	\$500	\$369,390	\$500	0%
01-31-78000	Utilities - Electricity	\$827,696	\$810,000	\$1,622,256	\$1,422,364	33%
	TOTAL NON-OPERATING REVENUES	\$881,354	\$871,500	\$1,161,134	\$1,504,864	30%
	TOTAL PUMPING EXPENSES	\$895,780	\$903,529	\$1,186,007	\$1,504,170	30%

Operations Expenses

PUMPING EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
01-32-56101	Regular Salaries	\$779,234	\$732,593	\$801,698	\$730,348	-9%
01-31-56103	Overtime & Comp Time	\$123,348	\$120,000	\$121,533	\$129,890	7%
01-32-56501	Employer's Share SSI	\$43,565	\$37,511	\$44,207	\$54,356	23%
01-32-56502	Employer's Share Medicare	\$10,757	\$8,905	\$10,868	\$13,548	25%
01-32-56503	Medical Insurance	\$86,035	\$89,084	\$93,791	\$116,256	24%
01-32-56504	Dental Insurance	\$9,688	\$10,271	\$10,020	\$11,518	15%
01-32-56505	Vision Insurance	\$1,102	\$1,130	\$1,221	\$1,451	19%
01-32-56506	Life, S/T, L/T Disability Insurance	\$6,873	\$7,042	\$6,230	\$8,249	32%
01-32-56507	Retirement-CalPERS	\$61,877	\$80,307	\$76,958	\$91,431	19%
01-32-56512	Tuition Reimbursement	\$505	\$1,000	\$1,965	\$1,000	-49%
01-32-56515	Worker's Compensation Insurance	\$10,919	\$31,873	\$22,799	\$19,953	-12%
01-32-56516	State Unemployment Insurance, E.T.T.	\$943	\$910	\$1,208	\$1,105	-8%
01-32-56518	Duty Pay	\$19,580	\$20,644	\$18,777	\$19,500	4%
01-32-56520	Deferred Compensation	\$18,866	\$20,800	\$20,400	\$22,100	8%
	TOTAL PAYROLL EXPENSES	\$1,173,292	\$1,162,070	\$1,231,675	\$1,220,705	-1%
01-32-60000	Electronics	\$13,286	\$11,000	\$662	\$13,000	1,865%
01-32-63100	Equipment Maintenance & Repairs	\$13,095	\$10,000	\$9,306	\$50,000	437%
01-32-63102	Equipment Maintenance Contract	\$20,323	\$31,500	\$7,070	\$31,000	339%
01-32-63200	Equipment Rental	\$62,916	\$42,000	\$64,761	\$42,000	-35%
01-32-63401	Building Maintenance	\$49,009	\$22,000	\$23,370	\$22,000	-6%
01-32-72000	Supplies & Services	\$367,094	\$198,000	\$531,671	\$891,48	68%
01-32-72010	Tank Maintenance	\$931,185	\$1,110,000	\$964,848	\$501,721	-48%
01-32-72150	Regulatory Permits	\$73,390	\$78,600	\$78,600	\$53,000	-33%
01-32-72700	Printing & Reproductions					N/A
01-32-73000	Small Tools & Equipment	\$6,163	\$7,500	\$6,401	\$7,500	17%
01-32-75300	Travel/Conferences/Training	\$2,095	\$500	\$500	\$2,500	400%
01-32-78000	Utilities	\$45,120	\$50,000	\$70,001	\$77,001	10%
01-32-78700	Propane	\$162				N/A
	TOTAL MAINTENANCE/SUPPLY	\$1,583,838	\$1,561,100	\$1,757,190	\$1,691,208	-4%
	TOTAL OPERATIONS EXPENSES	\$2,757,130	\$2,723,170	\$2,988,865	\$2,911,913	-3%

Valve Maintenance Expenses

VALVE MAINTENANCE EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
01-33-56101	Regular Salaries	\$224,284	\$213,850	\$259,869	\$235,168	-10%
01-33-56103	Overtime & Comp Time	\$4,061	\$3,000	\$5,168	\$5,024	-3%
01-33-56501	Employer's Share SSI	\$13,049	\$13,259	\$15,509	\$16,732	8%
01-33-56502	Employer's Share Medicare	\$3,052	\$3,101	\$3,627	\$3,913	8%
01-33-56503	Medical Insurance	\$31,778	\$35,263	\$35,370	\$38,117	8%
01-33-56504	Dental Insurance	\$3,610	\$4,108	\$4,008	\$2,790	-30%
01-33-56505	Vision Insurance	\$411	\$452	\$489	\$528	8%
01-33-56506	Life, S/T, L/T Disability Ins.	\$2,253	\$2,445	\$2,205	\$2,645	20%
01-33-56507	Retirement-CalPERS	\$21,549	\$30,067	\$28,425	\$31,284	10%
01-33-56512	Tuition Reimbursement	\$862	\$1,000	\$1,000	\$1,000	0%
01-33-56515	Worker's Comp. Insurance	\$1,004	\$11,099	\$7,671	\$6,276	-18%
01-33-56516	State Unemployment Ins, E.T.T.	\$375	\$364	\$500	\$368	-26%
01-33-56518	Duty Pay	\$1,122		\$561	\$2,250	301%
01-33-56520	Deferred Compensation	\$7,088	\$6,500	\$7,650	\$8,450	10%
	TOTAL PAYROLL EXPENSES	\$314,498	\$324,508	\$372,052	\$354,545	5%
01-33-72000	Supplies & Services	\$94,749	\$80,000	\$82,572	\$80,000	-3%
01-33-73000	Small Tools & Equipment	\$5,421	\$3,000	\$242	\$3,000	-1140%
	TOTAL MAINTENANCE/SUPPLY	\$100,170	\$83,000	\$82,814	\$83,000	0%
	TOTAL VALVE MAINT EXPENSES	\$414,688	\$407,508	\$454,866	\$437,545	-4%



Construction Expenses

CONSTRUCTION EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
01-34-56101	Regular Salaries	\$795,751	\$1,325,762	\$1,020,329	\$1,514,162	48%
01-34-56103	Overtime & Comp Time	\$149,300	\$160,000	\$129,860	\$144,027	11%
01-34-56501	Employer's Share SSI	\$70,000	\$77,758	\$80,135	\$98,953	23%
01-34-56502	Employer's Share Medicare	\$17,361	\$19,223	\$20,280	\$24,808	22%
01-34-56503	Medical Insurance	\$175,663	\$231,880	\$216,924	\$255,585	18%
01-34-56504	Dental Insurance	\$18,040	\$22,589	\$22,038	23,029	4%
01-34-56505	Vision Insurance	\$2,384	\$2,939	\$3,258	\$3,430	5%
01-34-56506	Life, S/T, L/T Disability Ins.	\$15,666	\$15,142	\$11,808	\$15,668	33%
01-34-56507	Retirement-CalPERS	\$96,949	\$136,855	\$128,754	\$145,749	13%
01-34-56512	Tuition Reimbursement	\$8,869	\$7,000	\$15,108	\$20,000	32%
01-34-56515	Worker's Comp. Insurance	\$15,926	\$68,807	\$41,912	\$39,499	-6%
01-34-56516	State Unemployment Ins, E.T.T.	\$2,874	\$2,366	\$3,233	\$2,393	-26%
01-34-56518	Duty Pay	\$18,282	\$20,644	\$17,523	\$12,375	-29%
01-34-56520	Deferred Compensation	\$25,254	\$26,780	\$29,535	\$43,160	46%
	GROSS PAYROLL EXPENSES	\$1,412,319	\$2,117,745	\$1,740,697	\$2,342,838	N/A
	LESS: CAPITALIZED LABOR		-\$620,050		-\$127,863	N/A
	TOTAL PAYROLL EXPENSES	\$1,412,319	\$1,497,695	\$1,740,697	\$2,214,975	27%
01-34-72000	Supplies & Services	\$705,050	\$754,500	\$1,119,807	\$884,089	-21%
01-34-72001	Easement Maintenance	\$164,638	\$150,000	\$194,860	\$150,000	-23%
01-34-73000	Small Tools & Equipment	\$1,657	\$20,000	\$11,342	\$20,000	76%
01-34-75300	Conferences/Training	\$5,203	\$2,500	\$2,780	\$5,000	80%
	TOTAL MAINTENANCE/SUPPLY	\$876,548	\$927,000	\$1,328,789	\$1,059,089	-20%
	TOTAL CONSTRUCTION EXPENSES	\$2,288,867	\$2,424,695	\$3,069,486	\$3,274,064	7%

Meters Expenses

METERS EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
01-35-56101	Regular Salaries	\$479,573	\$459,113	\$486,503	\$509,732	5%
01-35-56103	Overtime & Comp Time	\$38,151	\$45,000	\$25,598	\$25,154	-2%
01-35-56501	Employer's Share SSI	\$28,853	\$28,465	\$29,255	\$35,631	22%
01-35-56502	Employer's Share Medicare	\$6,748	\$6,657	\$6,842	\$8,333	22%
01-35-56503	Medical Insurance	\$101,753	\$105,455	\$105,192	\$115,221	10%
01-35-56504	Dental Insurance	\$9,662	\$10,271	\$10,020	\$10,471	5%
01-35-56505	Vision Insurance	\$1,099	\$1,130	\$1,221	\$1,319	8%
01-35-56506	Life, S/T, L/T Disability Ins.	\$5,600	\$5,230	\$4,823	\$5,840	21%
01-35-56507	Retirement-CalPERS	\$41,845	\$53,409	\$49,698	\$57,148	15%
01-35-56512	Tuition Reimbursement	\$1,295	\$1,000	\$1,860	\$1,500	-19%
01-35-56515	Worker's Comp. Insurance	\$2,276	23,828	\$12,099	\$3,153	-74%
01-35-56516	State Unemployment Ins, E.T.T.	\$945	\$910	\$1,227	\$921	-25%
01-35-56518	Duty Pay	\$176		\$627	\$5,625	797%
01-35-56520	Deferred Compensation	\$14,727	\$16,250	\$15,938	\$16,250	2%
	TOTAL PAYROLL EXPENSES	\$732,703	\$756,718	\$750,903	\$796,298	6%
01-35-63404	Backflow Expenses	\$4,851	\$8,500	\$6,719	\$8,500	27%
01-35-72000	Supplies & Services	\$65,973	\$300,000	\$283,220	\$200,000	-29%
01-35-73000	Small Tools & Equipment	\$37,819	\$5,000	\$2,076	\$5,000	141%
01-35-75300	Conferences/Travel	\$1,808	\$1,500	\$1,500	\$1,500	0%
	TOTAL MAINTENANCE/SUPPLY	\$110,451	\$315,000	\$293,515	\$215,000	-27%
	TOTAL METER EXPENSES	\$843,154	\$1,071,718	\$1,044,418	\$1,011,298	-3%



Debt Service

Debt Overview

The District issues debt in compliance with its Debt Management Policy (Administrative Code Section 5.10) as a means to fund its capital improvement and replacement program and spread the cost associated with the service benefits of the project out over a representative period matching at a minimum the same period of benefits to equitably align who is paying for the projects and who is receiving the benefits. Generally, the District tries to avoid debt except when unusually large individual projects or capital programs would otherwise cause necessary rate increases at unacceptable levels or reduce cash reserves to unhealthy levels, especially if below minimum target levels. Although the District does not have a legal maximum amount of debt imposed on it if in the form of Revenue Bonds or Loans, as opposed to General Obligation Bonds which require a 2/3 voter approval, it has covenanted with existing lenders to not issue additional debt at the same priority of repayment (parity revenue lien) unless it can meet certain conditions and to maintain certain levels of financial performance. The following represent the most relevant of those conditions:

Minimum Rates: That the District will set rates projected to at least produce a net revenue after O&M expenses of 120% of the annual debt service for that year.

Additional Debt: Actually achieve 120% of net revenue over the maximum debt service of any existing debt in any future year in addition to the proposed debt

The District does not currently have any bond ratings as all of its debt is either through the State Revolving Loan Fund with the State Water Resources Control Board of California, or through private placement agreements with individual banks.

DEBT ISSUANCES									
Name	Project	Fund	Original Loan Amount	6/30/2024 Balance	Annual Payment	Loan Origination Date	Final Maturity Date	Loan Length (Years)	Interest Rate
SRF - Morro Loan	Morro Reservoir	Water	\$10,246,413	\$6,406,481	\$629,723	10/31/2012	7/1/2033	20	2.1%
SRF - Beck Loan	Beck Reservoir	Water	\$7,731,716	\$4,834,190	\$475,175	10/31/2012	7/1/2033	20	2.1%
Zion Lease	Meter Replacement	Water	\$5,523,284	\$2,955,761	\$647,063	9/21/2018	7/1/2028	10	3.1%
Zion Loan	Meter Replacement	Water	\$5,249,905	2,802,106	\$615,001	10/1/2018	7/1/2028	10	3.2%
Western Alliance	Water Pipeline Upgrade	Water	\$9,750,000	\$9,418,199	\$718,307	3/1/2022	4/1/2042	20	4.0%
US Bank		Water	\$10,000,000	\$10,000,000	\$1,256,399	5/1/2024	10/1/2034	10	4.7%
First American RBC/City National	Lift Station	Sewer	\$5,000,000	\$5,000,000	\$663,021	8/4/2023	8/1/2033	10	5.5%
TOTAL WATER			\$48,501,318	\$36,416,736	\$4,341,668				
TOTAL WASTEWATER			\$5,000,000	\$5,000,000	\$663,021				
TOTAL DISTRICT			\$53,501,318	\$41,416,736	\$5,004,689	WEIGHTED AVG INT RATE			3.7%





Morro Reservoir

Debt Service

BECK			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2023-24	\$103,131	\$372,044	\$475,175
2024-25	\$95,302	\$379,873	\$475,175
2025-26	\$87,309	\$387,866	\$475,175
2026-27	\$79,147	\$396,028	\$475,175
2027-28	\$70,814	\$404,361	\$475,175
2028-29	\$62,305	\$412,870	\$475,175
2029-30	\$53,617	\$421,558	\$475,175
2030-31	\$44,746	\$430,429	\$475,175
2031-32	\$35,689	\$439,486	\$475,175
2032-33	\$26,441	\$448,734	\$475,175
2033-36	\$24,356	\$925,994	\$950,350
TOTAL	\$682,857	\$5,019,243	\$5,702,100

MORRO			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2023-24	\$136,674	\$493,049	\$629,723
2024-25	\$126,299	\$503,424	\$629,723
2025-26	\$115,705	\$514,018	\$629,723
2026-27	\$104,889	\$524,834	\$629,723
2027-28	\$93,845	\$535,878	\$629,723
2028-29	\$82,569	\$547,154	\$629,723
2029-30	\$71,056	\$558,667	\$629,723
2030-31	\$59,300	\$570,423	\$629,723
2031-32	\$47,297	\$582,426	\$629,723
2032-33	\$35,041	\$594,682	\$629,723
2033-35	\$32,277	\$1,227,168	\$1,259,446
TOTAL	\$904,952	\$6,651,723	\$7,556,675

WHOLESALE WATER EFFICIENCY			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2023-24	\$378,612	\$339,696	\$718,307
2024-25	\$364,956	\$353,352	\$718,307
2025-26	\$350,751	\$367,556	\$718,307
2026-27	\$335,975	\$382,332	\$718,307
2027-28	\$320,606	\$397,702	\$718,307
2028-29	\$304,618	\$413,689	\$718,307
2029-30	\$287,988	\$430,320	\$718,307
2030-31	\$270,689	\$447,619	\$718,307
2031-32	\$252,695	\$465,613	\$718,307
2032-33	\$233,977	\$484,331	\$718,307
2033-42	\$1,128,775	\$5,335,989	\$6,464,764
TOTAL	\$682,857	\$9,418,199	\$13,647,841

WASTEWATER LOAN			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2024-25	\$274,500	\$388,521	\$663,021
2025-26	\$253,170	\$409,850	\$663,021
2026-27	\$230,670	\$432,351	\$663,021
2027-28	\$206,933	\$456,087	\$663,021
2028-29	\$181,894	\$481,127	\$663,021
2029-30	\$155,480	\$507,540	\$663,021
2030-31	\$127,616	\$535,404	\$663,021
2031-32	\$98,223	\$564,798	\$663,021
2032-33	\$67,215	\$595,806	\$663,021
2033-34	\$34,507	\$628,516	\$663,021
TOTAL	\$1,630,208	\$5,000,000	\$6,630,208

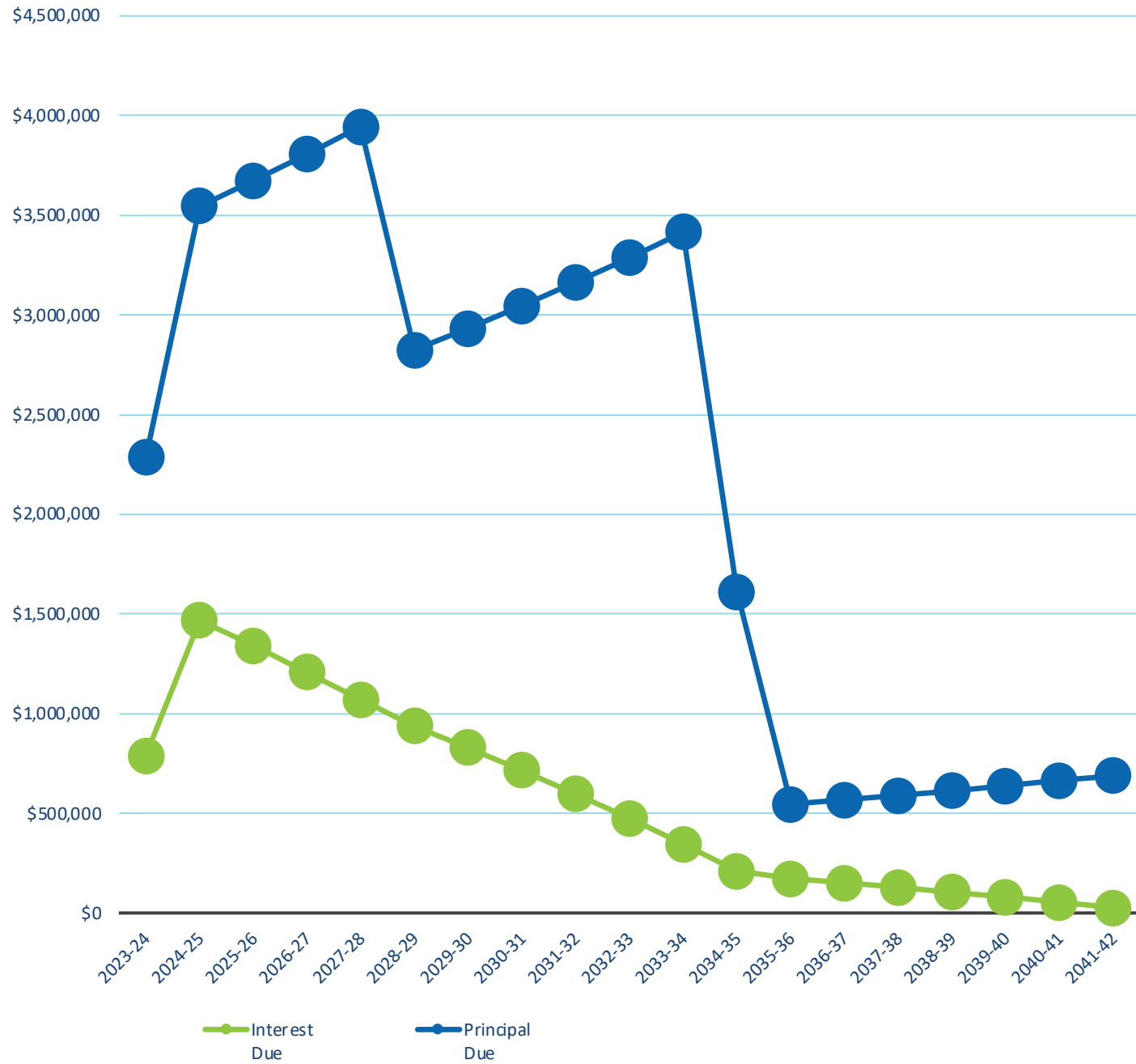
METER REPLACEMENT PROJECT			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2023-24	\$91,333	\$555,730	\$647,063
2024-25	\$74,161	\$572,902	\$647,063
2025-26	\$56,458	\$590,605	\$647,063
2026-27	\$38,209	\$608,854	\$647,063
2027-28	\$19,395	\$627,668	\$647,063
TOTAL	\$279,556	\$2,955,759	\$3,235,315

WATER SERVICE UPGRADE PROJECT			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2023-24	\$80,745	\$525,894	\$606,639
2024-25	\$63,756	\$542,617	\$606,373
2025-26	\$46,226	\$559,873	\$606,099
2026-27	\$28,139	\$577,676	\$605,815
2027-28	\$9,478	\$596,047	\$605,525
TOTAL	\$228,344	\$2,802,107	\$3,030,451

US BANK 2024 LOAN			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2024-25	\$470,000	\$806,246	\$1,276,246
2025-26	\$432,106	\$844,140	\$1,276,246
2026-27	\$392,432	\$883,814	\$1,276,246
2027-28	\$350,893	\$925,353	\$1,276,246
2028-29	\$307,401	\$968,845	\$1,276,246
2029-30	\$261,865	\$1,014,381	\$1,276,246
2030-31	\$214,189	\$1,062,057	\$1,276,246
2031-32	\$164,273	\$1,111,973	\$1,276,246
2032-33	\$112,010	\$1,164,236	\$1,276,246
2033-34	\$57,291	\$1,218,955	\$1,276,246
TOTAL	\$2,762,460	\$10,000,000	\$12,762,460

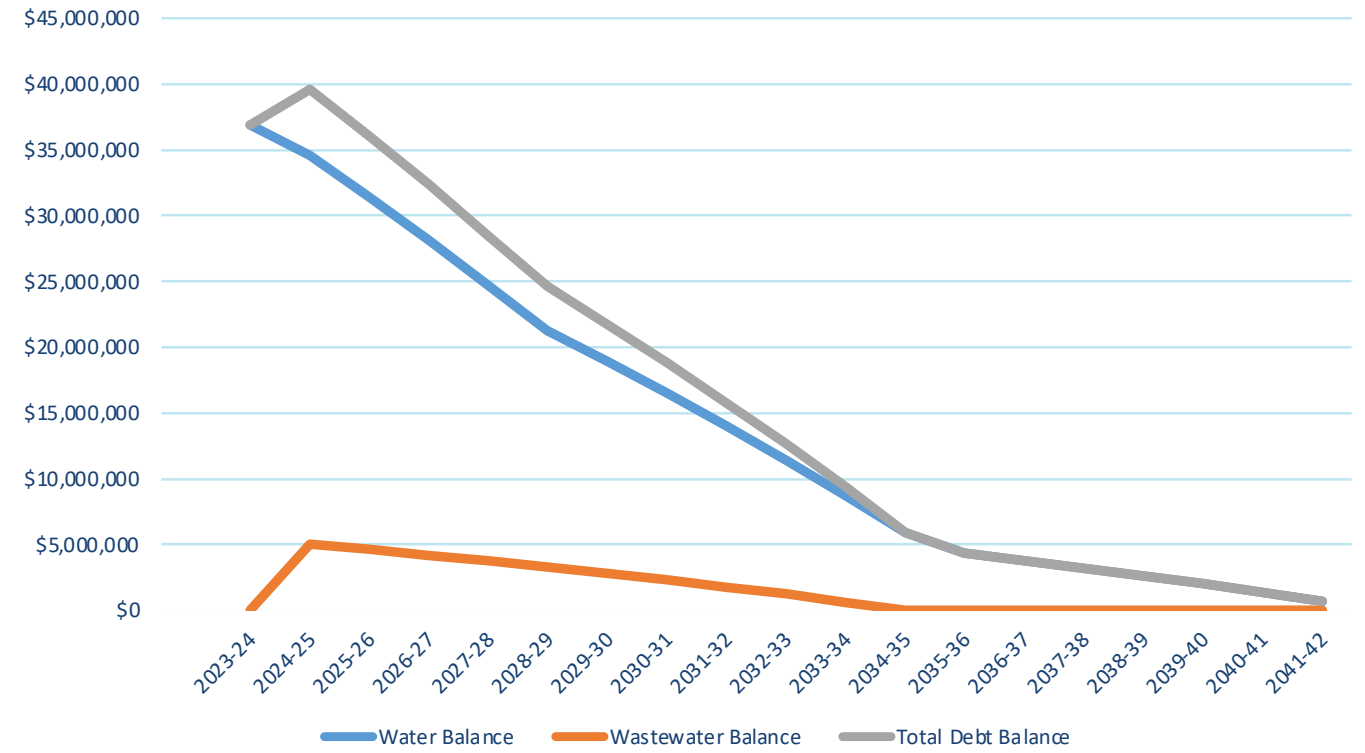
TOTAL DEBT SERVICE			
Fiscal Year	Interest Due	Principal Due	Total Annual Debt Service
2023-24	\$790,494	\$2,286,413	\$3,076,907
2024-25	\$1,468,974	\$3,546,934	\$5,015,908
2025-26	\$1,341,726	\$3,673,908	\$5,015,634
2026-27	\$1,209,461	\$3,805,890	\$5,015,351
2027-28	\$1,071,963	\$3,943,096	\$5,015,059
2028-29	\$938,787	\$2,823,685	\$3,762,472
2029-30	\$830,006	\$2,932,466	\$3,762,472
2030-31	\$716,541	\$3,045,931	\$3,762,472
2031-32	\$598,175	\$3,164,297	\$3,762,472
2032-33	\$474,684	\$3,287,297	\$3,762,472
2033-42	\$1,277,207	\$9,336,623	\$10,613,830
TOTAL	\$10,718,018	\$41,847,031	\$52,565,049

Debt Service Principal and Interest Due



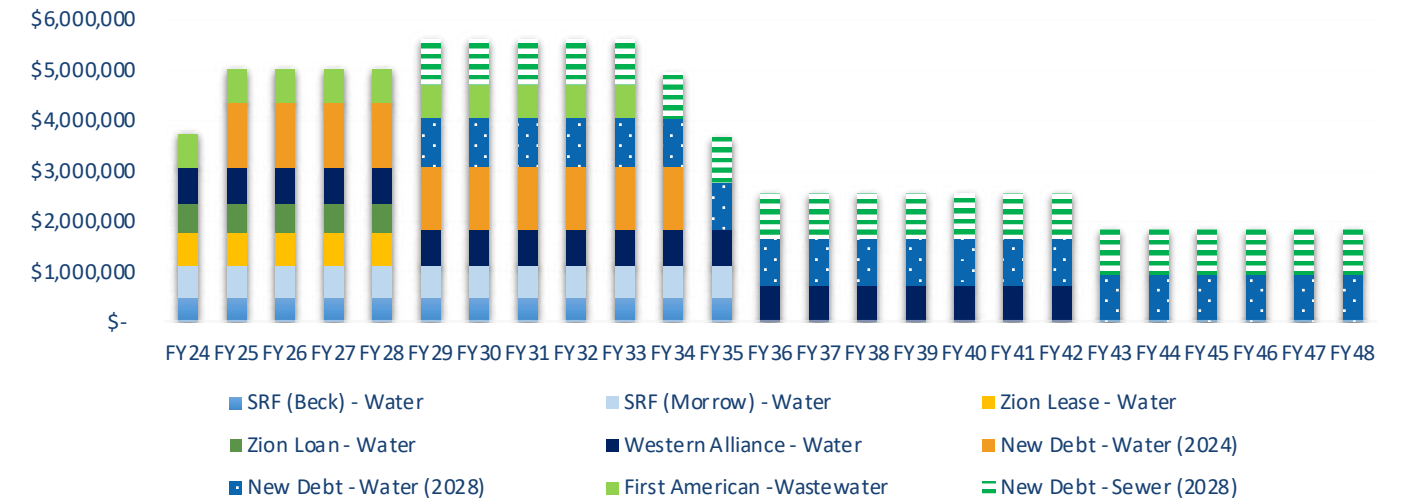
Current Outstanding Debt Balances

The District issued new proceeds of \$10M in May 2024. 5-month variable (80% SOFR +0.2%) and converts to a 10-year fixed term at 4.7%.



Projected Outstanding Debt Balances

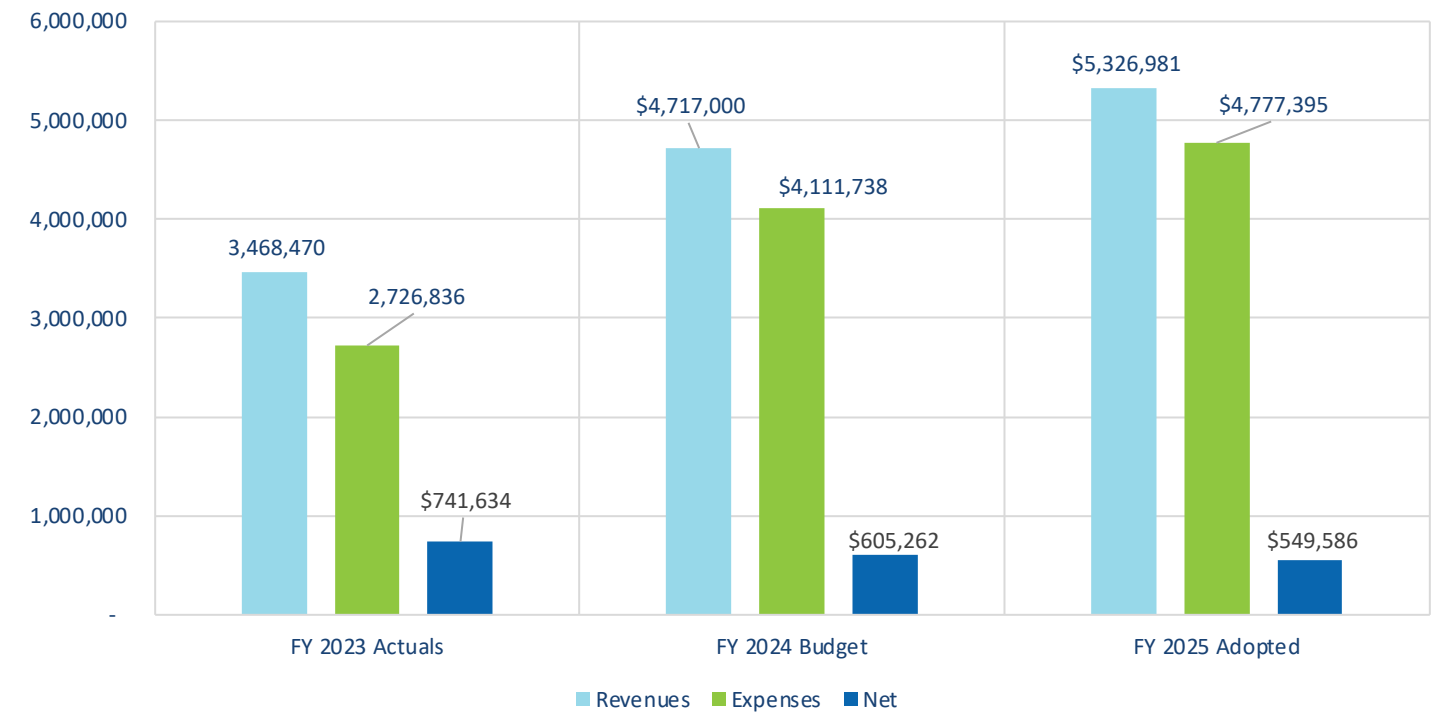
The District is projecting a new debt issuance in FY 2028 of \$12.8M in water debt (20-year at 4.0%) and \$11.8M in wastewater debt (20-year at 4.5%).



Wastewater Fund Budget Summary

WASTEWATER OPERATING & NON OPERATING					
Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
OPERATING REVENUES					
Wastewater Revenues	\$3,467,420	\$4,711,000	\$4,708,545	\$5,325,381	13%
Other Revenues	\$1,050	\$6,000	\$1,600	\$1,600	0%
TOTAL OPERATING REVENUES	\$3,468,470	\$4,717,000	\$4,710,145	\$5,326,981	13%
OPERATING EXPENSES					
Total Payroll Expenses	\$771,934	\$734,888	\$827,673	\$868,679	5%
Total Maintenance & Supply	\$536,735	\$1,918,600	\$1,946,796	\$2,280,540	17%
General Fund Transfer	\$1,418,167	\$1,458,250	\$1,644,106	\$1,628,177	-1%
TOTAL OPERATING EXPENSES	\$2,726,836	\$4,111,738	\$4,418,576	\$4,777,396	8%
NET OPERATING REVENUE	\$741,634	\$605,262	\$291,570	\$549,585	88%
NON-OPERATING REVENUES					
Capacity Fees	\$5,795,929	\$0	\$529,717	\$0	-100%
Investment Income	\$73,232	\$38,000	\$99,592	\$104,885	5%
Property Tax Revenue	\$77,139	\$70,000	\$82,740	\$86,050	4%
Grants Revenue	\$0	\$0	\$0	\$525,000	N/A
Other Non-Operating Revenue	\$10	\$1,000	\$0	\$0	N/A
TOTAL NON-OPERATING REVENUES	\$5,946,309	\$109,000	\$712,049	\$715,935	1%
NON-OPERATING EXPENSES					
Oceanside- Prior Period Liability	\$0	\$0	\$802,836	\$1,926,806	140%
Oceanside - Contribution to Repl. Reserve	\$0	\$0	\$440,553	\$440,553	0%
Capital Improvement Projects	\$7,110,665	\$8,680,787	\$5,635,233	\$588,376	-90%
Debt Service	\$0	\$663,021	\$663,021	\$663,021	0%
TOTAL NON-OPERATING EXPENSES	\$7,110,665	\$9,343,808	\$7,541,642	\$3,618,756	-52%
NET NON-OPERATING REVENUE	-\$1,164,356	-\$9,234,808	-\$6,829,594	-\$2,902,822	-57%
NET REVENUE	\$(422,721)	\$(8,629,546)	\$(6,538,024)	\$(2,353,236)	-64%
PROJECTED BEGINNING UNRESTRICTED RESERVE BALANCE				\$3,149,017	
NET GAIN OR (REDUCTION) TO UNRESTRICTED RESERVES				\$(2,353,236)	
PROJECTED ENDING UNRESTRICTED FUND BALANCE				\$795,781	

Wastewater Revenues vs. Expenses



Wastewater Fund Budgeted Revenues

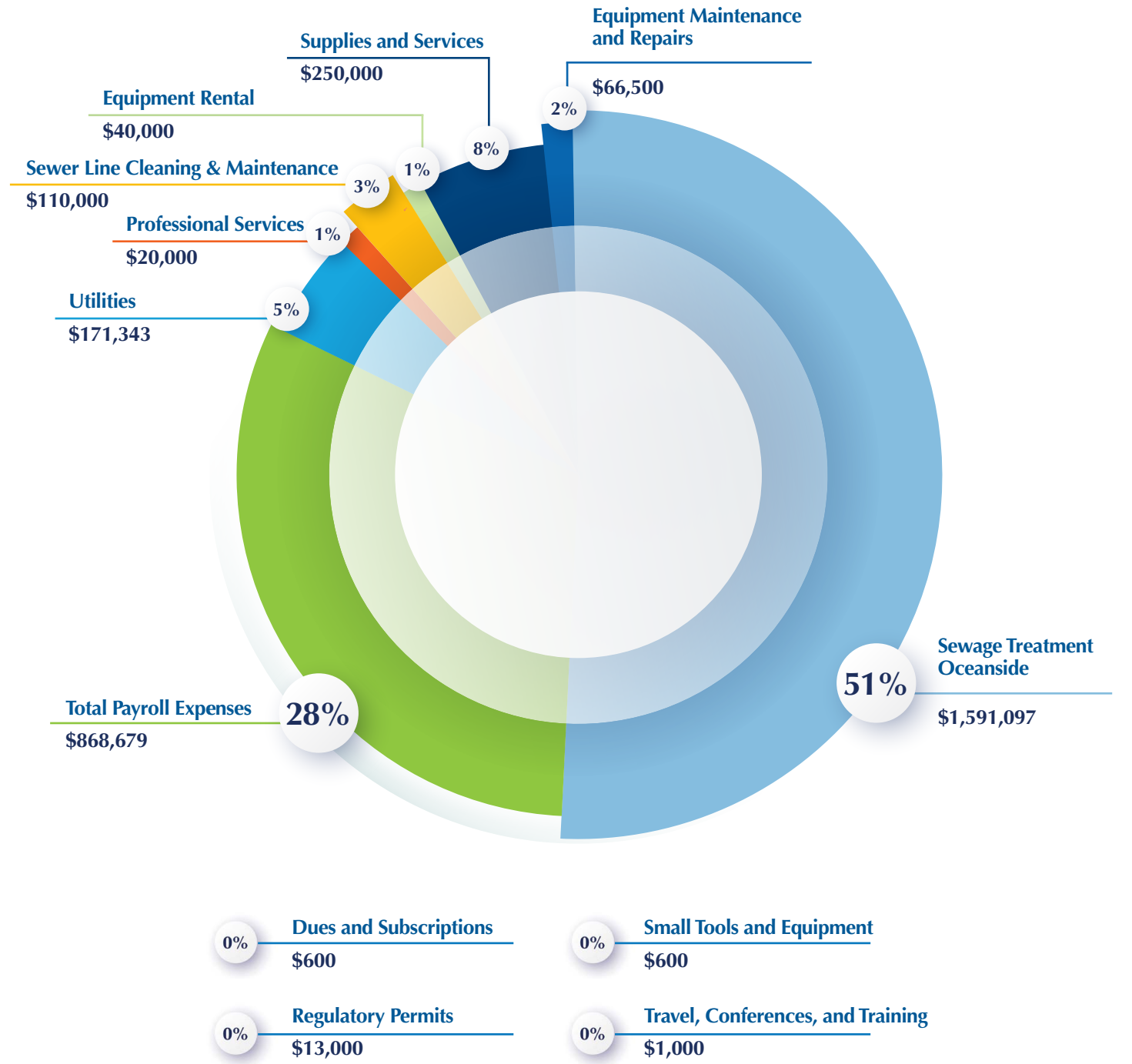
WASTEWATER REVENUES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
02-99-41112	Sewer Charges-Established Acct	\$3,467,420	\$4,711,000	\$4,708,545	\$5,325,381	13%
02-99-43106	Operating Inc-Sewer Letter	\$1,050	\$1,000	\$1,600	\$1,600	N/A
02-99-43108	Op. Inc - Plan Check/Inspection	-	\$5,000			N/A
02-99-49109	Miscellaneous Revenue	\$10	\$1,000			N/A
02-99-49200	Interest Revenue	\$73,232	\$38,000	\$99,592	\$104,885	5%
02-99-49201	Grants Revenue				\$525,000	N/A
02-99-49301	Property Tax Revenue	\$77,139	\$70,000	\$82,740	\$86,050	4%
TOTAL WASTEWATER REVENUES		\$3,618,851	\$4,826,000	\$4,892,477	\$6,042,916	24%



Wastewater Fund Budgeted Expenses

WASTEWATER EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
02-61-56101	Regular Salaries	\$442,895	\$457,784	\$489,788	\$500,833	2%
02-61-56103	Overtime & Comp Time	\$101,381	\$90,000	\$90,210	\$98,268	9%
02-61-56501	Employer's Share SSI	\$32,662	\$28,383	\$34,415	\$37,249	8%
02-61-56502	Employer's Share Medicare	\$7,639	\$6,638	\$8,049	\$8,887	10%
02-61-56503	Medical Insurance	\$92,376	\$91,726	\$91,704	\$99,623	9%
02-61-56504	Dental Insurance	\$7,809	\$8,216	\$8,010	\$8,377	5%
02-61-56505	Vision Insurance	\$888	\$905	\$977	\$1,055	8%
02-61-56506	Life, S/T, L/T Disability Ins.	\$5,164	\$5,242	\$4,497	\$5,482	22%
02-61-56507	Retirement-CalPERS	\$49,363	\$64,364	\$60,068	\$66,975	11%
02-61-56512	Tuition Reimbursement	\$896	\$1,000	\$1,908	\$1,991	4%
02-61-56515	Worker's Comp. Insurance	\$549	\$21,300	\$11,163	\$9,303	-17%
02-61-56516	State Unemployment Ins, E.T.T.	\$798	\$728	\$966	\$736	-24%
02-61-56518	Duty Pay	\$19,206	\$20,644	\$16,995	\$19,500	15%
02-61-56520	Deferred Compensation	\$10,308	\$10,400	\$8,925	\$10,400	17%
GROSS PAYROLL EXPENSES		\$771,934	\$807,330	\$827,673	\$868,679	N/A
LESS: CAPITALIZED LABOR			-\$72,442			N/A
TOTAL PAYROLL EXPENSES		\$771,934	\$734,888	\$827,675	\$868,679	5%
02-61-60000	Electronics	-	\$1,000	-	\$1,000	N/A
02-61-63100	Equipment Maint. & Repairs	\$55,878	\$48,000	\$79,331	\$66,500	-16%
02-61-63200	Equipment Rental	\$38,827	\$40,000	\$63,927	\$40,000	-37%
02-61-70000	Professional Services	\$39,340	\$40,000	\$40,000	\$20,000	-50%
02-61-72000	Supplies & Services	\$94,756	\$70,000	\$171,003	\$250,000	46%
02-61-72150	Regulatory Permits	\$11,257	\$13,000	\$13,000	\$13,000	0%
02-61-72200	Books & Resources	-	-	-	-	N/A
02-61-72400	Dues & Subscriptions	\$202	\$600	\$600	\$600	0%
02-61-72600	Sewer Line Cleaning/Maint.	\$129,321	\$110,000	\$31,400	\$110,000	250%
02-61-73000	Small Tools & Equipment	\$6,669	\$5,000	\$5,000	\$5,000	0%
02-61-75300	Travel/Conferences/Training	-	-	\$220	\$1,000	355%
02-61-77000	Sewage Treatment Oceanside	-	\$1,500,000	\$1,418,090	\$1,591,097	12%
02-61-78000	Utilities	\$88,221	\$80,000	\$119,403	\$171,343	43%
02-61-78300	Hazardous Waste Disposal	\$72,161	\$10,000	\$2,205	\$10,000	354%
02-61-78700	Utilities-Propane	\$104	\$1,000	\$2,618	\$1,000	-62%
TOTAL MAINTENANCE & SUPPLY		\$536,736	\$1,918,600	\$1,946,797	\$2,280,540	17%
02-99-52176	Overhead Transfer To Gen Fund	\$1,418,167	\$1,496,250	\$1,644,106	\$1,628,177	-1%
TOTAL TRANSFERS		\$1,418,167	\$1,496,250	\$1,644,106	\$1,628,177	-1%
TOTAL WASTEWATER EXPENSES		\$2,726,837	\$4,149,738	\$4,418,578	\$4,777,396	8%

FY Adopted Wastewater Expenses

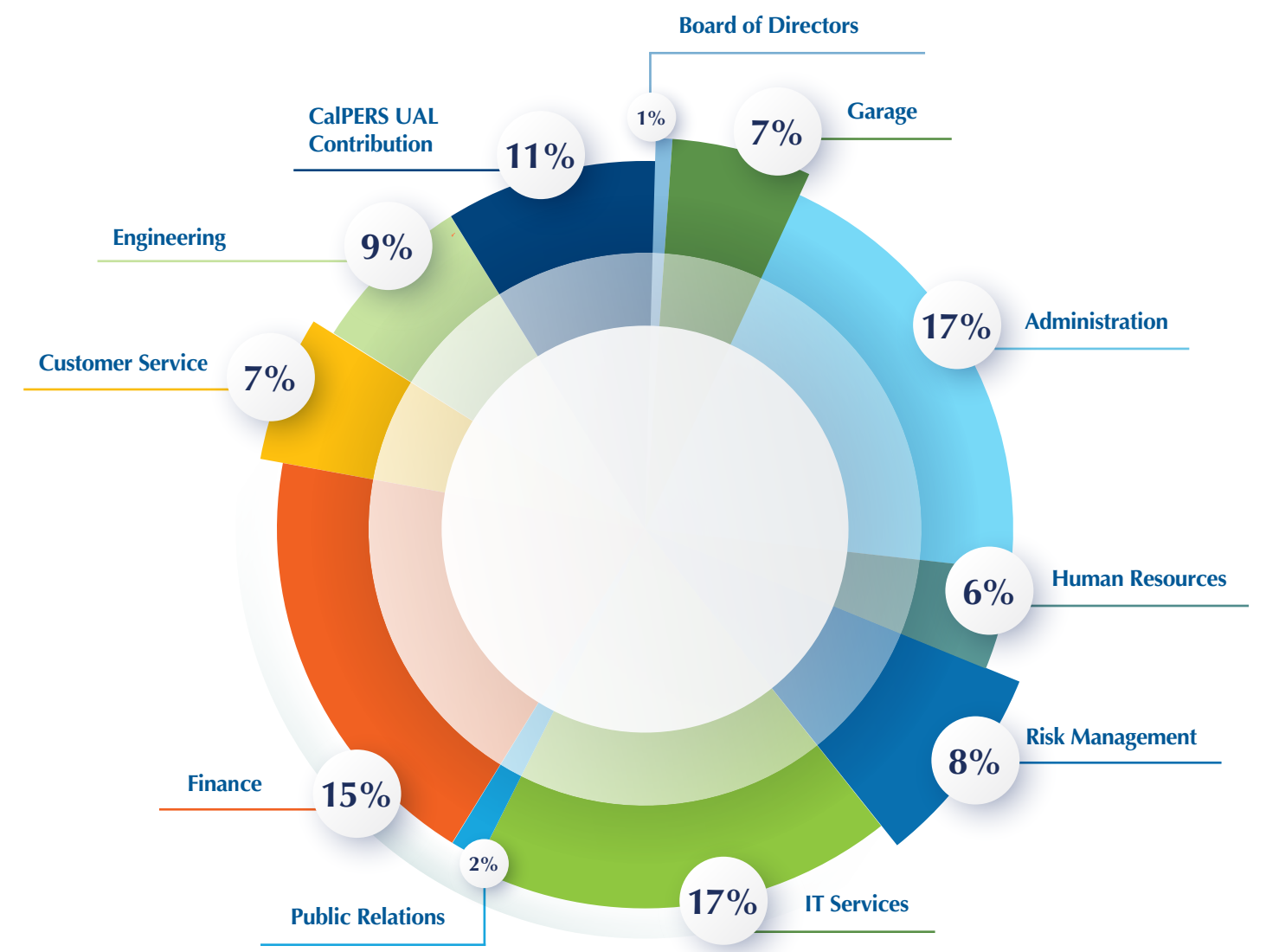




General Fund Budget Summary

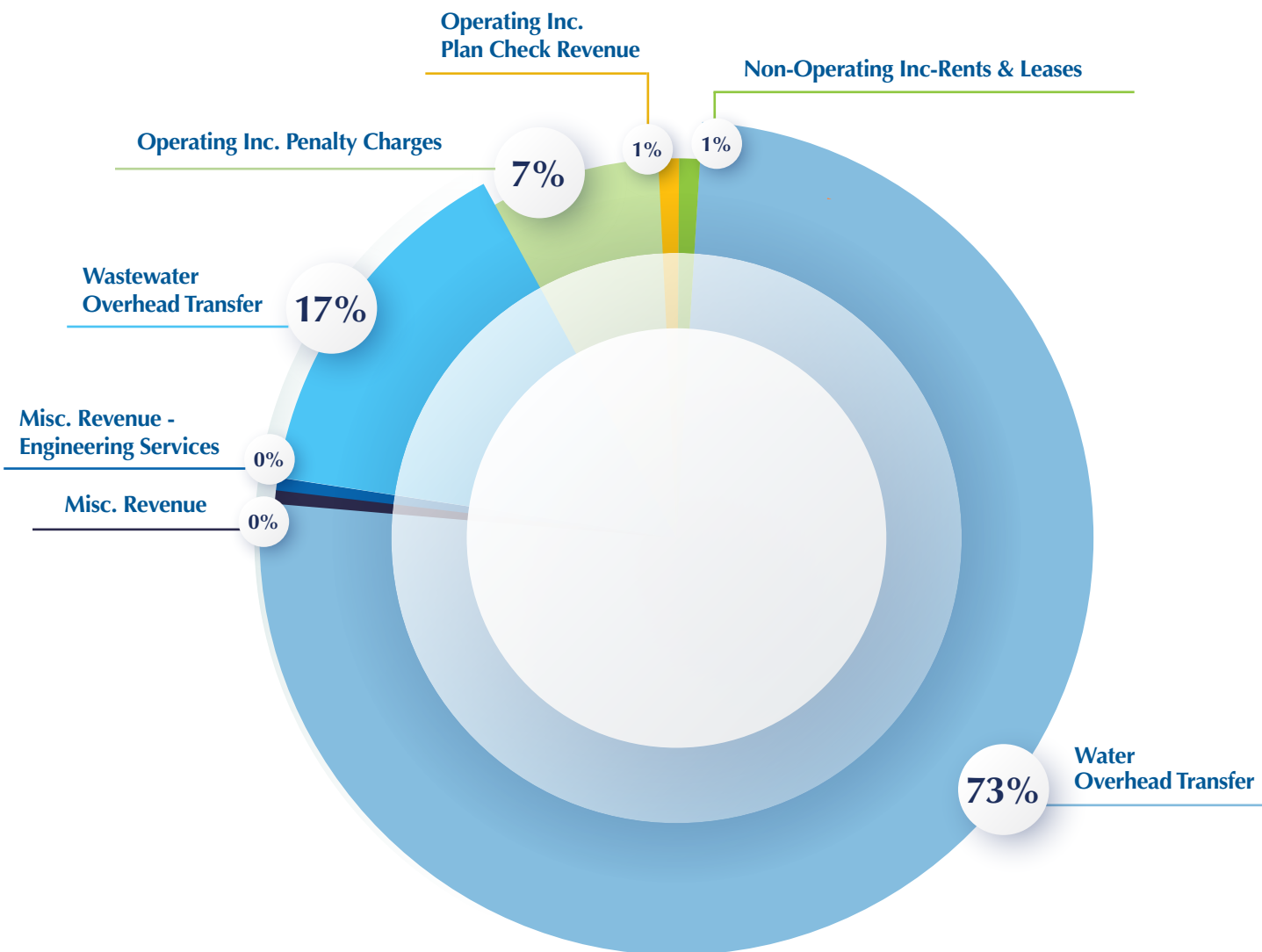
GENERAL FUND OPERATING SUMMARY					
Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
OPERATING REVENUES					
Water Overhead Transfer	\$6,046,142	\$6,378,750	\$7,009,084	\$6,941,175	-1%
Wastewater Overhead Transfer	\$1,418,231	\$109,000	\$1,644,106	\$1,628,177	-1%
Other General Fund Revenue	\$1,014,435	\$150,380	\$766,057	\$901,360	18%
TOTAL OPERATING REVENUES	\$8,487,808	\$8,735,000	\$9,419,247	\$9,470,712	1%
OPERATING EXPENSES					
Board of Directors	\$38,550	\$35,105	\$41,533	\$63,843	54%
Garage	\$659,230	\$63,335	\$645,666	\$637,432	-1%
Administration	\$1,740,106	\$1,496,250	\$1,644,106	\$1,628,177	-138%
Human Resources	\$402,081	\$457,924	\$436,214	\$569,692	31%
Risk Management	\$753,305	\$825,989	\$708,303	\$780,380	10%
IT Services	\$1,328,485	\$1,476,617	\$1,305,923	\$1,656,902	27%
Public Relations		\$69,022	\$67,943	\$186,865	175%
Finance	\$1,097,433	\$1,210,691	\$1,128,375	\$1,442,874	28%
Customer Service	\$592,942	\$585,384	\$505,069	\$628,732	24%
Engineering	\$1,224,262	\$981,906	\$1,372,781	\$896,730	-35%
CalPERS UAL Contribution	\$642,413	\$650,000	\$625,535	\$1,025,000	57%
TOTAL OPERATING EXPENSES	\$8,478,808	\$8,735,000	\$9,419,247	\$9,470,712	1%
CHANGE IN NET POSITION					N/A

FY Adopted General Fund Expenses



General Fund Budgeted Revenues

GENERAL FUND REVENUES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-99-42200	Water Transfer	\$6,046,142	\$6,378,750	\$7,009,084	\$6,941,175	-1%
03-99-42200	Wastewater Transfer	\$1,418,231	\$1,496,250	\$1,644,106	\$1,628,177	-1%
03-99-43102	Operating Inc Penalty Charges	\$556,247	\$550,000	\$616,312	\$657,000	7%
03-99-43108	Operating Inc Plan Check Revenue	\$106,661	\$150,000	\$107,000	\$107,000	0%
03-99-43108	Non-Operating Inc-Rents & Leases	\$75,622	\$80,000	\$114,395	\$83,160	-27%
03-99-49109	Miscellaneous Revenue	\$270,655	\$75,000	\$45,971	\$47,000	2%
03-99-49110	Gain (Loss) Sale of Assets			-\$124,354		-100%
03-99-49114	Misc. Revenue - Engineering Services	\$5,250	\$5,000	\$6,733	\$7,200	7%
TOTAL GENERAL FUND REVENUES		\$8,864,237	\$8,935,000	\$9,419,247	\$9,470,712	1%



Board of Director's Expenses

BOARD OF DIRECTORS EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-20-56202	Board Member Expenses	\$16,500	\$16,000	\$16,200	\$16,500	2%
03-20-56501	Employer's Share SSI	\$1,023	\$1,000	\$1,005	\$1,023	2%
03-20-56502	Employer's Share Medicare	\$239	\$250	\$236	\$239	1%
03-20-56515	Worker's Comp Insurance	\$59	\$100	\$89	\$81	-9%
TOTAL PAYROLL EXPENSES		\$17,821	\$17,350	\$17,530	\$17,843	2%
03-20-72000	Supplies & Services	\$209	\$300		\$21,000	N/A
03-20-75300	Travel/Conferences/Training	\$20,520	\$17,455	\$24,003	\$25,000	4%
TOTAL SUPPLIES EXPENSES		\$20,729	\$17,755	\$24,003	\$46,000	4%
TOTAL BOARD EXPENSES		\$38,550	\$35,105	\$41,533	\$63,843	54%



Garage Expenses

GARAGE EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-36-56101	Regular Salaries	\$120,098	\$111,542	\$122,130	\$117,921	-3%
03-36-56103	Overtime & Comp Time	\$23,362	\$27,000	\$25,242	\$24,771	-2%
03-36-56501	Employer's Share SSI	\$8,101	\$6,916	\$8,268	\$8,812	7%
03-36-56502	Employer's Share Medicare	\$1,895	\$1,617	\$1,934	\$2,061	7%
03-36-56503	Medical Insurance	\$19,639	\$20,363	\$20,286	\$22,447	11%
03-36-56504	Dental Insurance	\$1,957	\$2,054	\$2,004	\$2,094	4%
03-36-56505	Vision Insurance	\$223	\$226	\$245	\$264	8%
03-36-56506	Life, S/T, L/T Disability Ins.	\$1,289	\$1,276	\$1,107	\$1,358	23%
03-36-56507	Retirement-CalPERS	\$12,210	\$15,683	\$14,465	\$16,067	11%
03-36-56512	Tuition Reimbursement					N/A
03-36-56515	Worker's Comp. Insurance	\$1,541	\$6,626	\$3,936	\$3,353	-15%
03-36-56516	State Unemployment Ins, E.T.T.	\$189	\$182	\$242	\$184	-24%
03-36-56520	Deferred Compensation	\$2,600	\$2,600	\$2,550	\$2,600	2%
TOTAL PAYROLL EXPENSES		\$193,104	\$196,085	\$202,409	\$201,932	0%
03-36-60000	Equipment	\$2,857	\$5,000	\$6,137	\$5,000	-19%
03-36-63100	Equipment Maintenance	\$45,864	\$40,000	\$95,051	\$40,000	-58%
03-36-63421	Fuel & Oil	\$168,847	\$180,000	\$163,398	\$180,000	10%
03-36-63422	Repair, Supplies, Auto	\$108,745	\$90,000	\$54,500	\$82,000	50%
03-36-72000	Supplies & Services	\$126,984	\$120,000	\$120,080	\$120,000	0%
03-36-72150	Regulatory Permits	\$1,476			\$1,500	N/A
03-36-73000	Small Tools & Equipment	\$7,388	\$7,000	\$3,845	\$7,000	82%
03-36-75300	Travel/Conferences/Training	\$3,964	\$250	\$250		-100%
TOTAL MAINT/SUPPLY		\$466,126	\$442,250	\$443,261	\$435,500	-2%
TOTAL GARAGE EXPENSES		\$659,230	\$638,335	\$645,666	\$638,685	-1%

Administration Expenses

ADMINISTRATION EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-41-56101	Regular Salaries	\$462,489	\$537,563	\$555,784	\$461,007	-17%
03-41-56103	Overtime & Comp Time	\$4,591	\$6,500	\$3,524	\$4,084	16%
03-41-56501	Employer's Share SSI	\$18,040	\$19,081	\$27,587	\$19,588	-29%
03-41-56502	Employer's Share Medicare	\$5,896	\$6,490	\$7,829	\$6,726	-14%
03-41-56503	Medical Insurance	\$25,326	\$28,002	\$42,281	\$44,191	5%
03-41-56504	Dental Insurance	\$2,206	\$2,737	\$3,561	\$4,188	18%
03-41-56505	Vision Insurance	\$396	\$452	\$611	\$528	-14%
03-41-56506	Life, S/T, L/T Disability Ins.	\$3,293	\$5,176	\$3,364	\$3,408	1%
03-41-56507	Retirement-CalPERS	\$47,506	\$62,927	\$60,661	\$59,222	-2%
03-41-56511	Employee Uniform Allowance	\$24,946	\$28,000	\$38,070	\$28,000	-26%
03-41-56512	Tuition Reimbursement	-	\$500			N/A
03-41-56515	Worker's Comp. Insurance	\$13,901	\$16,426	\$2,890	\$2,368	-18%
03-41-56516	State Unemployment Ins, E.T.T.	\$333	\$364	\$764	\$368	-52%
03-41-56520	Deferred Compensation	\$2,601	\$2,600	\$10,649	\$15,120	42%
TOTAL PAYROLL EXPENSES		\$611,524	\$716,818	\$757,575	\$648,798	-14%
03-41-63200	Equipment Rental	\$50,867	\$49,000	\$43,119	\$50,000	16%
03-41-63400	Kitchen Supplies	\$15,623	\$15,000	\$14,123	\$16,500	17%
03-41-63401	Building Maintenance	\$110,513	\$100,100	\$271,191	\$85,000	-69%
03-41-70000	Professional Services	\$405,109	\$390,000	\$428,397	\$200,000	-53%
03-41-70300	Legal Services	\$223,895	\$200,000	\$683,591	\$200,000	-71%
03-41-72000	Supplies & Services	\$30,930	\$23,800	\$41,786	\$40,000	-4%
03-41-72400	Dues & Subscriptions	\$69,906	\$72,785	\$72,785	\$75,000	3%
03-41-72702	Public Notices/Advertising	\$800	\$750	\$4,000	\$1,000	-75%
03-41-72900	Stationary & Office Supplies	\$4,330	\$4,500	\$5,913	\$4,500	-24%
03-41-74000	Communications	\$13,057	\$14,000	\$14,702	\$14,000	-5%
03-41-74100	Phone Bill	\$104,586	\$112,000	\$105,330	\$110,000	4%
03-41-75300	Travel/Conferences/Training	\$9,599	\$8,275	\$8,275	\$18,500	124%
03-41-78000	Utilities-Electricity	\$73,457	\$75,000	\$87,242	\$95,966	10%
03-41-78700	Utilities -Propane	\$5,394	\$8,000	\$3,963	\$6,000	51%
03-41-78900	Trash Pick-Up	\$10,517	\$14,000	\$12,918	\$17,000	32%
TOTAL MAINT/SUPPLY		\$1,128,583	\$1,087,210	\$1,797,335	\$933,466	48%
TOTAL ADMIN EXPENSES		\$1,740,107	\$1,804,028	\$2,554,910	\$1,582,264	-38%



Human Resources Expenses

HUMAN RESOURCES EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-42-56101	Regular Salaries	\$236,316	\$262,962	\$268,290	\$299,855	12%
03-42-56103	Overtime & Comp Time	\$949	\$1,000	\$1,739	\$2,642	52%
03-42-56501	Employer's Share SSI	\$12,409	\$14,166	\$12,899	\$15,334	19%
03-42-56502	Employer's Share Medicare	\$3,530	\$3,813	\$3,731	\$4,365	17%
03-42-56503	Medical Insurance	\$31,424	\$39,599	\$40,109	\$44,336	11%
03-42-56504	Dental Insurance	\$3,110	\$4,108	\$4,008	\$4,188	4%
03-42-56505	Vision Insurance	\$425	\$452	\$489	\$528	8%
03-42-56506	Life, S/T, L/T Disability Ins.	\$5,555	\$2,248	\$2,159	\$2,674	24%
03-42-56507	Retirement-CalPERS	\$14,008	\$16,461	\$14,516	\$17,594	21%
03-42-56512	Tuition Reimbursement		\$2,500			N/A
03-42-56515	Worker's Comp. Insurance	\$1,034	\$1,525	\$1,599	\$1,360	-15%
03-42-56516	State Unemployment Ins, E.T.T.	\$397	\$364	\$440	\$368	-16%
03-42-56520	Deferred Compensation	\$4,537	\$4,550	\$4,613	\$7,150	55%
TOTAL PAYROLL EXPENSES		\$313,694	\$353,748	\$354,592	\$400,394	13%
03-42-56513	Employee Relations	\$24,232	\$21,150	\$21,150	\$27,625	31%
03-42-70000	Professional Services	\$5,802	\$6,000	\$5,889	\$51,580	776%
03-42-70300	Legal Services	\$3,089	\$10,000	\$9,974	\$15,000	50%
03-42-72000	Supplies & Services	\$1,270	\$2,000	\$2,075	\$3,350	61%
03-42-72200	Books & Resources	-	-	-	-	N/A%
03-42-72400	Dues & Subscriptions	\$5,797	\$1,925	\$1,925	\$1,610	-16%
03-42-75300	Travel/Conferences/Training	\$3,393	\$2,250	\$6,652	\$10,773	62%
03-42-75400	Workforce Development	\$10,828	\$24,000	\$3,308	\$38,175	1054%
03-42-75500	Recruitment	\$33,978	\$36,850	\$30,654	\$21,185	-31%
TOTAL MAINT/SUPPLY		\$88,389	\$104,175	\$81,627	\$169,298	107%
TOTAL HR EXPENSES		\$402,083	\$457,923	\$436,219	\$569,692	31%

Risk Management Expenses

RISK MANAGEMENT EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-43-56101	Regular Salaries	\$163,093	\$132,393	\$121,799	\$155,545	28%
03-43-56103	Overtime & Comp Time	\$1,664	\$2,000			N/A
03-43-56501	Employer's Share SSI	\$9,576	\$8,208	\$6,422	\$9,644	50%
03-43-56502	Employer's Share Medicare	\$2,242	\$1,920	\$1,502	\$2,255	50%
03-43-56503	Medical Insurance	\$13,360	\$14,677	\$17,487	\$21,889	25%
03-43-56504	Dental Insurance	\$1,804	\$2,054	\$1,503	\$2,094	39%
03-43-56505	Vision Insurance	\$208	\$226	\$189	\$264	40%
03-43-56506	Life, S/T, L/T Disability Ins.	\$1,360	\$1,520	\$1,073	\$1,710	59%
03-43-56507	Retirement-CalPERS	\$7,818	\$10,168	\$8,237	\$11,712	42%
03-43-56512	Tuition Reimbursement	\$1,398	\$2,000	\$2,000		100%
03-43-56515	Worker's Comp. Insurance	\$1,177	\$6,871	\$611	\$3,831	528%
03-43-56516	State Unemployment Ins, E.T.T.	\$189	\$182	\$525	\$184	-65%
03-43-56520	Deferred Compensation	\$3,254	\$3,510	\$203	\$3,510	1633%
TOTAL PAYROLL EXPENSES		\$207,143	\$185,729	\$161,551	\$212,638	32%
03-43-63100	Equipment Maintenance	\$1,896	\$3,500		\$3,050	N/A
03-43-63102	Equipment Maint. Contract	\$4,105	\$3,675	\$3,762	\$2,125	-44%
03-43-65000	Property Liability Insurance	\$387,155	\$450,000	\$402,266	\$450,000	12%
03-43-65100	District-Paid Claims	\$70,666	\$80,000	\$80,000		-100%
03-43-70000	Professional Services	\$1,731	\$25,000			N/A
03-43-70300	Legal Services			\$6,819	\$6,300	-8%
03-43-72000	Supplies & Services	\$32,260	\$25,000	\$5,951	\$27,040	354%
03-43-72200	Books & Resources	\$525	\$750	\$750	\$1,000	33%
03-43-72400	Dues & Subscriptions	\$2,858	\$35	\$35	\$4,520	12814%
03-43-72500	Safety Supplies	\$44,916	\$51,300	\$46,173	\$58,300	-26%
03-43-75300	Travel/Conferences/Training	\$50	\$1,000	\$1,000	\$5,012	401%
03-43-75400	Workforce Development				\$10,395	N/A
TOTAL MAINT/SUPPLY		\$546,162	\$640,260	\$546,756	\$567,741	4%
TOTAL RISK MGMT. EXPENSES		\$753,305	\$825,989	\$708,307	\$780,380	10%



IT Expenses

INFORMATION TECHNOLOGY EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-44-56101	Regular Salaries	\$462,886	\$553,939	\$493,712	\$696,258	41%
03-44-56103	Overtime & Comp Time	\$4,959	\$7,000	\$3,543	\$3,386	-4%
03-44-56501	Employer's Share SSI	\$29,970	\$32,302	\$30,089	\$40,440	34%
03-44-56502	Employer's Share Medicare	\$7,622	\$8,032	\$7,920	\$10,320	30%
03-44-56503	Medical Insurance	\$53,767	\$56,957	\$53,729	\$71,575	33%
03-44-56504	Dental Insurance	\$4,965	\$5,473	\$5,340	\$6,415	20%
03-44-56505	Vision Insurance	\$845	\$904	\$977	\$1,161	19%
03-44-56506	Life, S/T, L/T Disability Ins.	\$6,390	\$6,365	\$5,454	\$7,065	30%
03-44-56507	Retirement-CalPERS	\$41,674	\$54,597	\$50,942	\$55,845	10%
03-44-56512	Tuition Reimbursement	\$13,392	\$5,250	\$10,932	\$14,576	33%
03-44-56515	Worker's Comp. Insurance	-\$1,147	\$31,298	\$9,735	\$9,910	2%
03-44-56516	State Unemployment Ins, E.T.T.	\$697	\$728	\$966	\$1,105	14%
03-44-56518	Duty Pay	\$374		\$627		-100%
03-44-56520	Deferred Compensation	\$7,150	\$7,150	\$7,013	\$13,220	89%
	LESS: CAPITALIZED LABOR				-\$16,675	N/A
	TOTAL PAYROLL EXPENSES	\$633,544	\$769,995	\$680,979	\$914,601	34%
03-44-60000	Electronics	\$16,304	\$25,000	\$22,617	\$25,000	11%
03-44-60100	Computers	\$42,719	\$50,500	\$65,947	\$60,000	-9%
03-44-70000	Professional Services	\$38,774	\$65,000	\$2,280	\$30,000	1216%
03-44-72000	Supplies & Services	\$67,525	\$66,500	\$35,025	\$88,500	153%
03-44-72400	Dues & Subscriptions	\$315,865	\$486,621	\$495,078	\$521,301	5%
03-44-57105	Subscription Amortization	\$159,948				N/A
03-44-57215	Subscription Interest	\$43,949				N/A
03-44-73000	Small Tools & Equipment	\$8,560	\$10,000	\$1,000	\$11,500	1050%
03-44-75300	Travel/Conferences/Training	\$1,298	\$3,000	\$3,000	\$6,000	100%
	TOTAL MAINTENANCE/SUPPLY	\$694,942	\$706,621	\$624,947	\$742,301	19%
	TOTAL IT EXPENSES	\$1,328,486	\$1,476,616	\$1,305,926	\$1,656,902	27%

Public Relations Expenses

PUBLIC RELATIONS EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-45-56101	Regular Salaries	\$968	\$34,370	\$53,483	\$92,167	72%
03-45-56103	Overtime & Comp Time		\$2,000		\$1,000	N/A
03-45-56501	Employer's Share SSI	\$290	\$2,131	\$2,463	\$5,816	136%
03-45-56502	Employer's Share Medicare	\$68	\$498	\$576	\$1,360	136%
03-45-56503	Medical Insurance					N/A
03-45-56504	Dental Insurance		\$2,054			N/A
03-45-56505	Vision Insurance		\$226			N/A
03-45-56506	Life, S/T, L/T Disability Ins.		\$375		\$1,099	N/A
03-45-56507	Retirement-CalPERS		\$2,640		\$5,460	N/A
03-45-56512	Tuition Reimbursement					N/A
03-45-56515	Worker's Comp. Insurance	\$20	\$546	\$227	\$445	96%
03-45-56516	State Unemployment Ins, E.T.T.	\$105	\$182	\$357	\$368	3%
03-45-56520	Deferred Compensation				\$2,210	N/A
	TOTAL PAYROLL EXPENSES	\$1,451	\$45,022	\$57,106	\$109,925	0%
03-45-70000	Professional Services		\$5,000	\$5,000	\$14,000	180%
03-45-72000	Supplies & Services	\$3,932	\$17,500	\$4,338	\$51,885	1096%
03-45-72200	Small Tools & Equipment		\$500	\$500		-100%
03-45-72400	Dues & Subscriptions		\$500	\$500	\$2,350	370%
03-45-72702	Advertising				\$3,300	N/A
03-45-72500	Safety Supplies	\$20				N/A
03-45-75300	Travel/Conferences/Training	\$21	\$500	\$500	\$5,405	981%
	TOTAL MAINTENANCE & SUPPLY	\$3,973	\$24,000	\$10,838	\$76,940	610%
	TOTAL PR EXPENSES	\$5,424	\$69,022	\$67,944	\$186,865	175%



Finance Expenses

FINANCE EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-51-56101	Regular Salaries	\$698,075	\$793,693	\$759,792	\$862,637	14%
03-51-56103	Overtime & Comp Time	\$7,494	\$7,500	\$7,235	\$7,270	0%
03-51-56501	Employer's Share SSI	\$42,226	\$45,631	\$40,050	\$48,756	22%
03-51-56502	Employer's Share Medicare	\$10,725	\$11,509	\$11,186	\$12,754	14%
03-51-56503	Medical Insurance	\$105,325	\$106,210	\$100,611	\$137,522	37%
03-51-56504	Dental Insurance	\$10,735	\$10,953	\$10,937	\$13,261	21%
03-51-56505	Vision Insurance	\$1,557	\$1,582	\$1,671	\$1,847	11%
03-51-56506	Life, S/T, L/T Disability Ins.	\$7,876	\$9,086	\$6,849	\$8,609	26%
03-51-56507	Retirement-CalPERS	\$46,923	\$55,437	\$50,094	\$57,094	14%
03-51-56512	Tuition Reimbursement	\$5,335	\$5,250	\$5,250	\$1,172	-78%
03-51-56515	Worker's Comp. Insurance	\$3,830	\$9,471	\$6,261	\$5,999	-4%
03-51-56516	State Unemployment Ins, E.T.T.	\$1,288	\$1,274	\$1,719	\$1,289	-25%
03-51-56520	Deferred Compensation	\$22,357	\$23,660	\$19,298	\$24,960	29%
TOTAL PAYROLL EXPENSES		\$963,746	\$1,081,256	\$1,020,953	\$1,183,170	27%
03-51-69000	Postage	\$38,319	\$41,500	\$34,350	\$6,000	-83%
03-51-70000	Professional Services	\$30,428	\$500	\$15,000	\$35,000	133%
03-51-70100	Annual Audit Services	\$8,025	\$35,000	\$35,000	\$45,000	29%
03-51-70400	Bank Service Charges	\$41,314	\$40,000	\$10,000	\$42,000	320%
03-51-72000	Supplies & Services	\$823	\$750	\$1,389	\$1,000	-28%
03-51-72400	Dues & Subscriptions	\$535	\$685	\$685	\$9,500	1287%
03-51-72700	Printing & Reproductions	\$2,302	\$3,500	\$3,500	\$3,500	0%
03-51-75300	Travel/Conferences/Training	\$11,942	\$7,500	\$7,500	\$7,500	0%
TOTAL MAINTENANCE & SUPPLY		\$133,688	\$129,435	\$107,424	\$149,500	39%
TOTAL FINANCE EXPENSES		\$1,097,434	\$1,210,691	\$1,128,377	\$1,332,670	18%

Customer Service Expenses

CUSTOMER SERVICE EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-52-56101	Regular Salaries	\$315,877	\$275,693	\$260,553	\$377,484	45%
03-52-56103	Overtime & Comp Time	\$12,235	\$18,000	\$999	\$955	-4%
03-52-56501	Employer's Share SSI	\$19,360	\$17,093	\$15,744	\$23,676	50%
03-52-56502	Employer's Share Medicare	\$4,528	\$3,998	\$3,683	\$5,537	50%
03-52-56503	Medical Insurance	\$56,928	\$81,086	\$53,591	\$85,561	60%
03-52-56504	Dental Insurance	\$5,581	\$6,845	\$4,698	\$7,674	63%
03-52-56505	Vision Insurance	\$835	\$904	\$980	\$1,319	35%
03-52-56506	Life, S/T, L/T Disability Ins.	\$2,719	\$1,534	\$4,677	\$4,289	-8%
03-52-56507	Retirement-CalPERS	\$21,428	\$21,173	\$19,461	\$28,166	45%
03-52-56512	Tuition Reimbursement	\$875	\$1,000	\$1,000	\$1,000	0%
03-52-56515	Worker's Comp. Insurance	\$1,126	\$1,531	\$1,496	\$1,755	17%
03-52-56516	State Unemployment Ins, E.T.T.	\$1,586	\$728	\$1,292	\$921	29%
03-52-56520	Deferred Compensation	\$3,700	\$7,800	\$2,550	\$13,000	410%
TOTAL PAYROLL EXPENSES		\$446,778	\$437,385	\$370,724	\$441,132	19%
03-52-69000	Postage	\$1,100			\$30,000	N/A
03-52-70000	Professional Services	\$240			\$9,600	N/A
03-52-72000	Supplies & Services	\$144,337	\$147,000	\$133,847	\$147,000	10%
03-52-72700	Printing & Reproductions	\$51	\$500	\$500	\$500	0%
03-52-75300	Travel/Conferences/Training	\$435	\$500		\$500	N/A
TOTAL MAINTENANCE & SUPPLY		\$146,163	\$148,000	\$134,347	\$187,600	40%
TOTAL CS EXPENSES		\$592,941	\$585,385	\$505,071	\$738,937	46%



Engineering Expenses

ENGINEERING EXPENSES						
GL Account	Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
03-91-56101	Regular Salaries	\$558,487	\$825,062	\$790,793	\$706,754	-11%
03-91-56103	Overtime & Comp Time	\$8,760	\$6,000	\$6,909	\$8,379	21%
03-91-56501	Employer's Share SSI	\$34,373	\$54,593	\$47,429	\$41,993	-11%
03-91-56502	Employer's Share Medicare	\$8,228	\$13,329	\$11,756	\$10,543	-10%
03-91-56503	Medical Insurance	\$63,846	\$107,457	\$103,361	\$97,752	-5%
03-91-56504	Dental Insurance	\$5,806	\$10,264	\$8,817	\$9,073	3%
03-91-56505	Vision Insurance	\$938	\$1,582	\$1,517	\$1,319	-13%
03-91-56506	Life, S/T, L/T Disability Ins.	\$7,015	\$10,554	\$8,612	\$7,200	-16%
03-91-56507	Retirement-CalPERS	\$55,682	\$108,231	\$91,799	\$75,295	-18%
03-91-56512	Tuition Reimbursement	\$120	\$1,000	\$1,421	\$1,895	33%
03-91-56515	Worker's Comp. Insurance	-\$184	\$18,294	\$7,952	\$6,392	-20%
03-91-56516	State Unemployment Ins, E.T.T.	\$1,010	\$1,274	\$1,460	\$921	-37%
03-91-56520	Deferred Compensation	\$13,051	\$12,610	\$11,820	\$16,120	36%
	GROSS PAYROLL EXPENSES	\$757,132	\$1,170,250	\$1,093,642	\$983,636	N/A
	LESS: CAPITALIZED LABOR		-\$438,994		-\$246,406	N/A
	TOTAL PAYROLL EXPENSES	\$757,132	\$731,256	\$1,093,642	\$737,230	-33%
03-91-60000	Equipment		\$1,500	\$33	\$1,000	2930%
03-91-70000	Professional Services	\$322,362	\$125,000	\$162,065	\$100,000	-38%
03-91-70300	Legal Expenses	\$112,794	\$75,000	\$65,586	\$25,000	-62%
03-91-72000	Supplies & Services	\$23,218	\$38,000	\$41,306	\$25,000	-39%
03-91-72200	Books & Resources		\$500	\$500	\$500	0%
03-91-72400	Dues & Subscriptions	\$5,324	\$6,650	\$6,650	\$5,000	-25%
03-91-72700	Printing & Reproductions		\$500	\$500	\$500	0%
03-91-72702	Public Notices & Advertising	\$893	\$1,000		\$500	N/A
03-91-75300	Travel/Conferences/Training	\$2,539	\$2,500	\$2,500	\$2,000	-20%
	TOTAL MAINTENANCE & SUPPLY	\$467,130	\$250,650	\$279,140	\$159,500	-43%
	TOTAL ENGINEERING EXPENSES	\$1,224,262	\$981,906	\$1,372,781	\$896,730	-35%

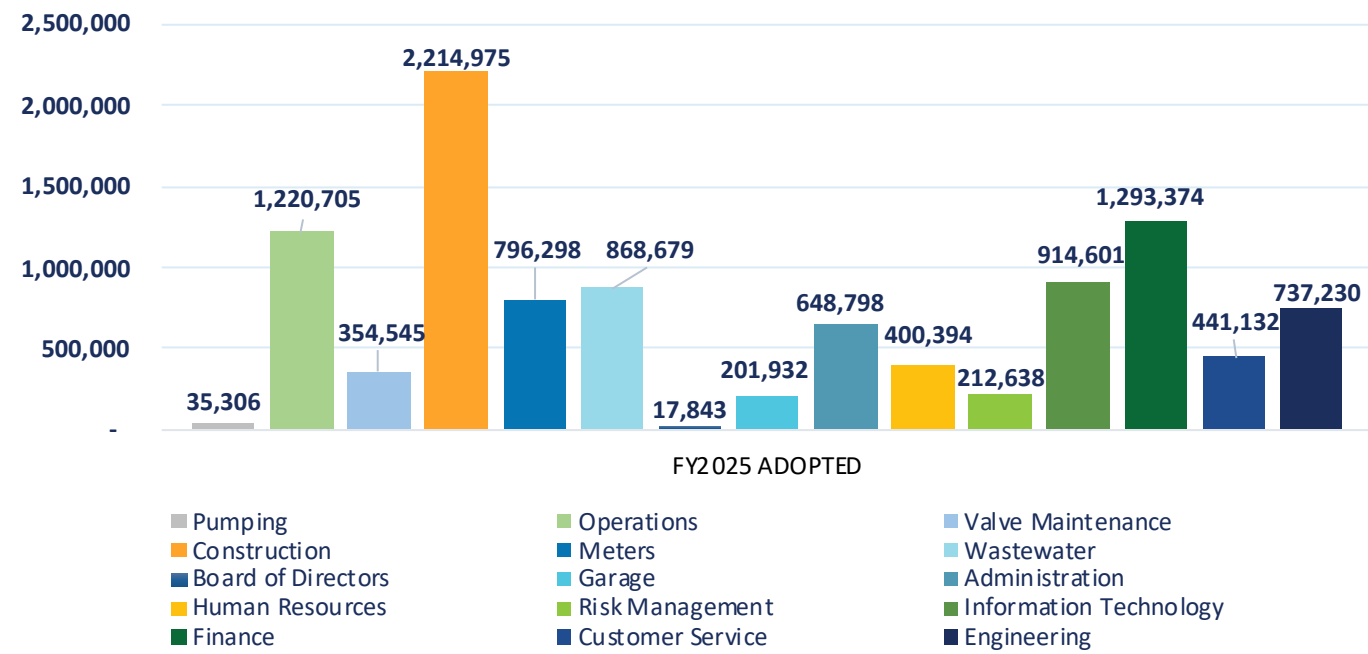
Operating Funds Summary

NET OPERATING INCOME					
Description	FY 23 Actuals	FY 24 Adjusted Budget	FY 24 Projected	FY 25 Adopted	FY 24/25 % Change
WATER OPERATING FUND					
Water Revenues	\$40,583,205	\$42,497,078	\$41,666,143	\$47,169,042	13%
Water Expenses	\$35,519,682	\$35,906,391	\$36,224,298	\$35,853,767	-1%
WATER FUND NET INCOME	\$5,063,523	\$6,590,687	\$3,701,150	\$11,315,275	
WASTEWATER OPERATING FUND					
Wastewater Revenues	\$3,468,470	\$4,717,000	\$4,710,145	\$5,326,981	13%
Wastewater Expenses	\$2,726,836	\$4,111,738	\$4,418,576	\$4,777,395	8%
WASTEWATER FUND NET INCOME	\$741,634	\$605,262	\$83,778	\$549,586	
GENERAL OPERATING FUND					
General Revenues	\$8,478,808	\$8,735,000	\$9,419,247	\$9,470,712	1%
General Expenses	\$8,478,808	\$8,735,000	\$9,419,247	\$9,470,712	1%
GENERAL FUND NET INCOME					



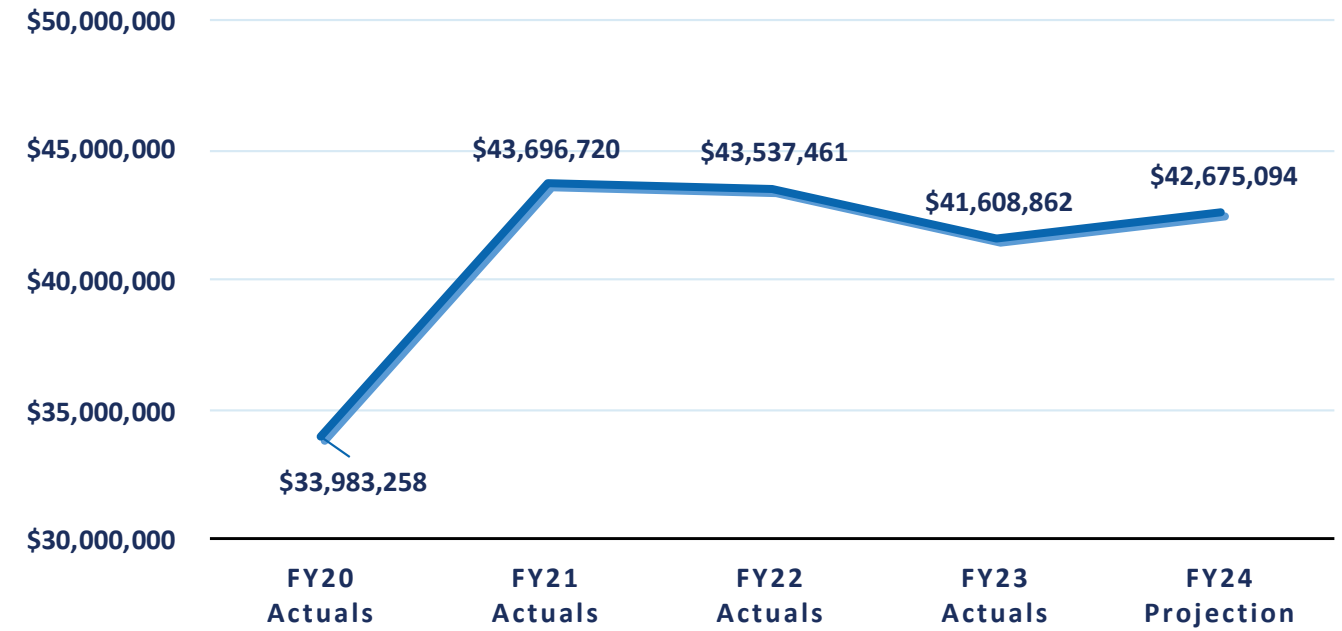
Labor Trend

Labor Cost by Cost Center

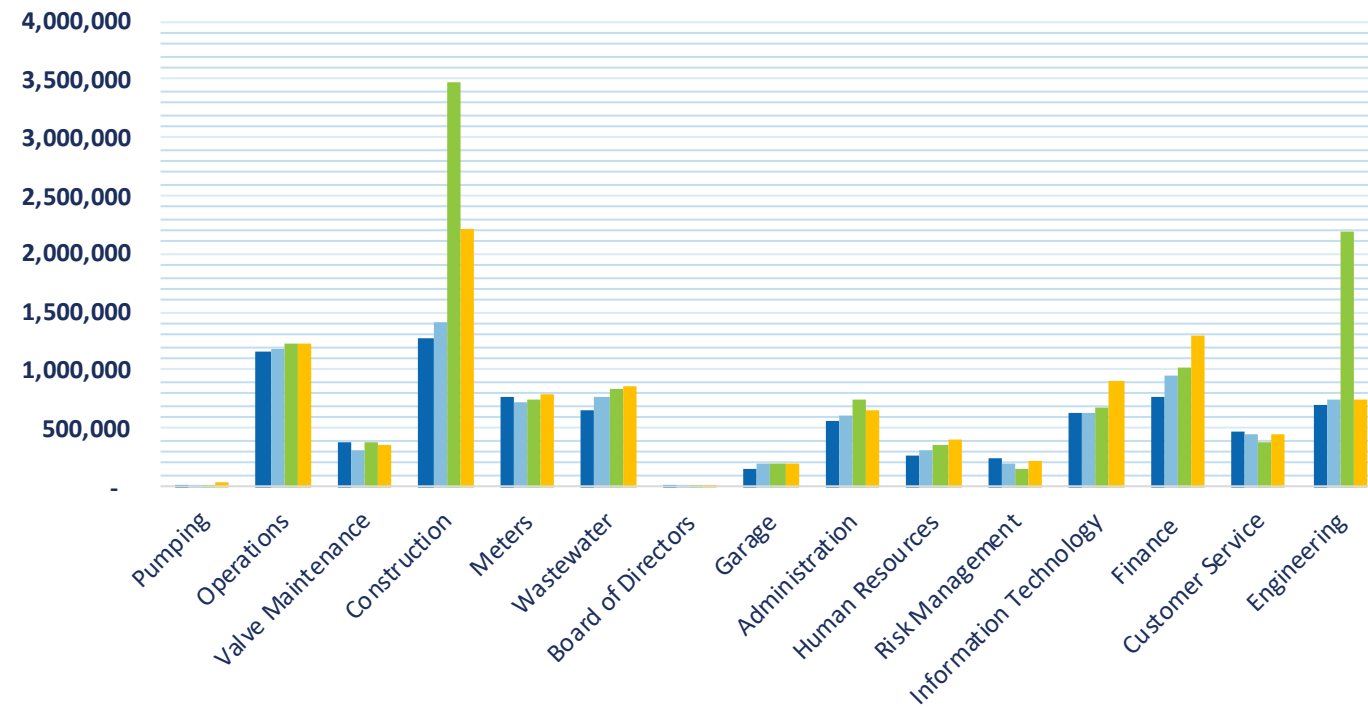


Revenue Trend

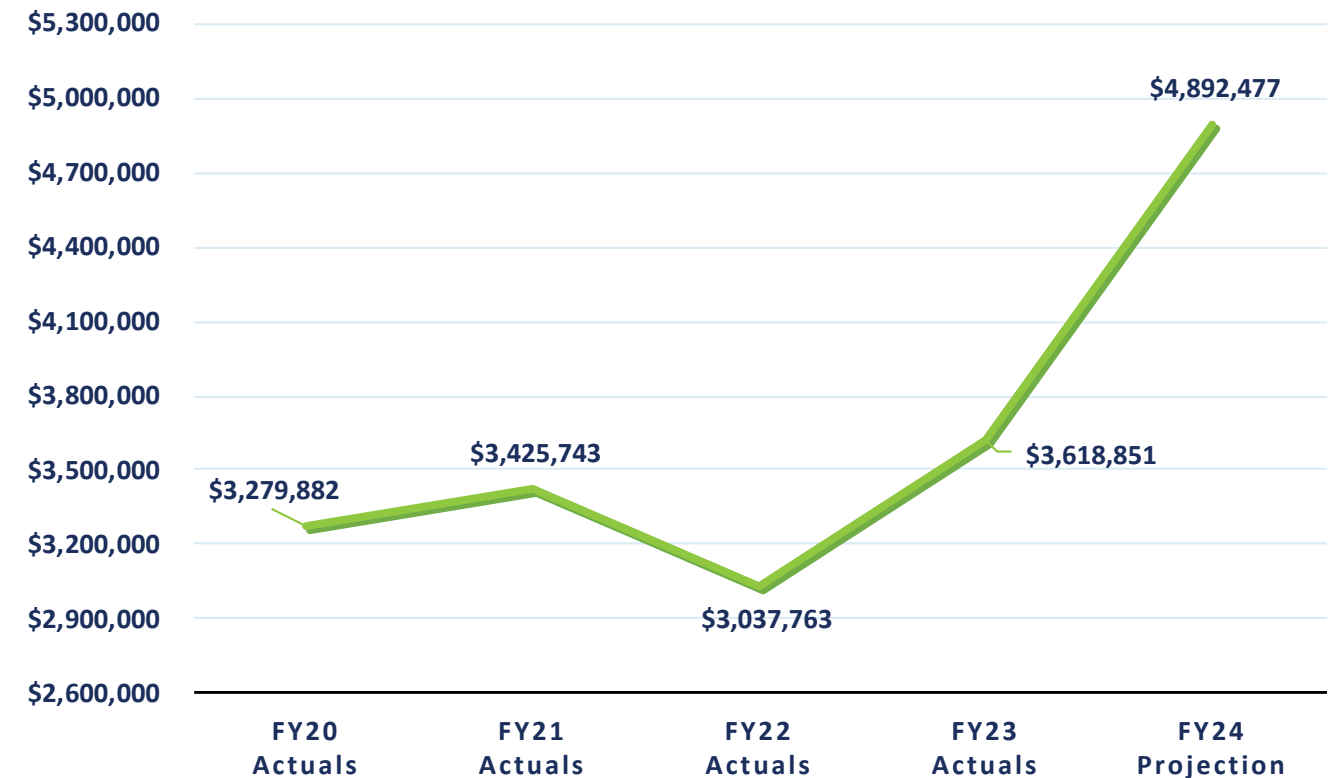
Five-Year Water Fund Revenue Trend



Labor Cost Four Years



Five-Year Wastewater Fund Revenue Trend



CAPITAL BUDGET

Capital Projects Overview

The recommended CIP identifies facilities or programs, which are recommended for a variety of reasons, primarily to provide the District's customers with a system that meets the District's capacity criteria, is in good condition and can be operated efficiently and reliably. Should demands and flows forecasted to develop during the planning horizon not materialize, there may be opportunities to defer or eliminate some projects. Contrarily, some projects are needed immediately. Each CIP undergoes an in-depth analysis and Staff ranks the projects to determine which projects are the highest priority and thus are placed earlier in the 5-year CIP Plan. Projects receiving a lower ranking are typically placed further out into the 5-year plan. However, the proposed cost of a project can also cause it to be pushed back or advanced forward regardless of its ranking among the other projects. In these instances, Staff may determine that multiple smaller projects would be of more benefit than constructing one large project of the same value as the smaller ones combined. All projects shown in the 5-year CIP Plan are reviewed during the Mid-year budget adjustment as well as prior to the beginning of each Fiscal Year. Due to ongoing development throughout the District an update to the District's Water and Wastewater Master Plan should be conducted in the next one to three years, at which point demands and flows can be revisited.

The recommended projects are largely the result of the hydraulic analysis completed. Projects identified fell into various improvement categories including hydraulic capacity, pressure regulation, operations, redundancy and reliability, and fire flow capacity. The water system CIP consists of 35 water and wastewater projects that are listed in the tables below. Additional detail regarding the nature of the various recommendation categories follows below:

Hydraulic Capacity: Consists primarily of pipeline upsizing to correct deficiencies in capacity caused by excessive velocity and head loss under peak demand conditions. Pump stations and storage reservoirs were also reviewed for appropriate capacity.

Pressure Regulation: Recommend potential reduced pressure service zones by constructing pressure reducing stations to protect pipelines, laterals, and appurtenances.

Operations, Redundancy and Reliability: Includes a diverse set of construction, implementation, maintenance, and assessment projects to add and improve emergency supplies, increase the system, and supply reliability for vulnerable or future service areas, improve operating efficiencies, upgrade and/or replace facilities that don't meet current standards and assist with strategic planning and replacement of critical facilities.

Fire Flows: Upsizing of small diameter pipelines to increase fire flows at critically deficient areas.

Water Supply: Consists of projects for construction of facilities to deliver new water supplies under normal or emergency conditions.

The total estimated cost of the water CIP based on planning level costs estimates is \$43.5M over the next 5 years.

Project cost estimates shall be retained, updated by observed inflation on an annual basis and replaced with more detailed and accurate cost estimates as they become available.

In Fiscal Year 2018 the District completed an update of the District-wide water and wastewater capacity fees to help fund expansion projects. The District's water and wastewater rates paid by existing customers will be used to fund replacement, rehabilitation and betterment projects.



Five-Year Water CIP Plan

WATER CAPITAL PROJECT BUDGETS		YEAR 1 Planned Budget	YEAR 2 Planned Budget	YEAR 3 Planned Budget	YEAR 4 Planned Budget	YEAR 5 Planned Budget
Project #	Project Name	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 29/30
300008	New District Headquarters	\$500,000	\$500,000	\$1,000,000	\$400,000	
600007	Pressure Reducing Stations	\$150,000	\$150,000	\$150,000		
600009	Isolation Valve Installation Program	\$100,000	\$500,000	\$180,000	\$500,000	\$180,000
600026	Camino Del Rey Waterline Relocation	\$100,000	\$25,000			
600043	Eagles Perch Water Pipeline Improvements				\$96,000	\$1,920,000
600045	Gopher Canyon Water Pipeline Improvements			\$138,000	\$2,760,000	
600008	Weese WTP Perm. Emergency Inter. Pump Station					\$1,725,000
600013	Hutton/Rancho Amigos (Turner)/Dentro Pump Stations (CIP Fund 62)	\$3,400,000				
TBD	Morro Chem Tanks (2 Tanks in New Structure)			\$150,000	\$1,500,000	
TBD	Gomez PS Electrical Upgrades			\$100,000	\$1,000,000	
600050	Lookout Mountain PS w/ Enclosure & New Emergency Generator		\$500,000	\$3,000,000		
600058	Man. Trans. Switches-Rainbow Hills, Morro Hills, Vallecitos	\$200,000				
600061	Rice Canyon Road Water Main Replacement				\$1,500,000	
600067	Pala Mesa Fairways 383 A and C				\$71,250	\$2,500,000
600068	Sarah Ann Entire Community in Phases (Partners with WW PN: 530018)					\$200,000
600075	Roy Line Extension (Merge w/ #600063 and North River Road Sewer Capacity Expansion)			\$150,000	\$2,000,000	
600085	Gird to West Lilac Pipeline Rehabilitation (Possible CIPP)		\$125,000	\$1,235,000		
600088	SDCWA Connections 1, 8, 9, & 10 Acquisition	\$500,000				
600089	SDCWA Connections 3, 6, 7, 11, & 12 Interim Decommissioning	\$200,000				
TBD	SDCWA Connections 3, 6, 7, 11, & 12 Permanent Decommissioning				\$1,650,000	
600090	Master Plans - Water & Wastewater	\$100,000	\$750,000			
TBD	Rainbow Heights Tank Interior/Exterior Coating			\$1,000,000		
TBD	Turner Tank Interior/Exterior Coating					\$1,102,500
TBD	Gopher Canyon Tank Interior/Exterior Coating				\$1,050,000	

⊙ Prior Rights Determination
 ◆ 100% Design
 ✓ Entire Community in Phases
 ★ 4 Million Gallons

Five-Year Water CIP Plan Continued

WATER CAPITAL PROJECT BUDGETS		YEAR 1 Planned Budget	YEAR 2 Planned Budget	YEAR 3 Planned Budget	YEAR 4 Planned Budget	YEAR 5 Planned Budget
Project #	Project Name	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 29/30
600091	FPUD Maravilla-RMWD Maravilla (Morro Tank) (750 LF)	\$210,000				
600092	FPUD Olive Hill-RMWD Olive Hill (Morro Reservoir) (840 LF)	\$235,000				
TBD	FPUD Bonita Valle-RMWD Del Valle (Morro Tank) (600 LF)			\$170,000		
TBD	FPUD Olive Hill-RMWD Span Spur (Morro Reservoir) (550 LF)			\$155,000		
TBD	FPUD Burma Rd-RMWD Sleeping Indian (Morro Tank) (1,217 LF)			\$345,000		
TBD	FPUD Sachse Zone-RMWD Northside Zone (Rainbow Hills Reservoirs) (180 LF)			\$60,000		
600093	La Canada Pipe Replace/Pressure Reduction Hillrise Rd-Via Monserate (4,000 LF)	\$100,000	\$700,000			
600094	Gopher Skid Pump Station	\$710,000				
N/A	Vehicle / Equipment Acquisition	\$150,000	\$500,000	\$500,000	\$500,000	\$500,000
TOTAL		\$6,655,000	\$3,750,000	\$8,333,000	\$16,627,250	\$8,127,500

◆ In-House Construction

Five-Year Wastewater CIP Plan

WASTEWATER CAPITAL FUND PROJECT BUDGETS						
Project #	Project Name	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 29/30
530019	CIPP 2,000 LF of line 8" VCP line near Pala Mesa Raise or Relocate MH's				\$100,000	\$1,000,000
TBD	Lake Garden CIPP and Line Manholes				\$100,000	\$1,000,000
530023	Rancho Monserate, Rancho Viejo LS& HQ B-Plant Emergency Generators	\$525,000				
TBD	School House LS (Developer Driven)				\$500,000	\$10,000,000
TBD	North River Road Sewer Capacity Expansion		\$50,000	\$500,000	\$9,000,000	
TOTAL		\$525,000	\$50,000	\$500,000	\$9,700,000	\$12,000,000



Capital Improvement Projects: Water

Description: This project proposes to repair and replace necessary facilities for on-going operations and explore options for long-term District facilities plan with the recently re-established Ad-Hoc committee.

Rationale: The project will fund roof and HVAC upgrades in the Admin Building in FY24/25 to maintain adequate facilities in the near-term and explore feasibility of the long-term facilities solutions of either re-development of the existing site and relocation of District facilities or extending the useful life of existing facilities through significant upgrades. Facilities support day-to-day administration and operation of the District.

Status/Schedule: The project is partially funded and is in the planning phase. The project's anticipated completion is to be determined.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$500,000	\$500,000	\$1,000,000	\$4,000,000	-	\$6,000,000



Description: This project proposes to install 2,000 to 4,000 linear feet cure-in-place (CIPP) lining on an existing 10-inch vitrified clay pipe (VCP) and to raise or relocate manholes throughout the golf course.

Rationale: The project will extend the useful life of the facility and reduce ongoing maintenance costs. Inflow and infiltrations (I&I) will be reduced.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is in FY 28-29.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$100,000	\$1,000,000	\$1,100,000

Description: This project proposes to in-kind replacements of the obsolete emergency generators at Rancho Monserate, Rancho Viejo and HQ B-Plant lift stations with a generator of the same size.

Rationale: The project will provide a backup power source for critical sewer infrastructure. Existing equipment has exceeded its useful life.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is in FY 25-26.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$525,000	-	-	-	-	\$525,000

Description: Install previously purchased pressure reducing stations District-wide in areas of high pressure.

Rationale: The project will reduce high pressure zones to extend the useful life of water infrastructure and reduce damage associated with main line breaks.

Status/Schedule: The project is partially funded and is in the planning and construction phases. This is an ongoing program with completion expected in FY 26-27.

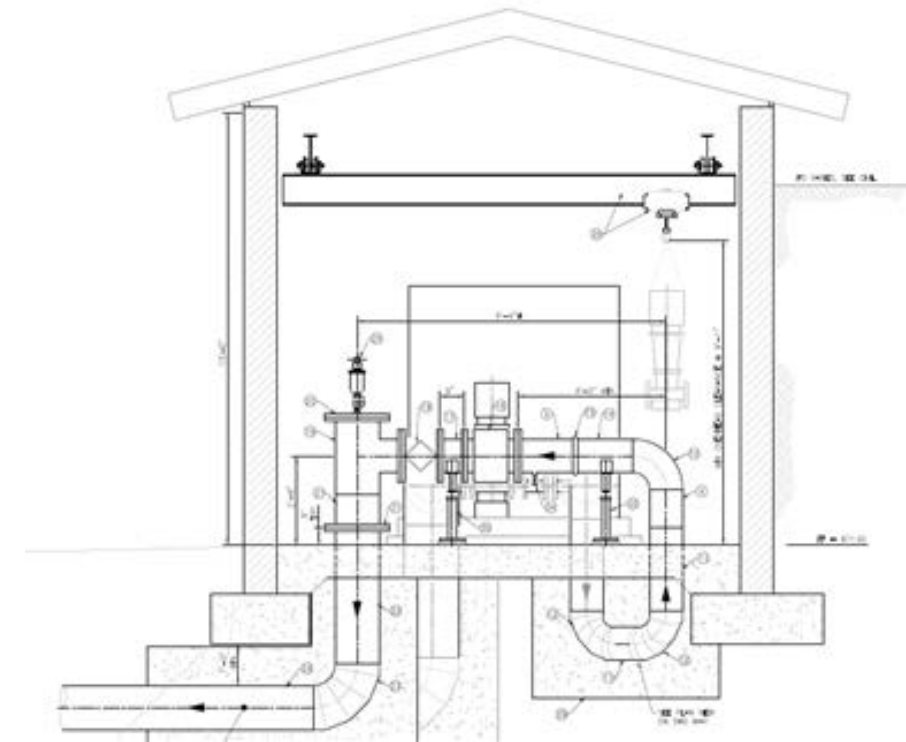


PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$150,000	\$150,000	\$150,000	-	-	\$450,000

Description: This project proposes to install a pump station to pull water from Oceanside's Weese WTP into the District's southern zone, which is critical infrastructure for the Wholesale Water Efficiency effort.

Rationale: The project will transport critical water supply to the southern zone of the District without SDCWA connections.

Status/Schedule: The project is unfunded and is in the design phase. The project's anticipated completion is FY 28-29.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	-	\$1,725,000	\$1,725,000

Description: This project proposes to replace isolation valves District-wide that have exceeded their useful life.

Rationale: The project will reduce the number of customers impacted by service interruptions due to leaks and main breaks and reduce repair time due to valves that don't fully seal. The project will also replace valves in the broken or open positions.

Status/Schedule: The project is partially funded and is in the planning and construction phases. This is an ongoing program with no end date.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$100,000	\$500,000	\$180,000	\$500,000	\$180,000	\$1,460,000

Description: This project proposes to install three pump stations to provide water to the Hutton-Turner-Gopher Tank zones, which is critical infrastructure for the Wholesale Water Efficiency (WWE) effort.

Rationale: The project will deliver water to the District's southern pressure zones absent SDCWA supply.

Status/Schedule: The project is funded and is in construction. The project's anticipated completion is Q2 FY 24-25.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$3,400,000	-	-	-	-	\$3,400,000

Description: This project proposes to relocate existing water and sewer infrastructure due to the County of San Diego's Road Improvement Project.

Rationale: The project will ensure continuity of service during the County-initiated construction project and upgrade water facilities.

Status/Schedule: The project is partially funded and is in the planning phase. The project's anticipated completion is determined by the County's construction schedule.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$100,000	\$25,000	-	-	-	\$125,000

Description: This project proposes to replace and relocate water pipelines in difficult-to-reach easements to a new alignment within a roadway and private driveway.

Rationale: The pipeline has exceeded its useful life. Within this alignment there are several dead ends as well as sections of pipeline crossing private property. The proposed project would also remove a District asset from private property.

Status/Schedule: The project is unfunded and is in the design phase. The project's anticipated completion is FY 28-29.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$96,000	\$1,920,000	\$2,016,000

Description: This project proposes to install multiple pipe segments within Gopher Canyon Road, Margale Lane, and Integrity Court.

Rationale: The pipeline is past its useful life. Within this alignment there are several dead ends as well as sections of pipeline crossing private property. The proposed project would create a looped system.

Status/Schedule: The project is unfunded and is in the design phase. The project's anticipated completion is FY 27-28.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$138,000	\$2,760,000	-	\$2,898,000

Description: This project proposes to install an enclosed facility with upgraded pumps, motor-controls, electrical components, transfer switch and a new emergency generator

Rationale: The project will ensure the reliability of critical water infrastructure. Existing equipment is obsolete.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 26-27.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	\$500,000	\$3,000,000	-	-	\$3,500,000

Description: This project proposes to install manual transfer switches at Morro Hills Pump Station, Rainbow Hills Pump Station, and Vallecitos Pump Station.

Rationale: The project will ensure the safety of District staff when switching to backup power during emergencies.

Status/Schedule: The project is funded and is in the design phase. The project's anticipated completion is FY 24-25.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$200,000	-	-	-	-	\$200,000

Description: This project proposes to replace 2,149 feet of 8-inch pipe on Rice Canyon Road north of Rice Canyon tank.

Rationale: This pipeline has exceeded its useful life and has had seven main breaks. Any main break in this area causes catastrophic damage to the road resulting in full lane closures for repairs.

Status/Schedule: The project is unfunded and is in the design phase. The project's anticipated completion is FY 27-28.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$1,500,000	-	\$1,500,000

Description: This project proposes to replace 1,500 feet of 8-inch pipe identified by the Condition Assessment as High Risk.

Rationale: This pipeline has exceeded its useful life and has experienced 14 mainline breaks.

Status/Schedule: The project is unfunded and is in the design phase. The project's anticipated completion is FY 28-29.

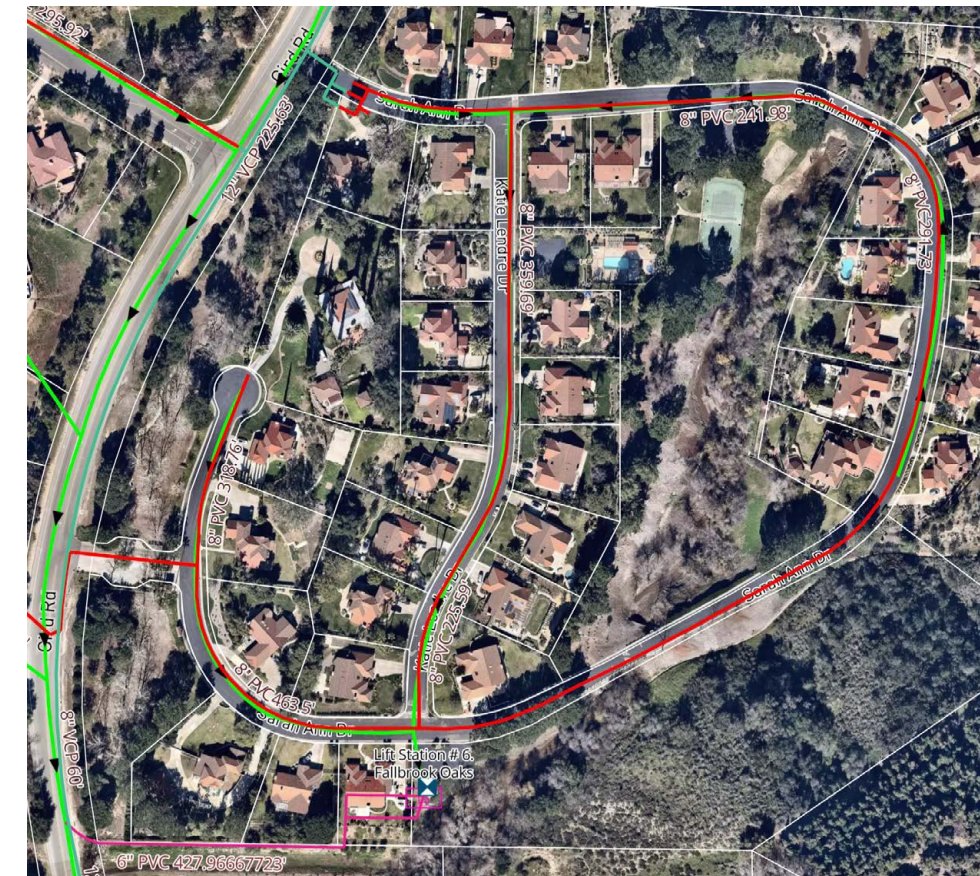


PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$71,250	\$2,500,000	\$2,571,250

Description: This project proposes to replace pumps, suction piping, manholes, electrical, motor controls, and 800 feet of 6-inch force main at Fallbrook Oaks Lift Station. Additionally, the 8-inch water line will be replaced within Sarah Ann Community.

Rationale: The existing lift station is obsolete. The existing force main alignment runs adjacent to channel. The existing pipeline for the entire community has experienced 26 mainline breaks.

Status/Schedule: The project is unfunded and is in the planning phase commencing in FY28/29.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
Sarah Ann	-	-	-	-	\$200,000	\$200,000
Fallbrook Oaks FM	-	-	-	-	-	-

Description: This project proposes to replace 1,056 feet of 6-inch pipe on Emerald Hills Road near North River Road, identified by the Condition Assessment as High Risk.

Rationale: The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 27-28.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$150,000	\$2,000,00	-	\$2,150,000

Description: Pipeline is currently abandoned in place with end caps at the North and South. To avoid environmental impacts and permitting issues, cure-in-place (CIPP) technologies will be utilized.

Rationale: With this waterline out of service more customers are affected by shutdowns as well as it limits operational flexibility to move water throughout the system.

Status/Schedule: The project is unfunded and is in the design phase. The project's anticipated completion is FY 26-27.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
		\$125,000	\$1,235,000			\$1,360,000

Description: This project proposes to acquire SDCWA connections 1, 8, 9, and 10 as part of the District’s detachment process.

Rationale: The project will assist in transporting critical water supply to various parts of the District. This is a condition of detachment.

Status/Schedule: The project is unfunded and is in the planning phase. The project’s anticipated completion is FY 24/25.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$500,000	-	-	-	-	\$500,000

Description: Interim decommissioning SDCWA connections 3, 6, 7, 11, and 12.

Rationale: Requirement of detachment from SDCWA.

Status/Schedule: The project is unfunded and is in the planning phase. The project’s anticipated completion is FY 25/26.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$200,000	-	-	-	-	\$200,000

Description: This project proposes to develop long-range Water and Sewer System Master Plan. Includes constructing system hydraulic model utilizing latest software technology to evaluate and identify system deficiencies and solutions based on updated demand projections and system operations.

Rationale: The project will provide the District with a master plan of project improvements for long-term planning, prioritization, and funding for water and wastewater infrastructure needs.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 25/26.



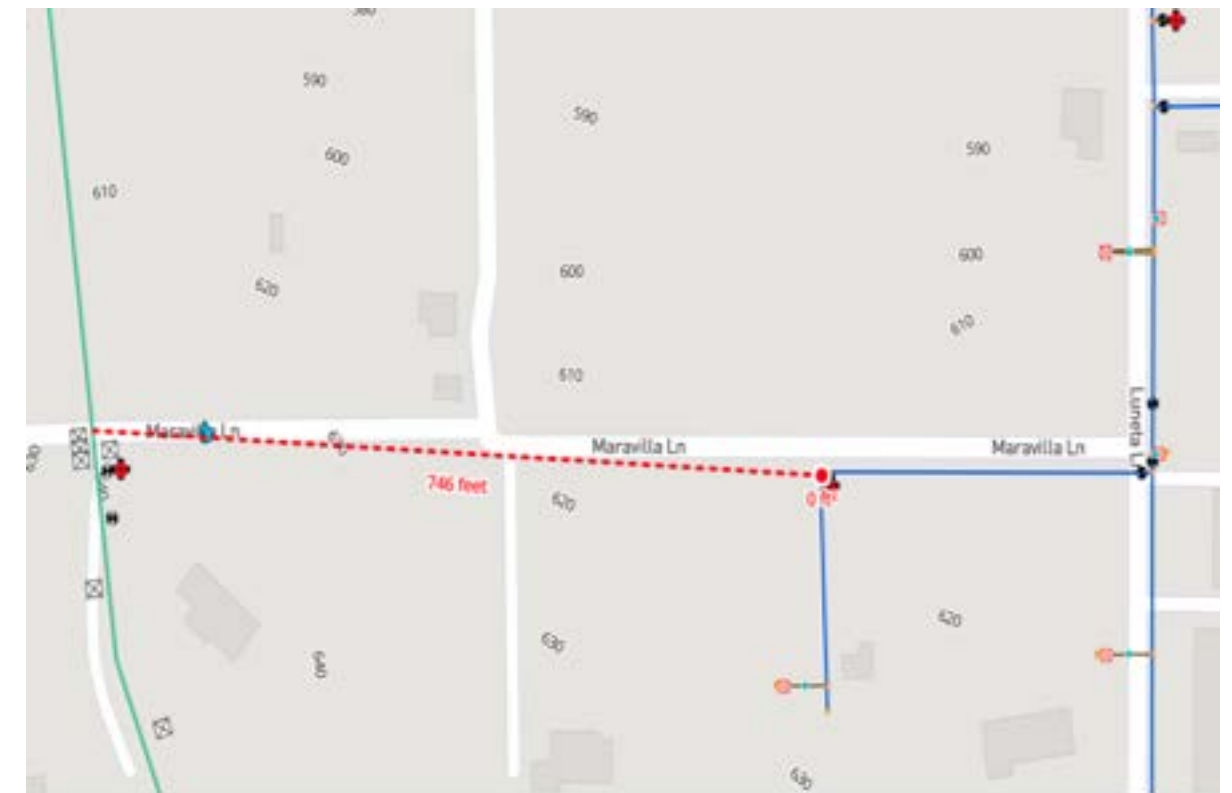
Rainbow Municipal Water District
**Water and Wastewater
Master Plan Update**

PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$100,000	\$750,000	-	-	-	\$850,000

Description: This project proposes to install 750 feet of C900 PVC pipeline to connect FPUD and District potable water systems.

Rationale: Operational flexibility to source water into the Morro Tank zone providing additional capacity from Morro Reservoir to the District's southern pressure zones.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 24/25.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$210,000	-	-	-	-	\$210,000

Description: This project proposes to install 840 feet of C900 PVC pipeline to connect FPUD and District potable water systems.

Rationale: Operational flexibility to source water into the Morro Reservoir providing additional capacity to the District's southern pressure zones.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 24/25.

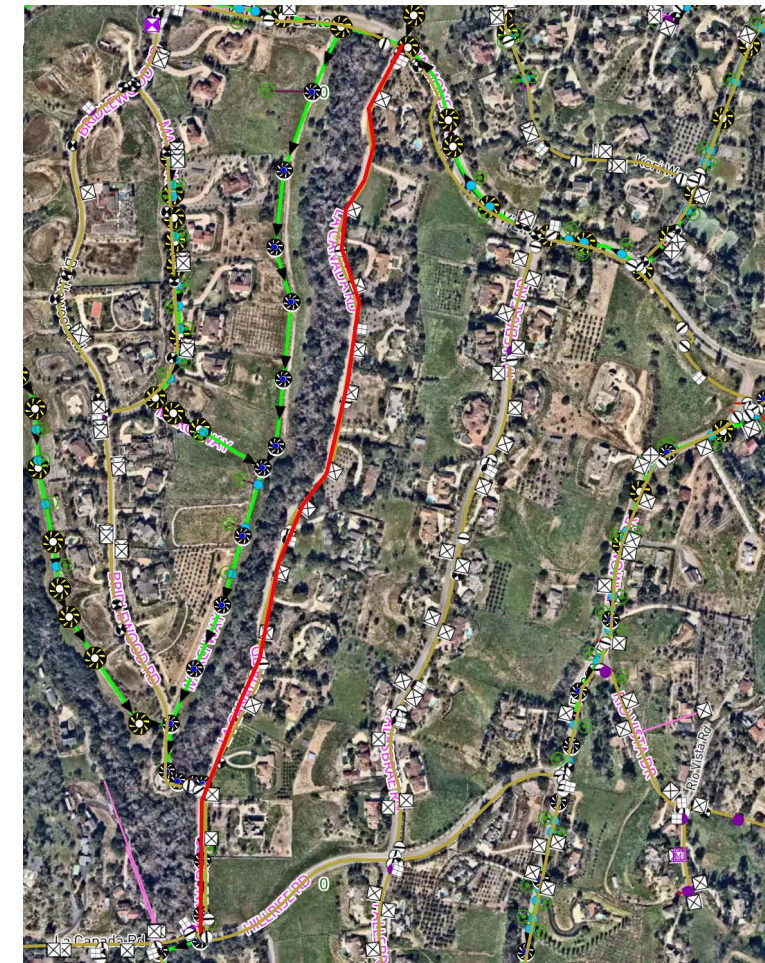


PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$235,000	-	-	-	-	\$235,000

Description: This project proposes to replace 4,000 feet of pipeline along La Canada from Hillrise Rd. to Via Monserate and install two new pressure reducing stations.

Rationale: The project will prevent future costs associated with leaks and main breaks and reduce service interruptions. This alignment of pipeline has experienced eight main breaks within the last five years.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 25/26.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$100,000	\$700,000	-	-	-	\$800,000

Description: This project proposes to replace the temporary pump skid with a permanent solution.

Rationale: The project will transport critical water supply within the southern zone absent SDCWA connections.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 24-25.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	\$710,000	-	-	-	-	\$710,000

Description: This project proposes to install 600 feet of C900 PVC pipeline to connect FPUD and District potable water systems.

Rationale: The project will assist in transporting critical water supply to Morro Tank. Once fully disconnected from SDCWA this project will be reassessed.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 26/27.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$170,000	-	-	\$170,000

Description: This project proposes to install 1,217 feet of C900 PVC pipeline to connect FPUD and District potable water systems.

Rationale: The project will assist in transporting critical water supply to Morro Tank. Once fully disconnected from the SDCWA this project will be reassessed.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 26/27.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$345,000	-	-	\$345,000

Description: This project proposes to install 550 feet of C900 PVC pipeline to connect FPUD and District potable water systems.

Rationale: The project will assist in transporting critical water supply to Morro Reservoir. Once fully disconnected from the SDCWA this project will be reassessed.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 26/27.

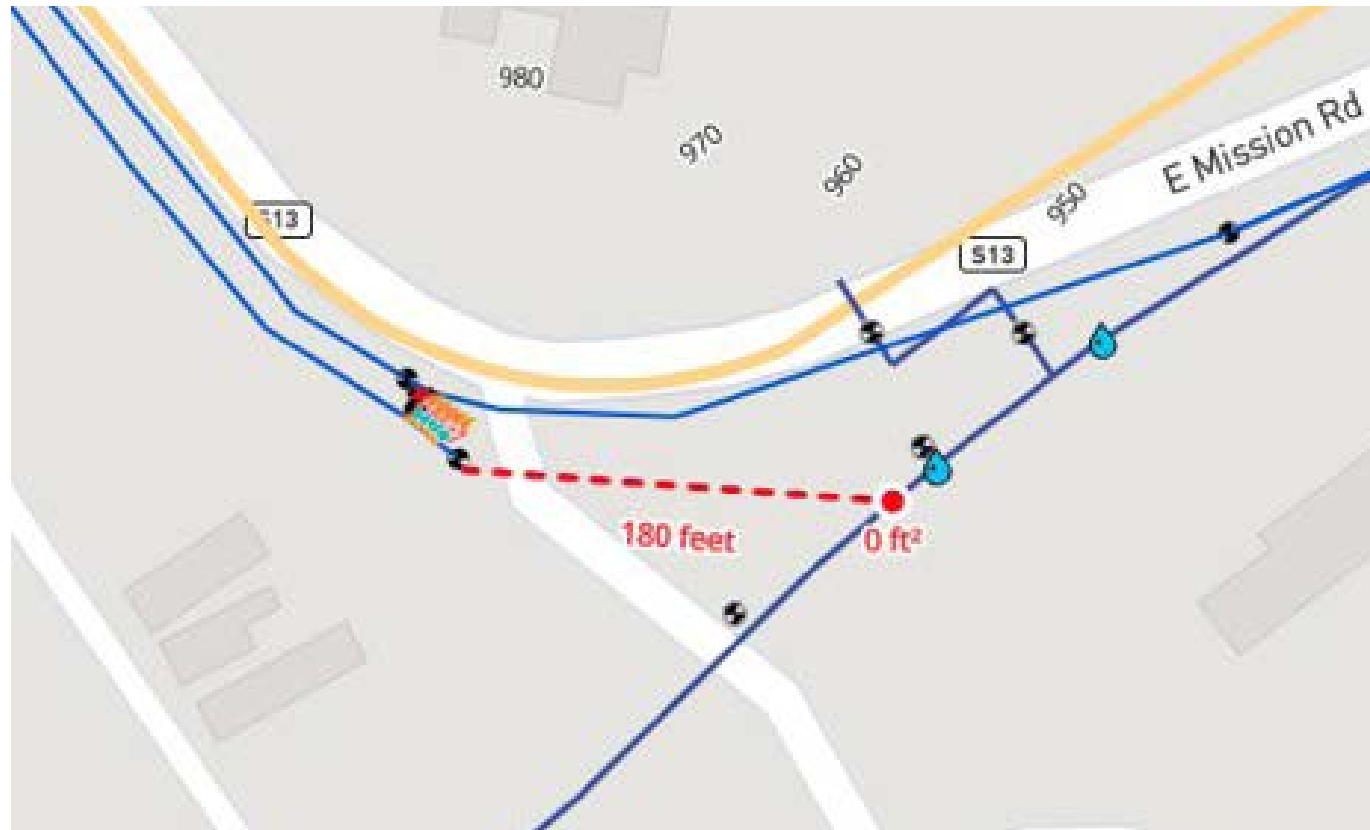


PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$155,000	-	-	\$155,000

Description: This project proposes to install 180 feet of C900 PVC pipeline to connect FPUD and District potable water systems.

Rationale: The project will assist in transporting critical water supply to Rainbow Hills Reservoir. Once fully disconnected from the SDCWA this project will be reassessed.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 26/27.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$60,000	-	-	\$60,000

Description: This project proposes to upgrade motor controls, breakers, relays, and wiring to replace obsolete system.

Rationale: Existing equipment is obsolete.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 27-28.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$100,000	\$1,000,000	-	\$1,100,000

Description: This project proposes to restore the interior and exterior coating in Gopher Canyon Tank.

Rationale: This project will extend the useful life of the tank.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 27-28.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$1,050,000	-	\$1,050,000

Description: This project proposes to install two new ammonia and chlorine storage chemical tanks at the Morro Reservoir.

Rationale: The project will establish an adequate supply of chemical storage to treat varying water chemistry as needed.

Status/Schedule: The project is unfunded and is in planning phase. The project's anticipated completion is FY 27-28.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$150,000	\$1,500,000	-	\$1,650,000

Description: This project proposes to restore the interior and exterior coating in Rainbow Heights Tank.

Rationale: The project will extend the useful life of the tank.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 26-27.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	\$1,000,000	-	-	\$1,000,000

Description: This project proposes the permanent decommissioning of SDCWA connections 3, 6, 7, 11, and 12.

Rationale: Requirement of detachment from SDCWA.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 27/28.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$1,650,000	-	\$1,650,000

Description: This project proposes to restore the interior and exterior coating in Turner Tank.

Rationale: The project will extend the useful life of the tank.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is FY 28-

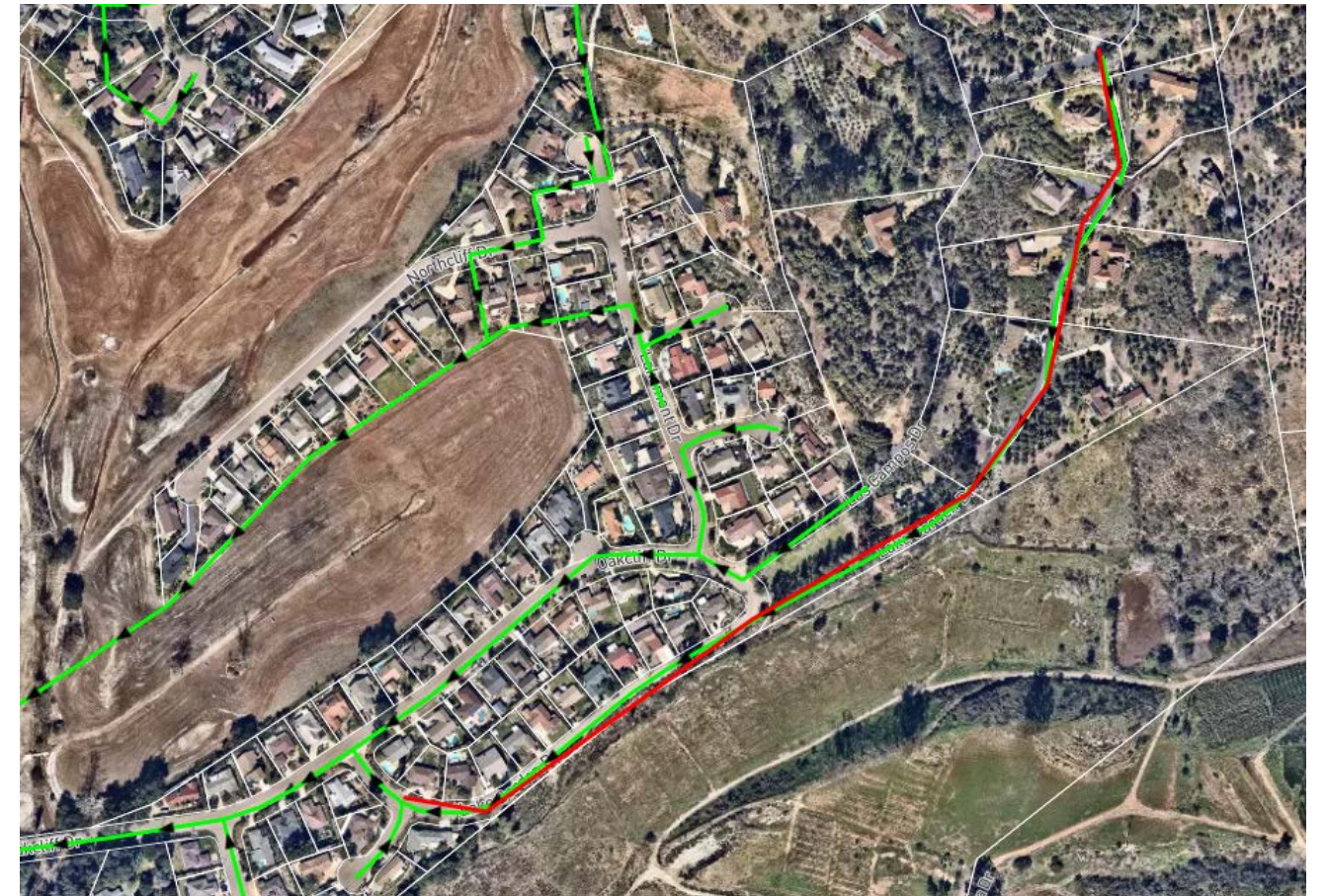


PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	-	\$1,102,500	\$1,102,500

Description: This project proposes to install about ~2,800 linear feet of cure-in-place (CIPP) lining and to line manholes.

Rationale: The project will extend the useful life of the facility and reduce ongoing maintenance costs. I & I will be reduced.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is at the end of FY 28/29.

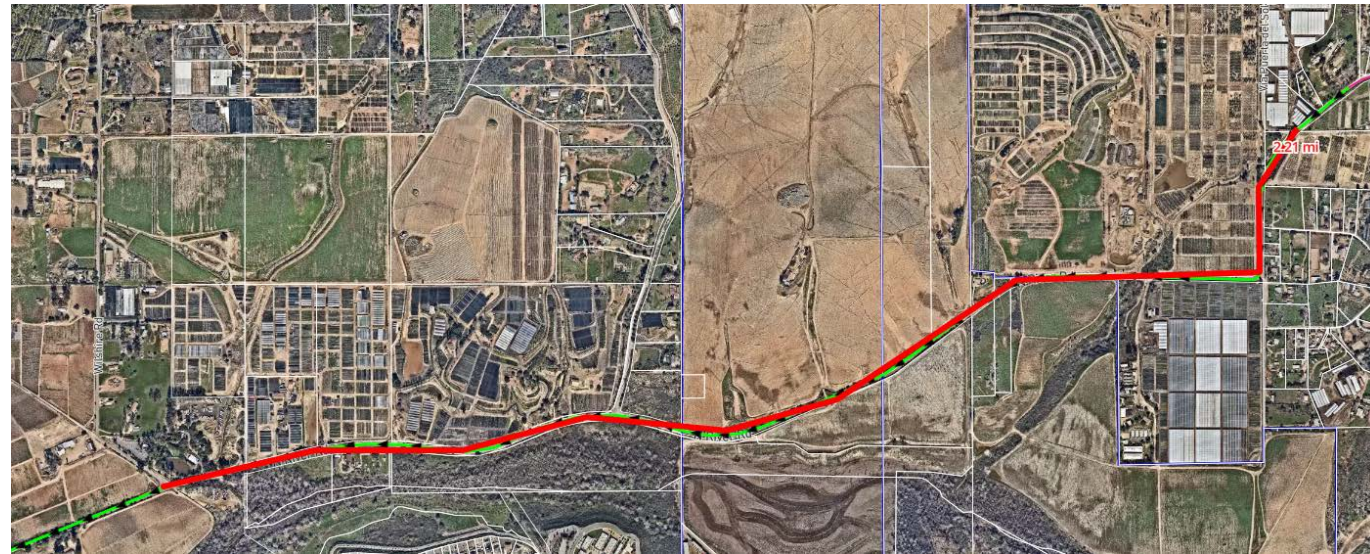


PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$100,000	\$1,000,000	\$1,100,000

Description: This project proposes to upsize a 15-inch sewer pipeline to 21-inch sewer pipeline along North River Road from Via Puerta del Sol to Wilshire Road.

Rationale: The project is intended to address capacity of an undersized system.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is at the end of FY 27/28.

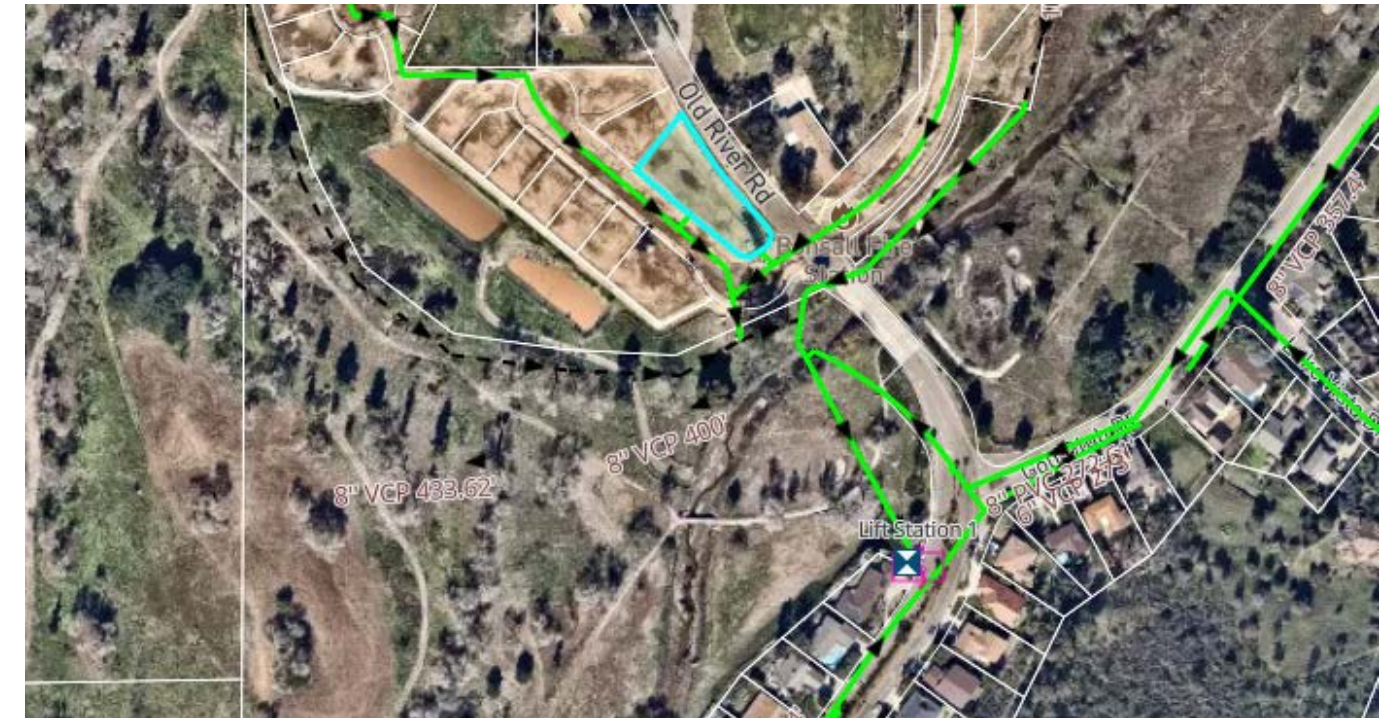


PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	\$50,000	\$500,000	\$9,000,000	-	\$9,550,000

Description: This project proposes to construct a new lift station to help address current and projected build-out flows.

Rationale: The project is intended to offset higher demand at Lift Station-1 which has limited capacity. The proposed Lift Station would be needed for additional development. If needed, the project would be funded with future capacity fees.

Status/Schedule: The project is unfunded and is in the planning phase. The project's anticipated completion is at the end of FY 28/29.



PLANNED EXPENDITURES						
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	TOTAL
	-	-	-	\$500,000	-	\$10,500,000



PERSONNEL SUMMARIES



Staffing Analysis

Executive Summary

The Rainbow Municipal Water District (the District) conducted a comprehensive staffing analysis to address current and future workforce needs. This report provides an overview of the current staffing landscape, reviews trends and projections for the next five years, and proposes a staffing plan to meet new workload demands, improve oversight and internal controls, and develop a robust future talent pipeline.

Key findings from the analysis include:

- **Recent Shifts:** The District has experienced notable changes in staffing, with shifts in generational demographics and a significant retirement outlook.
- **Staffing Trends and Projections:** Historical and projected turnover rates, continuity planning, and labor utilization patterns have been analyzed to forecast staffing needs.
- **Proposed Staffing Plan:** Recommendations include adding key full-time positions, increasing hours for certain roles, and implementing an internship program to support succession planning.



Executive Summary

The proposed staffing plan results in a net increase of two Full-Time Equivalents (FTEs) and achieves a net budgetary savings of \$8,584 for fiscal year 2025. To mitigate budget impacts for fiscal year 2025, two intern positions in Operations recommended in the Proposed Staffing Plan will be deferred until 2026, and one Project Manager position in Engineering will be frozen until 2026 or until additional funding for capital projects is secured.

This strategic approach ensures the District is well-prepared to meet future demands, maintain operational efficiency, and continue delivering high-quality service to the community while remaining fiscally responsible.

Introduction

Purpose and Objectives

This staffing analysis and plan aims to ensure the Rainbow Municipal Water District is strategically positioned to meet its operational and service delivery goals. This report will:

- Provide a detailed overview of current staffing conditions.
- Review staffing trends and develop five-year projections.
- Propose a staffing plan that addresses new workload demands, enhances oversight and internal controls, and supports future talent development.

Scope and Methodology

This analysis reviews recent staffing shifts, generational demographics, and the district's retirement outlook. It also examines historical and projected turnover rates, staffing continuity planning, and overtime and labor utilization.

The methodology involved collecting and analyzing data from various sources to understand the District's staffing needs comprehensively. Key data sources included:

- **Internal Work Order Records:** Used for labor utilization and overtime analysis.
- **ADP Analytics:** Employed for assessing retention and attrition risks.
- **California EDD:** Provided unemployment rate data.
- **Janitorial Contract:** Offered insights for cost offset estimates.

By leveraging these data sources, the District aims to create a staffing plan that meets immediate operational needs and strategically positions the organization for future success.

Current Staffing Overview

Organizational Structure

The District's organizational structure is designed to efficiently meet operational and capital improvement requirements to deliver safe, high-quality water distribution and wastewater collection services to the community. It encompasses several key departments, each with specific roles and responsibilities essential for the District's operations, as depicted in the organizational chart below:



Current Staffing Levels

The District's staff is distributed across various departments, ensuring comprehensive operational and administrative functions coverage. The breakdown of full-time equivalent (FTE) employees and headcount by the department is as follows:

STAFFING TOTALS		
Department/Division	Full Time Employees (FTE)	Headcount
General Manager's Office	2	2
Administrative Services	3.3	4
Human Resources	1.9	2
Public Information	1	1
Risk Management/Safety	0.4	1
Information Technology	4	3
Operations Total	30	30
Management	2	2
Water System Operations	7	7
Construction	11	11
Meters	5	2
Wastewater	4	4
Fleet	1	1
Engineering/CIP	6	6
Finance Total	30	30
Finance	1	1
Grants	1	1
Accounting	4	4
Customer Service	4	4
Purchasing/Warehouse	1	1
TOTAL ORGANIZATION	56.3	57

Staffing Changes Over Past Year

Over the past year, the District has seen several key position changes, reflecting both planned retirements and turnover. These changes have significant implications for the District's operations and strategic planning:

Retirements: General Manager, District Secretary, Administrative Analyst – Engineering

Other Turnover: Finance Manager, Risk Management Officer, Grant Specialist, Project Manager

Each staffing change prompts an analysis of current staffing needs to address gaps and ensure operations continuity. The proposed staffing plan considers these changes, aiming to fill critical roles and strengthen the District's workforce.

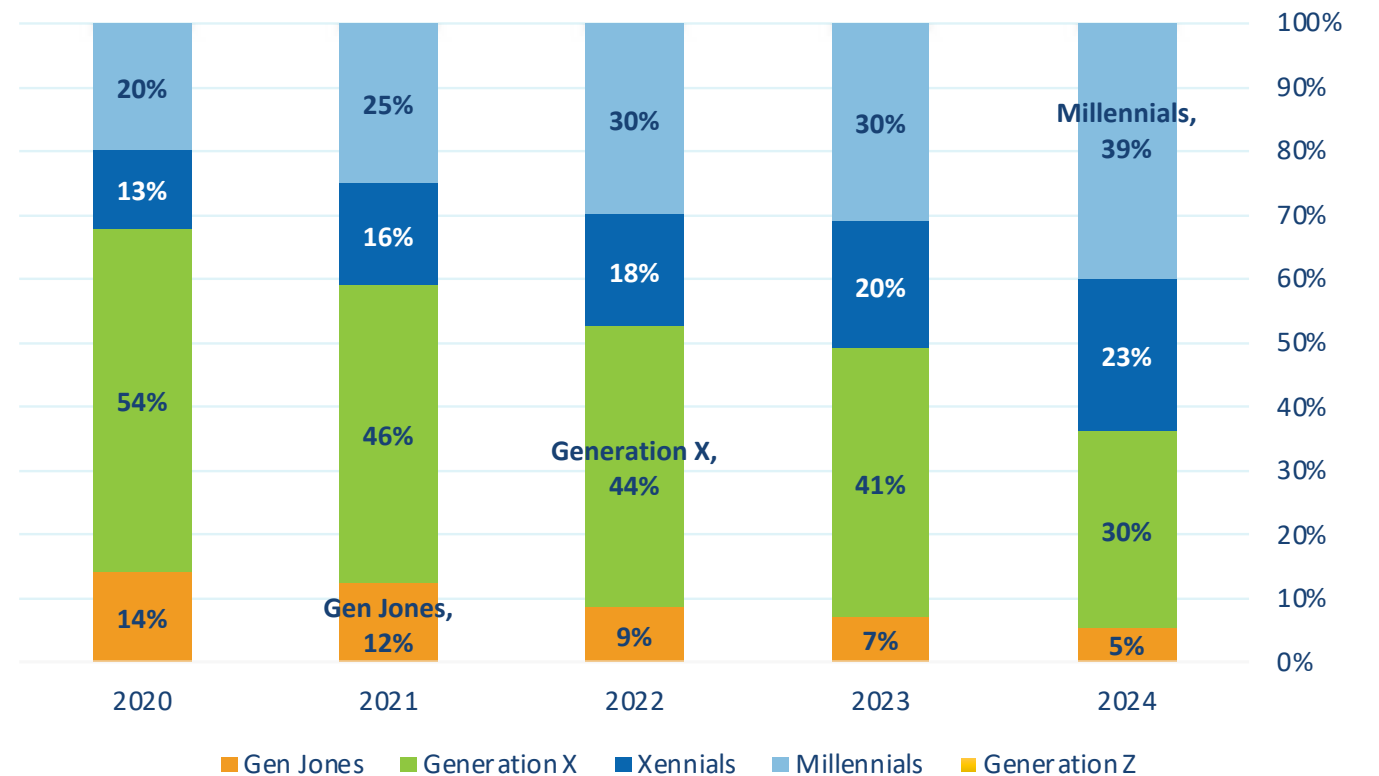
Employee Demographics

The District's diverse workforce has various ages, and backgrounds. This diversity supports a robust exchange of ideas and a broad spectrum of experience within the team. Key demographic details include:

Generations: The workforce includes employees of different ages and generations, contributing to a blend of experience and fresh perspectives.

- **Generation Jones, 5%:** A micro-generation of the youngest Baby Boomers born between 1955-1965, Generation Jones are shrinking in the workforce due to retirements.
- **Gen X, 30%:** Five years ago, Gen X was the largest group but was surpassed by Millennials in 2022. Employees born between 1966-1976 are reported as Gen X.
- **Xennials, 23%:** A microgeneration born between the mid-late 1970s and early-mid 1980s, bridging millennials and Gen X and often reported as Millennials. For reporting purposes, employees born between 1977-1982 are included in this group.
- **Millennials, 39%:** Now the largest generation in the national workforce, these employees born between 1983 and 1996 are the fastest-growing age demographic at the District.

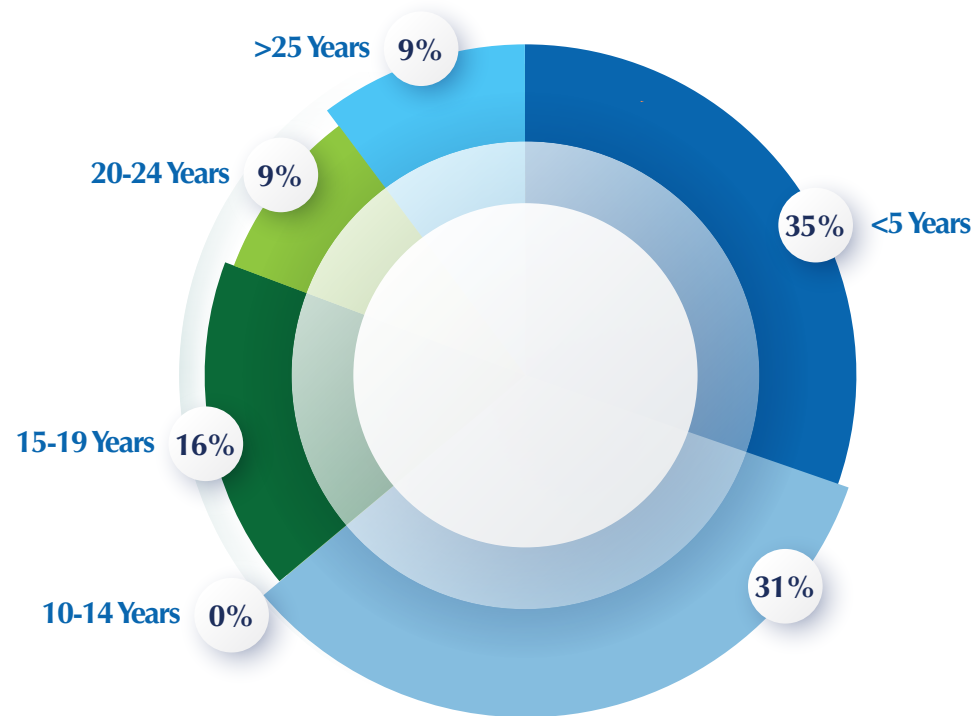
Generational Demographics



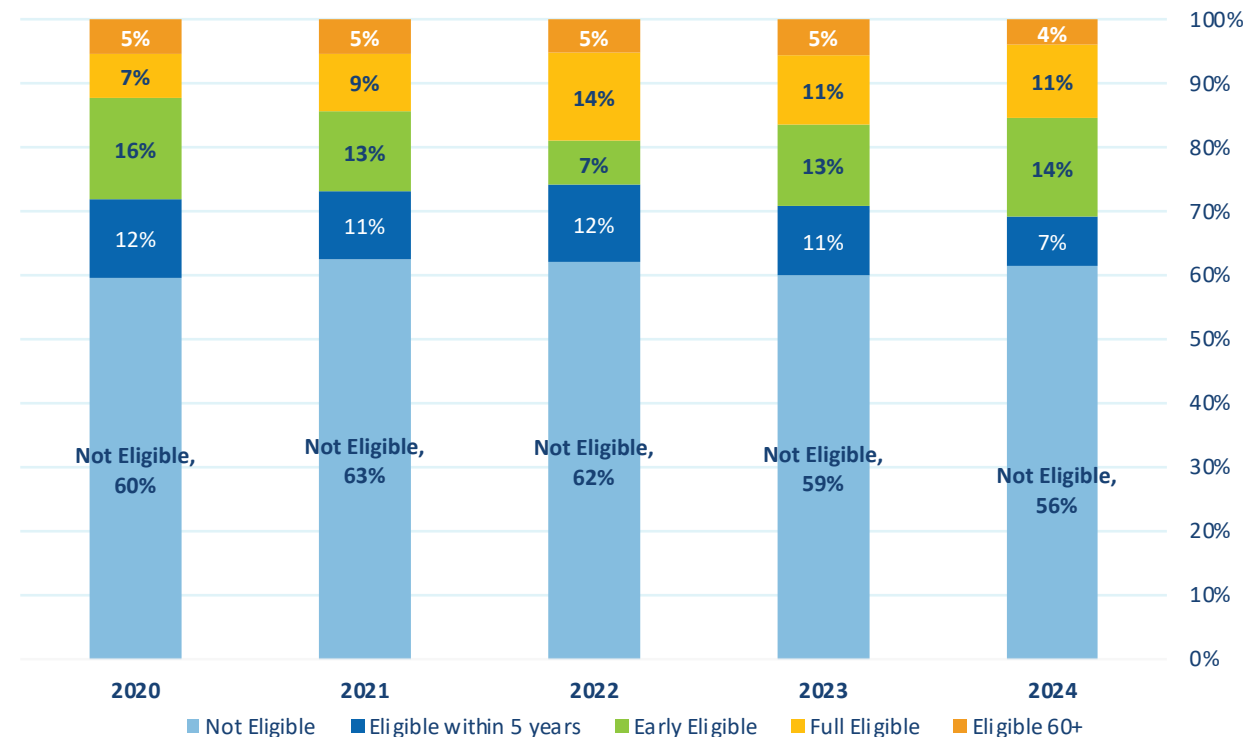
Tenure of Workforce in Years

Tenure: Staff tenure varies from 0-35 years, with the average length of service is 10.11 years. Close to two thirds of the workforce (66%) have been with the District for less than ten years. Nearly one-fifth has more than 20 years of service.

Retirement Eligibility: Due to several recent retirements, the number of retirement-eligible employees has dropped from 37% five years ago to 28%. The projection of all employees who are either already eligible or will be eligible for retirement in the next five years, is down from 44% to 40%.



Retirement Eligibility 2024



Turnover Trends

Labor Market Trends

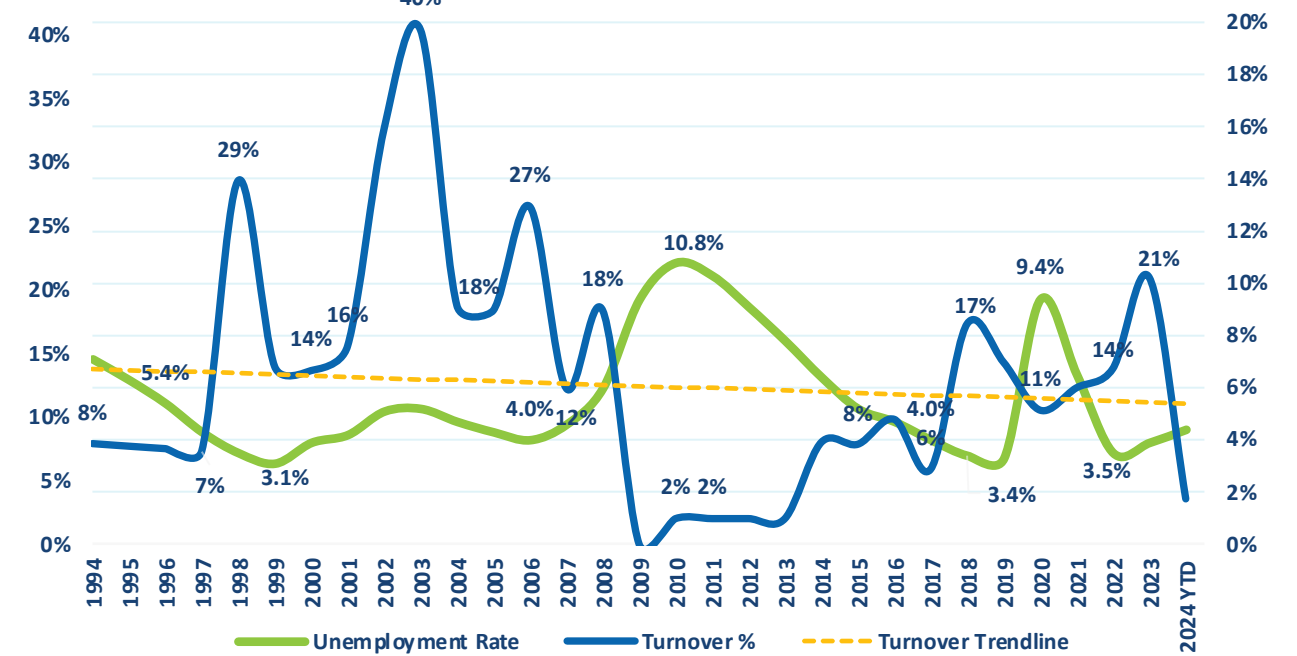
According to the Bureau of Labor Statistics, the unemployment rate in San Diego County averaged 3.9% in 2023. In recent years, many employers experienced unprecedented turnover rates that some experts called “the Great Resignation.” The low unemployment rate created a more competitive hiring and retention talent market. The District strategically implemented creative benefits programs and a remote work policy as a recruitment and retention tool.

Historical Turnover

In addition to retirement eligibility, the District expects some non-retirement employment separations each year. Historical turnover analysis shows several high turnover points that resulted from the organizational conditions at the time and labor market factors like the unemployment rate, with a historical average of 13% per year. The following charts display historical turnover in conjunction with the unemployment rate. It is easy to see the inverse relationship between unemployment rates and total turnover.

Historical Turnover with Unemployment Rate

(includes all the reasons)



Source: [https://www.labormarketinfo.edd.ca.gov/file/1fmonth/sand\\$pd.pdf](https://www.labormarketinfo.edd.ca.gov/file/1fmonth/sand$pd.pdf)



Turnover Trends

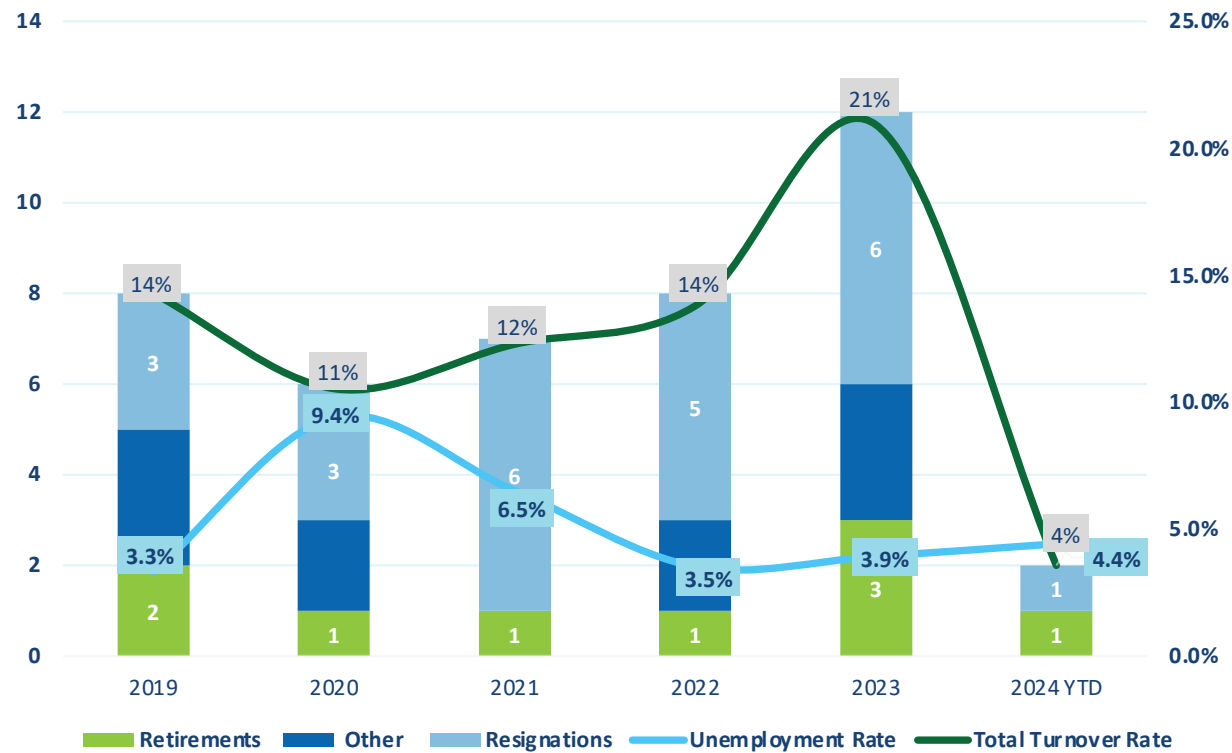
Recent Turnover

The District's approach to employee retention has focused on developing a culture of excellence, ensuring that the District's compensation and benefits are competitive, and implementing flexible work arrangements like 9/80 schedules. In 2021, the District added a remote work option to remain attractive to applicants considering or coming from other employers who offer this option. So far, this strategy has been mostly successful: the District was named a Top Workplace by the San Diego Union-Tribune for the past three years (2021-2023). However, while the 30-year average turnover is holding steady at 13%, turnover for 2023 spiked to 21%, which hasn't been seen in nearly two decades.

Quit Rates

When looking at turnover, it can be useful to look at voluntary quit rates and total turnover. The voluntary quit rate in calendar year 2023 was 10.5%, more than double the five-year average of 4.6%. Retirements were also higher than in other years. The Construction Department was hit particularly hard, with a 35% quit rate in the 2023 fiscal year. Key factors for that department were long commutes, burnout from overtime, and rising pay scales at other water agencies. Despite the spike in fiscal 2023, the Construction Department seems to have recovered with 0% turnover in the first 11 months of fiscal 2024. Key factors for that department were long commutes, burnout from overtime, and rising pay scales at other water agencies. Despite the spike in fiscal 2023, the Construction Department seems to have recovered with 0% turnover in the first 11 months of fiscal 2024.

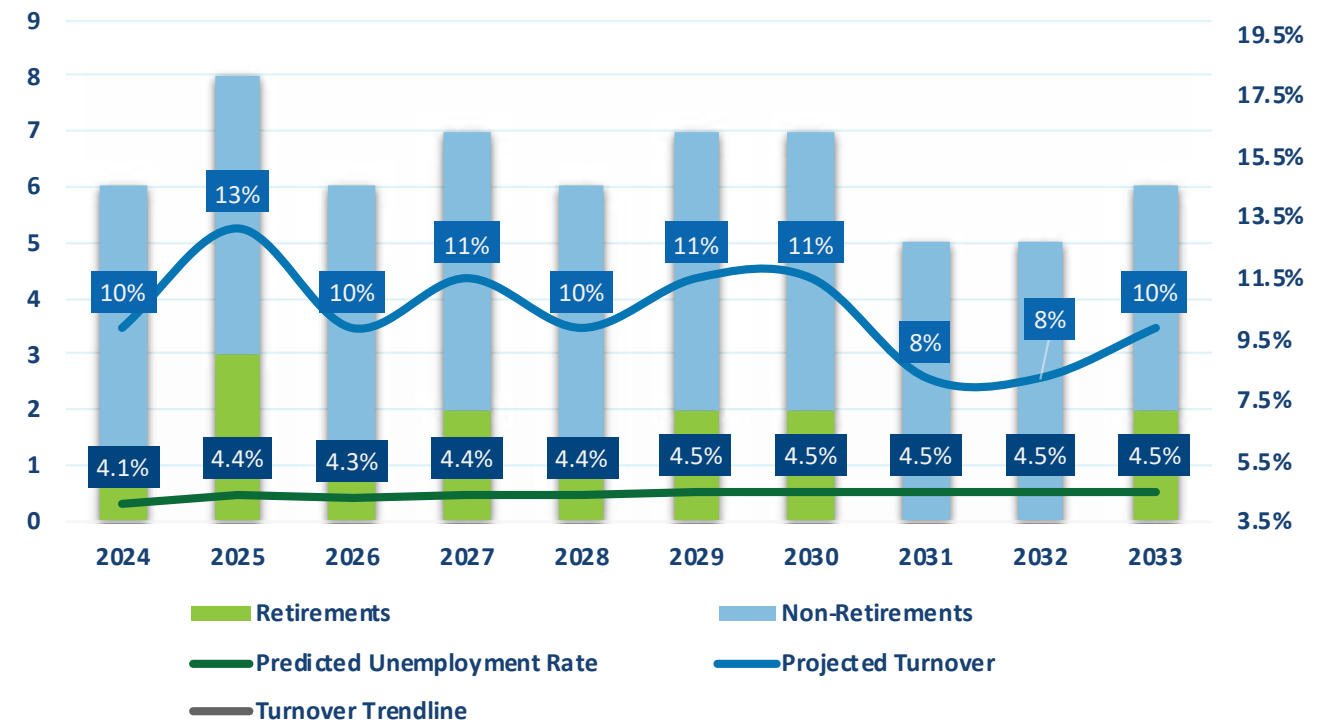
Five-Year Turnover with Unemployment Rate



Projected Turnover and Retirement Projections

Low unemployment typically drives voluntary turnover and competition for talent. The unemployment rate has recovered from the pandemic and the District's quit rates are typically responsive to the unemployment rate. Future retirement projections are based on average retirement ages, retirement eligibility formulas, employees' current ages and their years of service credit with CalPERS. The average retirement age of District retirees who are Classic CalPERS members is 59 years old, despite the eligibility for the full 2.5% retirement formula at 55 and early retirement at age 50. PEPRAs members are not eligible until age 60 for early retirement, 62 for full retirement, at the 2% formula, and 67 to achieve a 2.5% retirement rate. The chart below illustrates the anticipated turnover based on unemployment projections from the Congressional Budget Office and anticipated retirements in the District.

Five-Year Turnover with Unemployment Rate

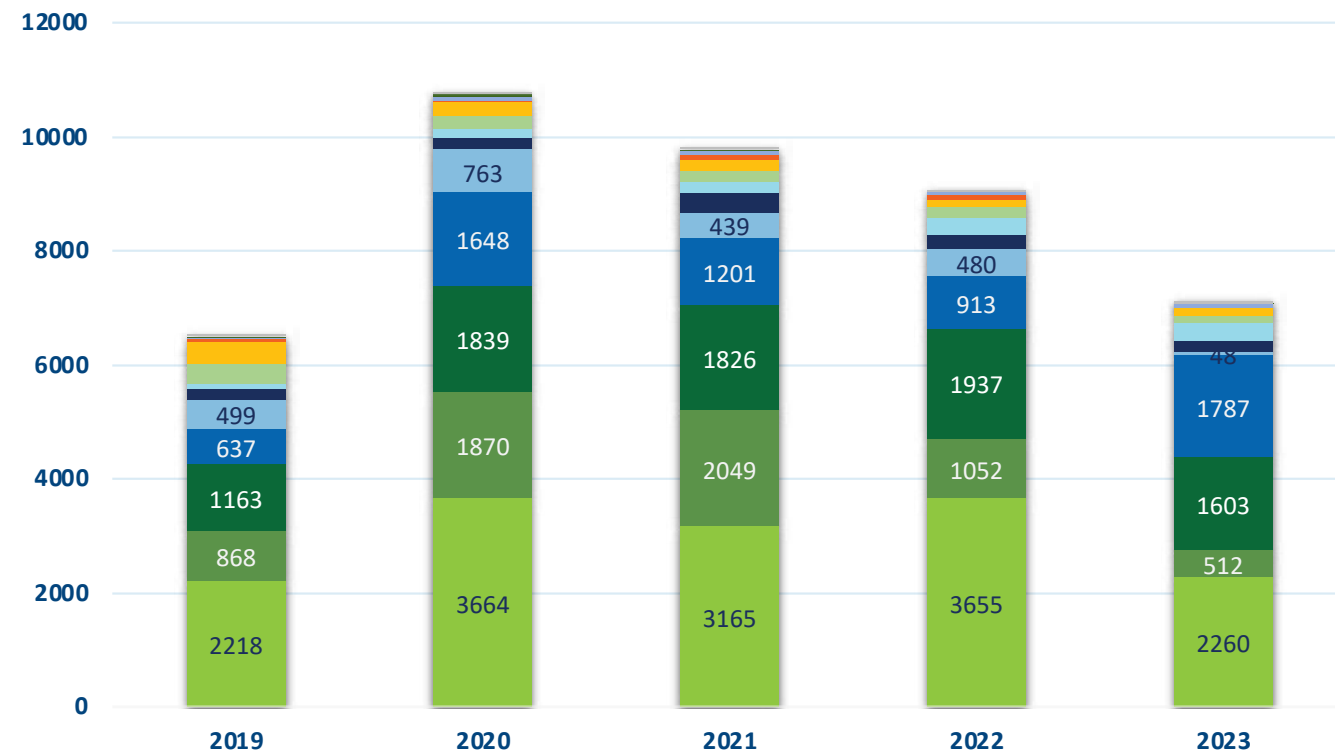


Overtime and Workload Analysis

Overall, overtime is slowly returning to pre-2020 levels. It has decreased down to 7,114 hours vs 2020 peak of 10,766. Department-level highlights include:

- **Meters:** Overtime in Meters is at its lowest since before the meter service replacement project and is actually below 2019 levels due to fewer service calls.
- **Wastewater:** Overtime in wastewater doubled in 2023 due to proactive response to extreme weather events to prevent Sanitary Sewer Overflows (SSOs), which required extensive overnight and weekend work. The need for this type of response will be mitigated or eliminated when the Thoroughbred Lift Station comes online.
- **System Operations:** Overtime is trending down, but still high due to new ways of operating the distribution system and ensuring water quality at Morro Reservoir.

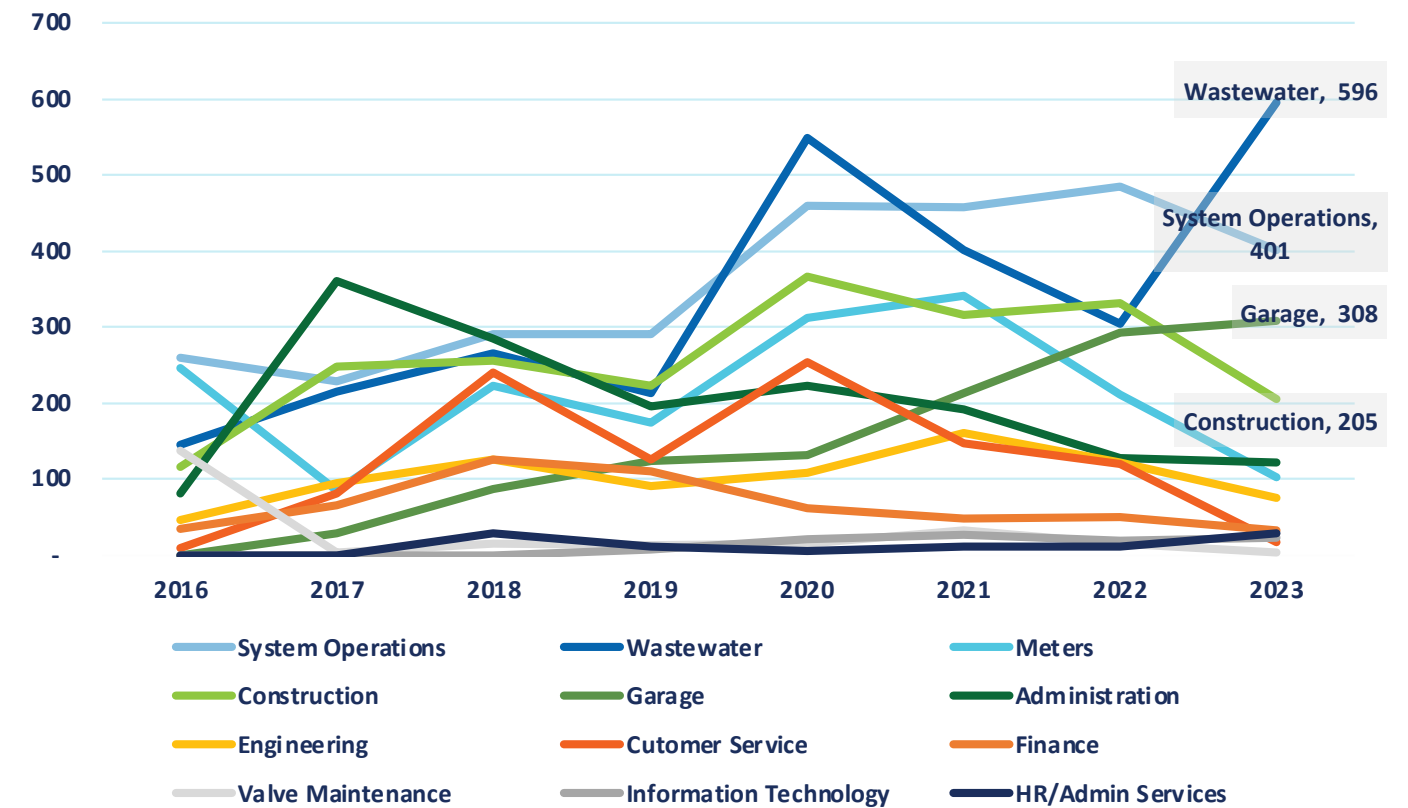
Total Overtime by Department



- Construction
- Meters
- System Ops
- Wastewater
- Customer Service
- Engineering
- Garage
- Finance
- Administration
- Valve Maintenance
- Information Technology
- Safety
- HR/Admin Services

The impact of overtime on staff differs for each department, and some departments have more staff to share in the overtime workload. The average overtime hours worked in 2023 per full-time hourly employee in each department is shown in the chart below. The District average overtime per hourly employee was 159 hours, down from 215 hours, with Wastewater working the most overtime with 596 hours each, on average, due to evening and weekend work to avoid SSOs during extreme rain events. The Construction crew's average went down from 332 overtime hours per person in 2022 to 205 in 2023 due to fewer after-hours responses to leaks and other emergencies. The Garage is still trending up, as maintenance on vehicles is often scheduled when other employees are not working to minimize vehicle downtime during regular working hours.

Average per Full Time Employee

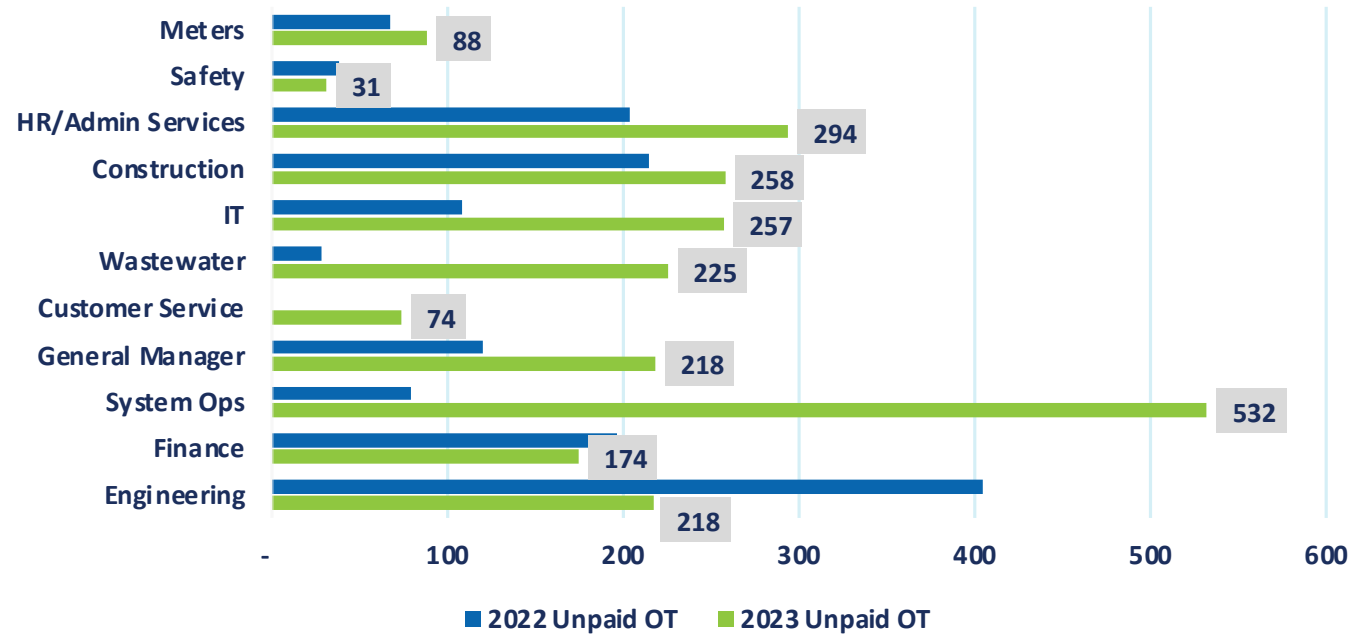


Exempt Overtime

Exempt employees are employees who meet the Fair Labor Standards Act requirements to be “exempt” from the overtime pay provisions of the law. Although overtime is not paid to these employees, the number of hours worked beyond 80 in a pay period is still an indicator of the workload for a particular department. It could indicate where employees may be at risk of burnout or whether additional resources are needed. Average overtime per exempt employee ranged from 15 hours to 353 hours, with an average of 130 hours, up from the 97-hour average in 2022.

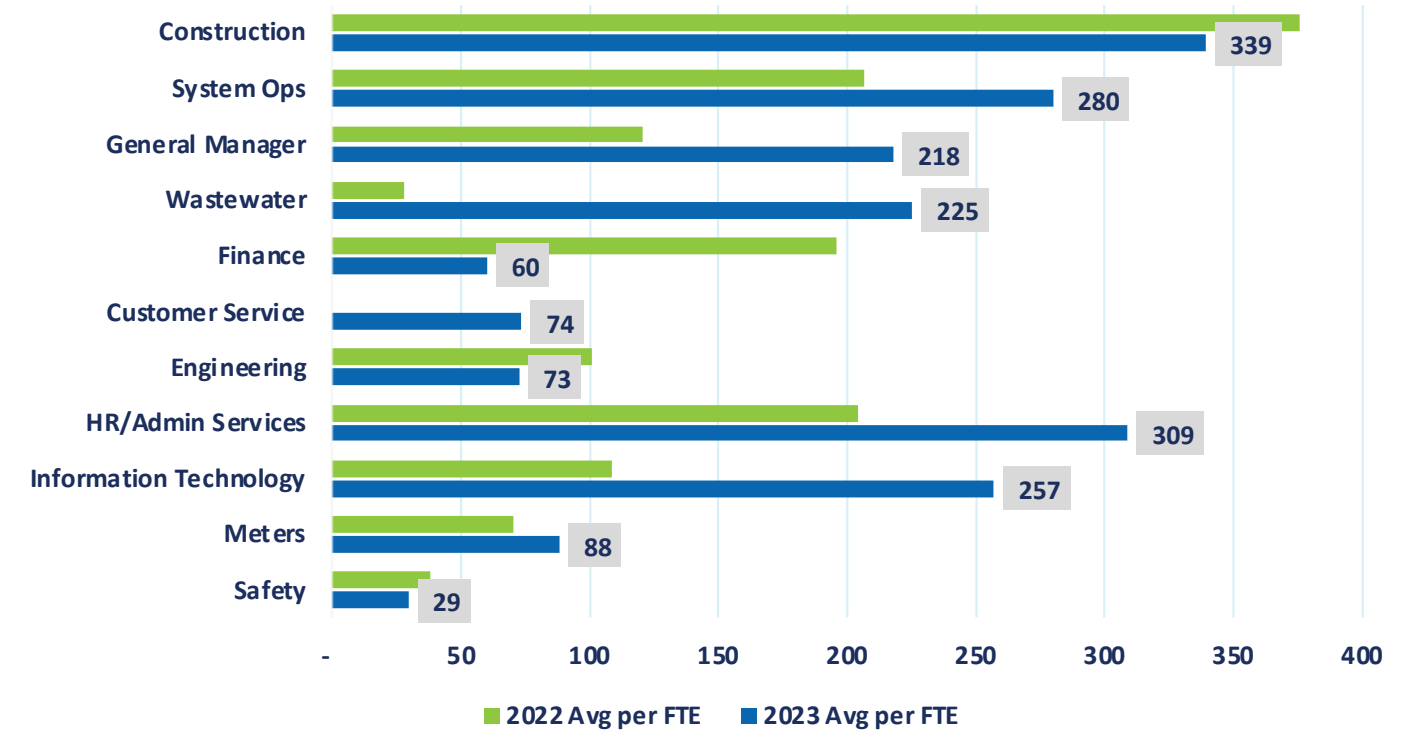
The following chart shows the total exempt overtime for each department and a comparison of 2023 and 2022 Exempt overtime. System Operations has the most total overtime because it includes two key leadership positions with heavy workloads as they prepare for detachment.

Exempt Total Unpaid Overtime per Department



When evaluated per employee, the Construction and Human Resources exempt staff work the most overtime per person. The Construction and Meters Supervisor routinely responds to leaks and after-hours emergencies to supervise and support the Construction crew in safely performing repairs, so logically, this position works a high level of overtime. The Administrative Services Manager oversees three distinct departments with high-priority and deadline-sensitive deliverables.

Exempt Overtime per Exempt Employee by Department



Staffing Continuity Planning and Knowledge Transfer

The District has created a Staffing Continuity Plan to plan for future staffing turnover and address knowledge transfer priorities. Each position in the District has been evaluated based on the following criteria:

- Retirement Vulnerable: The incumbent is anticipated to retire within five years.
- Single Incumbent: Positions with only one person in the role.
- Specialized Knowledge: Incumbent holds specialized, or highly technical knowledge not shared elsewhere in the District.
- Challenging to Replace: Positions for which there would be a limited number of qualified people in the labor market, making recruiting a replacement especially difficult.
- Difficult to Retain: Positions historically have higher turnover than the District average.
- Risk of Attrition: Positions may become vacant, either due to an internal promotion, transfer, or outside factors like a long commute, family priorities, or the incumbent's career goals.
- Leadership or Executive Support: Positions that are part of the leadership team or provide support to the senior leadership team, General Manager, or the Board.

Each position was assigned a priority level for knowledge transfer based on the seven factors above. The positions with priority levels 1 and 2 are considered Critical Positions for knowledge transfer planning. Knowledge transfer planning could be to aid an aspiring successor to be ready for promotion or to transfer knowledge to someone who could act as an interim successor while open recruitment is conducted, and then aid in the transition if an external successor is selected. In addition to knowledge transfer to a person, each department has been working on documenting procedures to facilitate future transitions.

CRITICAL POSITIONS	
Priority One	Knowledge Transfer Plan
Chief Operating Officer	The incumbent has been actively developing department staff to expand knowledge and ensure continuity of leadership during a transition.
Chief Financial Officer	The incumbent is actively developing department staff to expand knowledge and ensure continuity of leadership during a transition. However, current lean staffing levels prevent full cross-training and development due to a high volume of transactional workload.
Technical Services Lead (electrician)	The successor is being hired with enough time to overlap with the incumbent and become familiar with the District and our electrical infrastructure. Approximately four months of overlap between the outgoing retiree and the new hire successor will occur.
Priority Two	Knowledge Transfer Plan
Administrative Services Manager	The HR Specialist position is being actively mentored and trained to act as an interim Human Resources Manager and aid in a smooth transition to a qualified external successor should this position become vacant.
Information Technology Manager	Extensive cross-training has occurred with the Information Technology Specialist to prepare for extended time out of the office or act interim during an unplanned transition.
Construction and Meters Supervisor	The incumbent is actively developing team members who aspire to be in leadership roles within the Construction and Meters Departments to prepare aspiring leaders for promotion.
Construction Lead	The incumbent has been working on developing several Utility Workers and transferring knowledge over the past few years. There are likely multiple qualified internal successors.
Electrical/Electronics (SCADA) Technician	Other members of the Information Technology Department can temporarily cover this role, with assistance
District Secretary	There are cross-trained staff members who can help ensure staffing coverage during vacations, leaves, or retirement.
Engineering Inspector	Knowledge transfer plan in development. This is a single incumbent position and there are no known aspiring successors.



Challenges and Risks with Current Staffing Levels

The Rainbow Municipal Water District faces staffing challenges and risks across its various departments that impact operational efficiency, employee well-being, and meeting the District's strategic objectives. High overtime, impending retirements, increased operational demands, and turnover in key positions exacerbate these issues. Addressing these challenges will help to ensure continued effective service delivery and to maintain a resilient and knowledgeable workforce. The following sections provide a detailed overview of each department's specific challenges and risks.

Administrative Services Department Challenges

The Administrative Services Department has experienced several changes and faces ongoing challenges that impact its bandwidth to deliver projects:

1. Recent Staffing Changes:

- Safety/Risk Management Officer experienced turnover.
- A part-time Communications Analyst was added, scheduled 18 hours per week.

2. Resource Constraints:

- Two employees are budgeted for less than 40 hours, leading to resource constraints.
- When the Communications position was designed as a part time role, it was with an additional \$20,000 budget for outsourced services to supplement staff resources. However, that budget was cut shortly after hiring the part-time employee, but communications deliverables have not decreased.
- The Communications Analyst is scheduled for 936 hours annually, and meeting deadlines or accommodating last-minute requests is often challenging.
- An additional 406 hours were booked to Public Relations this year, taking time away from other staff members who fill in.

Ambitious Goals:

- A Strategic Communications Plan is in development, with many opportunities for enhancements to the Communications program identified at a workshop in February 2024. Additional labor resources will be required to execute some of the objectives identified in the workshop, particularly developing multimedia content such as how-to videos and other helpful social media content.

Information Technology Department Challenges

The Information Technology Department faces significant challenges due to upcoming retirements and ongoing operational demands:

1. Upcoming Retirements:

- The Technical Services Lead is retiring after 35 years, and a new hire replacement is planned for summer 2024.
- The Electrical/Instrumentation Technician is also eligible for retirement.

2. Operational Demands:

- The department manages approximately 450 devices, including phones, tablets, switches, firewalls, radios, servers, laptops, and desktops.
- There are ongoing escalated risks of cybersecurity attacks against utilities.
- The department has a backlog of software and report development requests.
- There is an opportunity to better analyze District data for improved decision-making.

Operations Department Challenges

The Operations Department faces several critical challenges that must be addressed to maintain efficient operations and prevent burnout among staff. These challenges include:

1. Consistently High Overtime:

The Operations Department is experiencing consistently high levels of overtime, leading to a significant risk of employee burnout. This situation is unsustainable and could affect employee morale and productivity.

2. Retirement Eligibility:

Many employees in the Operations Department are approaching retirement age. This presents an urgent need for knowledge transfer to ensure continuity and minimize the loss of institutional knowledge.

3. Current Maintenance Practices:

System Operators and Wastewater personnel currently handle all pump and motor maintenance. However, this takes time away from their primary job functions and contributes to overtime. Because they are not specialists in motor maintenance, repairs are outsourced, leading to delays and increased costs.

4. New Water System Operational Demands Post-Detachment:

- The distribution system will become more complex to operate.
- Three new pump stations must be maintained, which are critical to operations.

5. Wastewater System Expansion:

- The new wastewater lift station will require maintenance.
- An additional lift station is planned for the Bonsall Oaks development.

Engineering Department Challenges

The Engineering Department is also grappling with the following challenges:

1. Upcoming Retirements:

- The Technical Services Lead is retiring after 35 years, and a new hire replacement is planned for summer 2024.
- The Electrical/Instrumentation Technician is also eligible for retirement.

1. Staffing Shortages:

- The Associate Engineer position was frozen after attrition in late 2022 and subsequently removed from the budget. Plan checks are completely outsourced since developers cover the cost of outsourcing and it does not impact customer rates. However, this leaves the department without an in-house licensed Professional Engineer (PE) and institutional knowledge is not being developed in-house.
- One of the two Project Managers left in early 2024, leaving just one Project Manager to oversee the construction of three pump stations, the Thoroughbred lift station, and manage facilities tickets, which are often urgent due to the age of the headquarters facility.
- After the Project Manager's departure, the District attempted to replace that headcount with another Engineer who could also manage capital projects. However, the recruitment did not result in sufficient qualified applicants with the PE and was closed without a field of candidates to interview.

2. Deferred Capital Projects:

To mitigate the impact on rates over the next 18 months, all capital projects not essential for detachment or safety have been deferred to future fiscal years.

3. Bandwidth Constraints:

After the departure of one of the Project Managers in early 2024, the remaining Project Manager does not have the bandwidth to handle all facilities tickets and the critical capital projects already in progress.

4. Poor service quality for outside janitorial services.

Janitorial services are currently overseen by the Project Managers as part of the facilities function. However, there have been ongoing challenges with service quality. The current outside service has been in place for about two years, and the change was made due to problems with the previous service as well. The outside services have high turnover, don't always complete all tasks assigned until staff complains and they are reminded, and although the contract is for 32 hours per week, an analysis of their time onsite shows some weeks they are only delivering 10-14 hours of service. There have also been problematic incidents, such as bringing dogs into the office, vaping indoors causing the fire alarm to go off, and repeatedly pushing the panic button while cleaning. There is also a security risk to having outside employees have access to the facilities without staff supervision, as they do not complete the same screening and background checks as District staff does.

Finance Department Challenges

The Finance Department has experienced several changes and faces ongoing challenges that impact its efficiency and effectiveness:

1. Recent Turnover:

- The Finance Manager/CFO position experienced turnover.
- The Grant Specialist position is currently vacant and has not yet been replaced.

2. Insufficient grant availability to support full-time position.

The Grant Specialist position was added three years ago with the intent of standing up a grants program that would bring a return on investment for the position. However, the position has proven difficult to retain. In addition, the District has discovered that much of the grant funding available does not match the projects and needs of the District, or requires a significant investment on the District's part, which would only be partially offset by the grant funding.

3. High Volume of Manual Work:

The department is burdened with a high volume of manual work, leading to excessive time on low-level transactional tasks rather than value-added professional work for the supervisor. This situation is unsustainable and could lead to burnout.

4. Unbalanced Workloads:

The Accounting Supervisor's duties were expanded over several promotions, but the Accounting Specialist position that the incumbent used to hold was never backfilled. This has led to challenges in having enough bandwidth to complete all the transactional tasks of the Accounting Specialist, as well as the higher-level duties of the Supervisor position.

5. Knowledge Transfer Needs:

Knowledge transfer is necessary to ensure continuity in the case of turnover and potential retirements. There has already been turnover at the executive level and the District should have knowledge transfer plans in place in case of turnover in any key position in the department. Currently, all other positions in the department are at full capacity and can't take on additional tasks for development.

6. Internal Controls and Safety:

Best management practices for internal controls and safety measures are impossible with a single incumbent in the purchasing/inventory role. The best practice would be to separate duties between the person placing purchase orders and receiving inventory to, but that isn't possible with only one person in the role.

Staffing Forecast And Proposed Staffing Plan

The management team recommends several changes to the current staffing organization to address the specific challenges identified in this staffing analysis.

Administrative Services Department Proposed Changes

The Administrative Services Department has experienced several changes and faces ongoing challenges that impact its bandwidth to deliver projects:

1. Increase hours of Communications Analyst.

Increasing the schedule from 18 hours per week to 28 would address the following challenge:

- **Resource Constraints:** Increasing hours will increase the capacity by 50% to create more informational content and meet tight deadlines for newsletters and other items.
- **Ambitious Goals:** More hours would allow more time for more frequent community outreach activities, such as classroom visits.
- **Cost-Effective:** The cost and turnaround time of producing items in-house is much more efficient than outsourcing in terms of project cost and delivery time. Increasing the hours of this position but keeping it part-time will make the position eligible for CalPERS, but not health insurance benefits. This will keep the fully burdened hourly cost under \$60 per hour, which is still significantly more cost-effective than outsourcing additional projects.

2. Add a part-time Intern to assist with creating communications video and social media content.

This will help address the following challenges:

- **Resource Constraints:** A part-time Intern would add a very low-cost labor resource to augment the work of the Communications Analyst. The Intern would be a student working 10-16 hours per week for up to two years.
- **Content Development:** The Intern would enable the Public Information Department to execute more ideas identified in the strategic communication workshop, particularly developing multimedia content such as how-to videos and other helpful social media content. This content would be very useful to customers and can be embedded into the website, linked to the newsletter with QR codes, and posted on social media. However, producing video content is very labor-intensive, as each video requires planning, scripting, two people to record, and editing before posting.

ADMINISTRATIVE SERVICES DEPARTMENT				
Position	FY24 FTEs	FY 25 Proposed FTEs	FY24 Headcount	FY25 Proposed Headcount
Administrative Services Manager	1	1	1	1
Safety & Risk Management Officer	1	1	1	1
HR Specialist	0.9	0.9	1	1
Communications Analyst	0.4	0.6	1	1
Intern		0.4		1
TOTAL ADMINISTRATIVE SERVICES	3.3	3.9	4	5



Information Technology Department Proposed Changes

The following change will help the Information Technology Department address some of its challenges:

1. Add a part-time intern.

This position would assist with help-desk tickets and would help solve the following challenges:

- **Operational Demands:** An Intern could help set up and maintain the 450 devices they manage.
- **Cybersecurity Risks:** By having the Intern handle some of the help desk tickets, the IT Specialist could assist more with mitigating the risks of cybersecurity attacks.
- **Reducing Backlog:** The other IT staff could reduce the backlog of software and report development requests.
- **Data Analysis:** The intern would free up other staff to analyze district data better for improved decision-making.

INFORMATION TECHNOLOGY DEPARTMENT				
Position	FY24 FTEs	FY 25 Proposed FTEs	FY24 Headcount	FY25 Proposed Headcount
Information Technology Manager	1	1	1	1
Information Technology Specialist	1	1	1	1
Technical Services Lead (retiring)	1		1	
Instrumentation/Controls Technician	1	1	1	2
Intern		0.4		1
TOTAL ADMINISTRATIVE SERVICES	4	4.4	4	5

Operations Department Proposed Changes

The challenges faced by the Operations Department can be addressed with the following staffing changes:

1. Add a Pumps and Motors Technician position.

This position would be added halfway through the fiscal year, only after detachment is complete, and would address the following challenges:

- **Current Maintenance Practices:** A Pumps and Motors Technician will be able to take over the routine maintenance of pumps and motors at pump stations and lift stations, freeing time from the System Operators and Wastewater personnel who currently handle all pump and motor maintenance, including tasks like changing the oil in the backup generators. Hiring someone with a more specialized mechanical skillset will allow us to perform some troubleshooting and repairs in house to minimize downtime for the new critical pump stations.
- **New Water System Operational Demands Post-Detachment:** The addition of a Pumps & Motors Technician position will free up the additional time that the System Operators will need to pay attention to the additional complex factors they will need to evaluate when operating the distribution system post-detachment. It will also ensure that three new pump stations are proactively maintained, as they are critical to operations and downtime will have an adverse impact on the distribution system.
- **Wastewater System Expansion:** The addition of a Pumps and Motors Technician will reduce the number of Wastewater team members who need to be involved with performing maintenance on the pumps and motors at lift stations. It takes two people to remove a pump for maintenance. Currently, that takes two out of the three wastewater team members, but with a technician, it will only require one wastewater team member to assist, allowing the other two to do other work. The Pumps and Motors Technical will also be responsible for tracking the preventive maintenance and will add capacity for the maintenance that will be required for new facilities, such as the Thoroughbred lift station and the additional lift station planned for the Bonsall Oaks development.



Operations Department at the 2024 Employee Health Fair

2. Add two intern positions.

The addition of part-time Interns to the operations department will help address the following challenges:

- **Consistently High Overtime:** Part-time Interns can have more flexible schedules, allowing them to assist with after-hours responses and reducing the overtime required of full-time staff.
- **Retirement Eligibility:** The Interns will have the opportunity to receive knowledge transfer of experienced staff approaching retirement. This will give the District already vetted trained candidates for future openings when retirements or turnover happens.

OPERATIONS DEPARTMENT				
Position	FY24 FTEs	FY 25 Proposed FTEs	FY24 Headcount	FY25 Proposed Headcount
Management	2	2	2	2
Water System Operations	7	7	7	7
Construction	11	11	11	11
Meters	5	5	5	5
Wastewater	4	4	4	4
Pumps & Motors		1		1
Fleet	1	1	1	1
Interns*		1*		2*
TOTAL ADMINISTRATIVE SERVICES	30	31*	30	31*

*Intern deferred. While valuable, when faced with budget constraints, the management team identified the two internship positions for Operations as less urgent than other proposed staffing changes. Therefore, the recommendation was modified to defer the request to add these Interns until 2026 or later to mitigate the budgetary and rate impact on customers.

Engineering Department Proposed Changes

The Engineering Department's challenges can be addressed with the following changes:

1. Freeze the vacant Project Manager/Engineer position.

This will help address the pressing budget constraints, and the workload for a Project Manager or Engineer will not be as high until deferred capital projects are funded in future fiscal years. Once more funding is allocated for capital projects, the District can reevaluate whether the department most needs to replace the Project Manager or the previously frozen Engineer position.

2. Move the facilities function from Engineering to Purchasing (under Finance).

This will address the bandwidth constraints if the second Project Manager position is frozen. The District would have just one Project Manager to oversee the construction of three pump stations and the Thoroughbred lift station and manage all facilities tickets, which are often urgent due to the age of the headquarters facility and were previously shared between the two Project Managers.

ENGINEERING DEPARTMENT				
Position	FY24 FTEs	FY 25 Proposed FTEs	FY24 Headcount	FY25 Proposed Headcount
Engineering/CIP Manager	1	1	1	1
Associate Engineer (frozen)				1
Project Manager	2	1	2	
Senior Inspector	1	1	1	1
Administrative Analyst	1	1	1	1
Administrative Assistant	1	1	1	1
TOTAL ADMINISTRATIVE SERVICES	6	5	6	5

Finance Department Proposed Changes

The challenges faced by the Finance Department can be addressed with the following staffing changes:

1. Replace the Grant Specialist position with a combination of an Accounting Specialist and partially outsourced grant searching and applications.

This will address the following challenges:

- **Operational Demands:** An Intern could help set up and maintain the 450 devices they manage.
- **Better Use of Staffing Budget:** The Accounting Specialist will be able to take over the grant tracking and reporting that the Grant Specialist did, but also much of the transactional tasks for the accounting department. The District can outsource the grant searching and application process, paying only as needed rather than for a full-time employee. Staff estimates that the combined cost of the outsourced grants applications and the Accounting Specialist position will be either budget neutral or a slight savings compared to the Grant Specialist position because the Accounting Specialist is at a lower pay grade.
- **High Volume of Manual Work:** An Accounting Specialist can take over much of the manual work that the Accounting Supervisor currently handles, as well as the tracking and reporting of already awarded grants that the Grant Specialist was responsible for.
- **Knowledge Transfer Needs:** Knowledge transfer is necessary to ensure continuity in the case of department turnover. Adding an Accounting Specialist will give the Accounting Supervisor more time to take on more advanced accounting and finance functions for knowledge transfer and professional growth. Additionally, one more team member would be available to cross-train as a backup within the department to fill in during vacations or short-term leaves.

2. Move the District Services Representative position from Accounting to Customer Service.

This position's primary duties are supporting customers with new water or wastewater services and meter upsizing and downsizing. Because it is a customer-supporting role, management believes having it be part of the Customer Service department is more logical. Once the accounting specialist position is added, the number of direct reports for the Accounting Supervisor will remain the same. This is a budget-neutral change.

3. Create a new Custodian/Warehouse Assistant position to report to a Purchasing Lead.

This will address the following challenges:

- **Enable purchasing to take on facilities issues:** If the Project Manager position is frozen in Engineering, the purchasing position could take over Facilities duties from Engineering if they had additional bandwidth. This is a logical shift because facilities issues involve purchasing and procurement of outside services and often happen at unpredictable times when the Project Managers are not onsite. The purchasing position is onsite daily and is better positioned to handle issues as they arise. Historically, facilities tickets have taken up about 300 hours per year, so they would need additional resources to handle this on top of other duties. This position would become a Lead position and oversee the Custodian/Warehouse Assistant.
- **Allow insourcing of janitorial services:** Part of this position would be to act as an in-house custodian, giving the District greater oversight and supervision of the janitorial function and improving security by ensuring the employee has been screened and background checked. The current janitorial contract bills the District for 32 hours per week but does not always work the full hours. Reducing the contract to weekend and as-needed services for vacation fill-ins and quarterly carpet cleaning only, would help offset the cost of the Custodian/Warehouse Assistant.
- **Improve Internal Controls and Safety:** The Custodian/Warehouse Assistant would be a backup to the inventory control function, receiving shipments and stocking inventory for part of the day. This will allow separation of duties and improved safety in the warehouse because a second person would be available to assist with lifting and other higher-risk tasks.

FINANCE DEPARTMENT				
Position	FY24 FTEs	FY 25 Proposed FTEs	FY24 Headcount	FY25 Proposed Headcount
Finance Manager/CFO	1	1	1	1
Grant Specialist	1		1	
Customer Service Dept	4	5	4	5
Accounting Dept	4	4	4	4
Purchasing/Inventory Control	1		1	
Purchasing/Facilities Lead		1		1
Custodian/Warehouse		1		1
TOTAL ADMINISTRATIVE SERVICES	11	12	11	12



Budget Implications

This section examines the fiscal impact of the proposed staffing changes, focusing on the projected additions and offsets. By analyzing these elements, we aim to provide a clear picture of the net change in budget requirements for the upcoming fiscal period.

The chart below summarizes the fiscal impact of the proposed changes, including all wages, benefits, taxes, insurance costs, and cost reduction offsets. The costs listed are intended to represent “not to exceed” amounts and actual costs may be lower, especially for part-time positions and Interns with flexible schedules.

PROPOSED CHANGES			
Position	Change to FTEs	Change to Headcount	Impact to Budget
Admin Analyst – Communications	0.2		\$35,957
Intern – Communications	0.4	1	\$23,620
Intern – Information Technology	0.4	1	\$23,643
Accounting Specialist	1	1	\$136,375
Outsourced Grant Consultant			\$35,000
Pumps & Motors Technician (6 months of FY25)	1	1	\$93,090
Purchasing/Facilities Lead (promotion)			\$9,276
Custodian/Warehouse Assistant	1	1	\$92,403
Project Manager/Engineer (frozen)	-1	-1	(\$237,997)
Grant Specialist	-1	-1	(\$173,951)
Reduction in Outside Janitorial Services		1	\$46,000
NET CHANGE	2	3	(\$8,584)

Changes to Organizational Structure FTEs and Headcount

The charts below summarize the proposed changes and their impact on the organizational structure, full-time equivalents (FTEs) and headcount.

STAFFING TOTALS				
Department/Division	FY 24 FTEs	FY 25 FTEs	FY 24 Headcount	FY 25 Headcount
General Manager's Office	2	2	2	2
Administrative Services Total	3.3	3.9	4	4
Human Resources	1.9	1.9	2	2
Public Information	0.4	0.8	1	2
Risk Management/Safety	1	1	1	1
Information Technology	4	4.4	4	5
Operations Total	30	30	30	31
Management	2	2	2	2
Water System Operations	7	7	7	7
Construction	11	11	11	11
Meters	5	5	5	5
Wastewater	4	4	4	4
Fleet	1	1		
Engineering/CIP	6	5[▲]	6	5[▲]
Finance Total	11	12	11	12
Finance	1	1	1	1
Grants	1		1	
Accounting	4	4	4	4
Customer Service	4	5	4	5
Purchasing/Warehouse	1		1	
Purchasing/Facilities		1		1
Custodian/Warehouse		1		1
TOTAL ORGANIZATION	56.3	58.3	57	60



Summary and Conclusion

In summary, the staffing analysis and plan for the fiscal year 2025 highlight several critical aspects of the current and future workforce needs. Over the past year, the District has experienced significant changes in key positions, including the retirement of the General Manager and other vital roles and turnover in several strategic areas. These changes, combined with analyzing historical turnover trends and workload imbalances, underscore the necessity for a comprehensive staffing strategy.

The proposed staffing plan addresses these needs by adding essential full-time positions, increasing hours for certain roles, and implementing an internship program to augment full-time staff, support succession planning, and future talent development. Key recommendations include:

- Eliminating the Grant Specialist position and freezing the vacant Project Manager/Engineer position.
- Adding full-time positions for Pumps & Motors Technician, Accounting Specialist, and Custodian/Warehouse Assistant.
- Converting the Purchasing position to a Lead position to oversee custodial operations.
- Increasing the hours of the Communications Analyst.
- Implementing an internship program to augment staff capacity and plan for succession in Communications, Information Technology, and Operations.
- Defer adding the Operations Interns until 2026.

The budget implications of these changes are favorable. The net change in staffing is an addition of 2 FTEs, with a budgetary impact resulting in a savings of \$8,584.

Overall, this staffing plan ensures the District is well-prepared to meet future demands, maintain operational efficiency, and continue delivering high-quality service to the community.



Administration

Responsibilities

The Administration Department consists of the General Manager and District Secretary and is responsible for the day-to-day administrative tasks associated with managing the District. This involves serving the needs of the Board of Directors, connecting with the public by continually providing updates on District matters, building, and preserving relationships between staff, Board of Directors, public members, and outside agencies for accountability and transparency, as well as elevating the District's reputation in local and statewide political circles as an employer of choice.



Administration

The General Manager (GM), Jake Wiley oversees the responsibility for District policy development and activities, including water resources planning, water distribution, wastewater collection, finance, administration, engineering, human resources, and total operation of District functions and programs. The GM ensures District goals and objectives are accomplished, advises and provides recommendations to the Board, as well as implements the policies of the Board on an ongoing basis. The GM also develops and implements long and short-range plans to achieve District strategic plan objectives.

Additionally, the GM interprets District regulations and ordinances, internal and regulatory codes, and applicable laws with direction from Legal Counsel; reviews and approves District contracts including negotiating contract terms and conditions; safeguards the District by assuring compliance with all contractual and legal requirements regarding the operations of the District.

The District Secretary supports the Board of Directors and General Manager with a wide variety of advanced administrative duties. This position prepares agendas, materials, and minutes for all Board and Standing Committee meetings; maintains the District's Administrative Code, resolutions, and ordinances, and provides public access to these records and public records in general; manages calendars; coordinates and schedules meetings; oversees workshops, conference, training, and seminar accommodations including travel arrangements; maintains District official records; updates the District website per legal and accreditation requirements; provides orientation guidance for incoming Directors; and protects the confidentiality of information privy to executive management.

Administration Major Accomplishments for FY 23-24

- Continued providing support through technical documentation and community outreach related to the application to the San Diego Local Agency Formation Commission (SD LAFCO) for the detachment of the District from the San Diego County Water Authority (SDCWA) and concurrent annexation to the Eastern Municipal Water District. This resulted in the long-awaited approval of our efforts to detach from the San Diego County Water Authority including LAFCO application approval, overwhelming local voter support on Measure B (95% voter approval of detachment approval), and successful negotiations leading to a comprehensive settlement agreement with the SDCWA.
- Successful collaboration with six local Water Districts to implement the Regional CropSWAP program, which utilizes grant funding to assist our local agricultural communities with implementation of water efficiency upgrades for a sustained agricultural presence in the region.
- Elected Board Members continued to participate in numerous conferences, training, and workshop as a means of keeping themselves apprised of current and relative matters related to or impacting both the water and wastewater industries.
- Continued with coordination and ongoing modifications to a successful work from home program with adaptation to a hybrid work and public meeting process. This allows for increased public participation, employee productivity, and enhances employee recruitment and retention.
- Assisted with the reformatting and modernization of Board and Committee Meeting agendas and public comment protocols for public meetings.
- Enhanced the New Board Member orientation handbook, working hand in hand with Administrative Services to provide thorough and relevant information for new Directors.

Administrative Objectives for FY 24-25

- Successfully detach from the SDCWA through oversight of the completion of:

1. Construction of three new District pump stations.
2. Operations plan w/SDCWA defining ongoing protocols/communications, transfer of facilities, etc.
3. Water supply agreements between MWD/EMWD/RMWD.
4. Payment of necessary exit fees.
5. Filing of the Certificate of Completion finalizing the annexation of Rainbow Water into EMWD.

- Coordinate a General District Election with the County of San Diego for four divisions of the RMWD.
- Implement results of the election through onboarding, election of Board officers, and committee assignments as needed.
- Continue recruitment for ratepayer participation on District committees to ensure broad input from the District's varying customer classes.
- Initiate and facilitate an update of the District's Strategic Plan, last updated in 2020.
- Attain all requirements and submit an application for CSDA's District of Distinction accreditation.



Administrative Services

Responsibilities

The Administrative Services Department plays a crucial role in ensuring the smooth and efficient functioning of the organization by providing essential strategic and tactical support services. Comprised of three specialized divisions - Human Resources, Risk Management, and Public Information – the Administrative Services team directly supports the District’s strategic focus areas of workforce development, fiscal responsibility, and communication. The department emphasizes our core values—teamwork, responsibility, innovation, integrity, and professionalism—by ensuring the right people are in the right roles, protecting our assets and reputation, and fostering transparent and positive relationships with the public.

Human Resources

The Human Resources (HR) Division ensures the district has qualified, motivated team members to fulfill its mission. HR handles employer branding, recruitment, onboarding, culture, performance management, workforce development, compensation, labor relations, and compliance. By fostering a supportive and inclusive work environment, HR helps employees thrive and drive the district’s success.

Human Resources Major Accomplishments for FY 23-24

Top Workplace Selection: The District was named a Top Workplace for the third consecutive year in 2023 by the San Diego Union-Tribune, based on anonymous employee responses to a survey conducted by Energage. Survey highlights were that 90% of the workforce reported being motivated to do their best, and the District’s net promoter score is 82%.

Recruiting and Selection: Continued networking and marketing the district’s open positions at industry events, social media, and through direct outreach, tripling the number of views per job posting; reduced time to fill open positions from 51 to 43 days.

Employee Recognition: The Excellence Coin Recognition Program was continued, resulting in 25 coin nominations and four more employees reaching the milestone of receiving all five excellence coins, for a total of 17.

Employee Appreciation: Delivered a Languages of Appreciation in the Workplace Workshop with the Customer Service, Meters, and Engineering teams; hosted a “Time Traveler’s Ball” in honor of the District’s 70th anniversary.

Rainbow Ambassadors: Reconvened Ambassador Committee, whose mission is to help connect employees to each other and the community. The ambassadors will plan employee engagement activities and events and participate in community outreach.

Onboarding: Enhanced onboarding program to include water industry education, more detailed information about each department, video benefits explanations, field tours, and connecting with team members across the District.

Human Resources Objectives for FY 24-25

Recruiting: Maintain average time to fill less than 50 days and high quality of hire, measured by first-year performance ratings and turnover rates.

Workforce Development: Resume deferred training programs focused on giving and receiving direct feedback, psychological safety for staff and management, and developing a cross-training program for Operations.

Wellness Grant: Apply for the ACWA-JPIA Wellness grant to offset the cost of employee wellness programs.

Team Building: Host events to help build bridges between team members in different departments, including Brainsy Breakfast and after-hours social events.

Compensation Study: Complete a compensation study to assess the District’s market position for pay ranges and total compensation compared to similar positions at other local agencies, compare total wage progression from 2021 through the end of current labor agreements; and make recommendations in alignment with Board direction.

Labor Negotiations: Negotiate a new labor agreement with Exempt Employee Group, whose memorandum of understanding expires June 30, 2025; and negotiate cost-of-living adjustments and medical cost-sharing terms with all three bargaining units covered by me-too clauses.

Risk Management

The Risk Management Division protects the District by identifying and managing safety, environmental, and liability risks. It develops strategies and procedures for safety, compliance, and emergency preparedness. This division conducts safety assessments, develops and implements hazard mitigation plans, and manages insurance and claims, ensuring secure and resilient operations.

Risk Management Major Accomplishments for FY 23-24

Safety Training: Delivered 20 Toolbox Talks to Office and Field Staff, totaling approximately 10 hours of in-person training and a 3M and White Cap Fall Protection Demonstration in the District Yard. A total of 23 Staff Members completed at least one online class in Vector Solutions totaling 135 hours combined.

Ergonomics: The District's Safety & Risk Management Officer attended "The Back School" Certified Ergonomics Assessment Specialist (CEAS) course and received Certification to provide thorough ergonomic assessments. They will also advise on office setup, and furniture needs, to reduce sprains and strains and increase employee longevity.

Safety Advisory Group: The Safety Advisory Group has been reestablished, allowing employees to voice any safety concerns that may arise and discuss and investigate any mishaps or near misses that are reported.

Emergency Preparation: The District's Chief Operations Officer, Safety & Risk Management Officer, and Wastewater Supervisor conducted a Confined Space Rescue Exercise at the Thoroughbred Lift Station currently under construction. This training evolution provided valuable insight into Personal Protective Equipment (PPE) requirements, the need for specific Confined Space Rescue Plans for each site, and a good practice opportunity for the Confined Space Rescue Team.

PPE Improvements:

- **Hard Hats:** The District has begun utilizing KASK Helmet style Hardhats for employees. The KASK Helmet has an integrated chin strap, providing valuable safety during secondary impacts. It is highly customizable for many jobs, including adding visors, face shields, ear protection, brims for protection from the sun, wire mesh guards for weed whacking, and neck gators to protect the neck from sun exposure.
- **Gloves:** The District has also begun using A3 Cut Resistant Gloves providing superior cut resistance than traditional work gloves.
- **Eyewear:** The District is purchasing 3M Maxim Elite 1000 Safety Glasses, which are Z87+ rated and have a larger coverage area protecting the eyes. Prescription safety eyewear was added to employees' vision care insurance plans, making it more convenient for staff to get new prescription safety glasses annually.

Risk Management Objectives for FY 24-25

Emergency Planning: Conduct training and evaluation of the District's Emergency Plan, including conducting fire drills and setting up an Emergency Operations Center (EOC) in the Operations Bullpen.

Safety:

- Measure Safety Awareness and Attitudes by allowing anonymous reporting of hazards and near misses.
- Create a Safety Incentive Program to encourage employees to challenge work "norms" and look for safer operating methods. Encourage Nominations for "Integrity Coins".
- Implement a Safety Management System (SMS) Software to have a single point of record for all safety-related data and documents. All inspections, certifications, and hazard reporting can be saved and analyzed to provide valuable insight into areas for improvement.
- Utilize Azuga Fleet to Incentive Safe Driving Practices. Safety proposes awarding the Top 3 Drivers each Quarter with a small incentive award.
- Apply for JPIA Grant Funding between October 1 and December 1..



Risk Management Objectives for FY 24-25

Emergency Planning: Conduct training and evaluation of the District's Emergency Plan, including conducting fire drills and setting up an Emergency Operations Center (EOC) in the Operations Bullpen.

Safety:

- Measure Safety Awareness and Attitudes by allowing anonymous reporting of hazards and near misses.
- Create a Safety Incentive Program to encourage employees to challenge work "norms" and look for safer operating methods. Encourage Nominations for "Integrity Coins".
- Implement a Safety Management System (SMS) Software to have a single point of record for all safety-related data and documents. All inspections, certifications, and hazard reporting can be saved and analyzed to provide valuable insight into areas for improvement.
- Utilize Azuga Fleet to Incentive Safe Driving Practices. Safety proposes awarding the Top Three Drivers each Quarter with a small incentive award.
- Apply for JPIA Grant Funding between October 1 and December 1.



Public Information

The Public Information Division connects the District with its stakeholders, managing communications, public relations, and media outreach. It develops communication strategies, oversees social media, and produces informational materials. This division builds public trust and enhances customer engagement by providing accurate and timely information.

Public Information Accomplishments for FY 23-24

Newsletter: Redesigned the monthly community newsletter to include the latest news, in-depth articles, rebates, and programs available for customers; introduced the quarterly newsletter to all submetered addresses in the District to inform them of the latest news, rebates, and programs.

Rebrand: Developed a complete logo rebrand and brand development, including apparel and collateral materials for digital and print.

Information Collateral: Created 16 new information pieces for customer service, operations, and engineering with links to the most recent information on the website.

Strategic Communications Workshop: Held a workshop with staff, Board, and Communications & Customer Service Committee members to target audiences, key messages, and communication channels. Information from this workshop will inform a strategic communications plan.

Outreach: Participated in the Avocado Festival with a double-sized booth and engaged over 1,800 members of the public and customers with a survey and promotional items; handed out 300 informational pieces of literature

CropSWAP Program: Partnered with Rancho Water to introduce the Regional CropSWAP (Sustainable Water for Agriculture Production) program, which promotes sustainable agricultural best practices by offering grant funding for agricultural customers to shift to more water-efficient crops. Developed a campaign to inform all agricultural customers of the program through a direct mail postcard, letters, email, and a series of newsletter articles.

Community Engagement: Hosted two field trips for Bonsall High School students; partnered with Palomar College to highlight college programs for careers in the water industry; provided students with STEM kits, PPE, and promotional items from a grant received from Metropolitan's Community Partnership Program sponsorship.

Direct Mailers: Designed and sent direct mailers to ensure District residents were informed of important events and programs, including a Board vacancy in Division Three and the Regional CropSWAP Program.

Website: Refreshed content on the website to include new photography, detachment news, rebate programs, CIP Projects, forms for committees and programs, and frequently asked questions.



Bonsall High School STEM field trip to the District Headquarters.

Public Information Objectives for FY 24-25

Planning: Develop a Strategic Communications Plan that defines target audiences, key messages, communication channels, and overall goals and objectives for the program.

Social Media: Develop a social media policy to present to the Board for approval to ensure compliance with applicable laws and regulations and clearly define which positions can post and respond to posts on the District's behalf.

Content Catalogue: Create a photo bank of images that staff has taken, to use in communication materials; train staff in basic field photography and have photos reviewed by risk management before use in public-facing communications.

Website: Enhance the user experience by redesigning top-visited pages, adding a news section, unifying copy, and updating photography. Regularly review the site to keep information current, archive outdated content, and ensure ADA compliance and royalty-free images.

School Outreach: Increase outreach to local schools, especially at the elementary level, leveraging programs, training resources, and communication toolkits that are already in place with regional partners, as well as partnering with staff subject matter experts who are willing to be guest speakers in schools.





Finance

Responsibilities

The Finance Department encompasses the responsibility for the day-to-day operations and oversight of Finance, Treasury/Investment Management, Debt Issuance and Management, Budgeting, Financial Projections, Rate Setting, Accounting, Payroll, Accounts Payable, Customer Service, Customer Billing, Grant Management, Warehouse, and the District's purchasing functions.

Finance

The Finance Division of the department is responsible for developing and administering the District's fiscal policies, budget, accounting, financing and debt management, financial data, purchasing functions, internal and external customer service, and long-term financial strategy and planning. A vital responsibility Finance provides within the agency is financial accounting and district-wide procedures to ensure adequate internal controls are in place for the safeguarding of district assets and efficient utilization, in the best long-term interest of the ratepayers. Finance provides the General Manager and Board of Directors with periodic reports on the District's financial condition, maintains financial data in accordance with generally accepted accounting principles and reporting standards, and coordinates the annual audit of the financial records by an external independent accounting firm. The Finance department manages a centralized function for the purchasing, warehousing, and inventory control of material and supplies, prepares invoices for accounts payable payments, prepares correspondence regarding various accounts, and verifies accounts payable invoice and payroll charges to proper general ledger and budget accounts. Finance calculates and reviews historical cash flows and current cash flow projections, forecasts District revenues, expenses, and fund balances, makes recommendations on related Board Policies (Debt, Investments, Reserves, etc), and actively manages the District's investments. Finance also provides technical assistance and guidance for the management related to financial matters; articulates financial concepts to various stakeholders, including the Board of Directors, staff, and resident rate payers, submits accounting reports required by the State Controller's Office and to other agencies, and prepares analyses of revenues, expenditures, water usage, Capital Improvement Project costs, and other special projects as required. Finance is also responsible for grant management, customer billing, new customer meter services, meter relocation, and downsize agreements.

Finance Major Accomplishments for FY 2023-2024

- Developed, presented, and received Board approval for amending the District's investment policy, aligning to current law and best practices, and allowing for investment in the Local Government Investment Pool – CAMP, which yielded significantly higher in interest than LAIF during the fiscal year due to its short-term investment strategy during a market environment with higher short-term federal treasury interest rates.
- Developed, presented, and received Board approval to comprehensively update the District's reserves policy establishing a range (minimum, target, and maximum) of targets compared to a singular target by fund, establishing priority level of reserve target categories (liquidity, stabilization, and contingency), establish reserve target funding timeline goals based on category priority, and establishing new target calculations based on industry best practices and debt management/issuance goals. The new Minimum reserve balance target for FY25 is \$13.2M, Target level is \$31.4M, and Maximum target is \$44.2M.
- Completed a five-year comprehensive financial projection and plan, including updated rate and debt actions necessary in light of the anticipated detachment from the SDCWA in mid-2024-25. These actions included the ability to only implement half or 4.5% of the 9% water rate increase included in the previous rate study adopted in June of 2023 for FY23-24 through FY27-28 for FY23-24 and hold that rate for 18 months through January 1, 2026 where the study had projected the District would require another 9% rate increase on July 1, 2025.
- Secured financing of \$10M with US Bank at 4.7% interest to fund the majority of water CIP projects for FY24-25 and 25-26, preserving the cash position and allow the District to be at or above the minimum target reserve level by the end of Fiscal Year 24-25.
- Secured financing of \$5M at 5.49% with City National/First American Bank for the \$16.2M Thoroughbred Lift Station to preserve low cash wastewater reserve cash balances.
- The District prepared an Annual Comprehensive Financial Report (ACFR) for FY 2022-23. The report was compiled in compliance with the Governmental Accounting Standards. The FY 2022-23 ACFR received the Government Finance Officers Association (GFOA) for the ACFR Certificate of Achievement for Excellence award.
- Received a clean audit opinion for FY 22-23.
- Compiled Annual Budget and was awarded by the by GFOA (8th consecutive year) – the Recognition of Distinguished Budget Presentation Award for the Fiscal Year 2023-24 budget.

Financial Objective for FY 2024-2025

- Secure Financing for the \$15.8M exit fee to detach from the SDCWA.
- Continue to create a budget in compliance with GFOA recommendations, for the 9th consecutive year.
- Continue to prepare the ACFR in compliance with Governmental Accounting Standards and GFOA criteria requirements for the 5th consecutive year.

Customer Service

The Customer Service Division serves as the front-line customer support working with ratepayers in person and in a call center setting. The Customer Service section of the department is primarily responsible for performing a variety of direct customer contact and office support activities supporting the servicing of customer accounts for water/wastewater service. Customer Service is responsible for processing requests for service, handling customer complaints, providing information, and educating the residents about rates and the District overall. The department provides information regarding beginning or ending service, billings for cash receipts, reimbursement payments, and related matters; takes required information from the customer to open, close, or modify service accounts, verifies information, and updates the customer profile as necessary. Within the administrative code, Customer Service may make recommendations for payment schedule adjustments and/or authorize standard refunds or adjustments, which are ultimately approved by an accounting supervisor. Customer Service prepares appropriate forms and notifies District field staff of the need for field activities such as turning the water service on and off, checking meter readings, and/or the need for meter service.

Customer Service Major Accomplishments for FY 2023-2024

- Implemented new payment plans that do not require customers to pay penalties while on a payment plan.
- Implemented remote deposit for customer checks allowing instant receipt of funds and reducing probably of insufficient funds from delayed deposit.
- Updated pressure reducing valve acknowledgment forms to better inform customers of responsibilities and potential risks of leaks due to high system pressures.
- Achieved average call hold times of under 60 seconds
- Filed claim and received funds from State Water Arrearages Program totaling over \$116 thousand to directly pay down customers accounts that built past due balances during COVID-19.
- Implement IT enhancement allowing customer service department access to see in real time where operations staff are in the field and dispatch efficiently to address customer issues.
- Started implementing text message, rather than phone call only, notifications for water shutoff's due to mainline leak repairs.

Customer Service Objectives for FY 2023-2024

- Maintain average call hold times to under 60 seconds
- Enhance collections process by assigning all customer service staff certain past due accounts to follow-up on.
- Reinstate collection enhancement effort of placing property liens on accounts with significantly delinquent past due balances.
- Simplify language and billing description for rates on water bills to enhance customer understanding



Engineering Responsibilities

The Engineering Department encompasses the responsibility for the day-to-day operations and oversight of Engineering, and Engineering Customer Service for the District. The Engineering Department also provides technical support to Operations with record inquiries, GIS maps, water shutdown processing, construction coordination and project execution and inspection.



Engineering Major Accomplishments for FY 23-24

- Projects in construction, Lift Station No. 1 Replacement Project.
- Completed the Live Oak Park Bridge water main relocation project.
- Process and shuttle several developer projects through design and or construction phases including the following:
 - ✓ Bonsall Oaks
 - ✓ Campus Park West
 - ✓ Ocean Breeze Ranch
 - ✓ San Luis Rey Training Center
 - ✓ Vista Valley Country Club
 - ✓ Pool Center
- Processed San Diego County availability letters and new water meter installs.
- Cleared heavy brush, tress and other vegetation on District properties and easements.
- Completed Annual Water Loss Audit.
- Finalized the report for the San Luis Rey Return Flow Recovery Project.
- Issued encroachment permits and acquired easements (ongoing).
- Resolved over 50+ facilities maintenance tickets.
- Commenced construction on the Wholesale Water Efficiency Projects.

Engineering

The Engineering Department's specific responsibilities include: the management and execution of the Capital Improvement Program for water and wastewater, ensuring the timely completion and sound financial management of such projects, and inspection of construction of District facilities. Oversight and administration of District and developer projects through design and construction, to confirm that water and wastewater facilities conform to District standards and requirements. In addition, the Department inspects the construction of District facilities, and is responsible for the procurement and maintenance of easements throughout the District. Engineering develops and prepares complete procurement solicitation and schedules for Notice of Inviting Bids, Request for Proposals, and other projects. The Department processes and reviews improvement plans, grading plans, subdivision maps and engineer's cost estimates, prepares quantity and cost estimates for varied projects, prepares construction agreements, fee letters, contract documents, and other related legal documents relating to District improvements and developer projects, and acquires and reviews documents for conformance to District requirements. The Department maintains the District planning documents as well as develops and updates policies, procedures and guidelines for the current and future development of District water and wastewater systems.

Engineering Customer Service provides a wide variety of services to the public, which includes San Diego County Form processing, public inquires on facilities and projects, Geographical Information Systems (GIS), maps and record drawings. The Department is responsible for performing a variety of direct customer contact and office support activities supporting the payment of appropriate capacity fees for water and wastewater and inspection of the installation of new water and sewer infrastructure, and serves as a front-line customer support working with the public in person, over the phone, via email and in response to website inquiries. In addition, the team processes applications, fees, and deposits in coordination with the Customer Service Department, reads and interprets improvement plans and facility maps for a variety of information for the public, engineers, consultants, and other departments. Engineering also processes County documents related to water and sewer availability, agency clearance forms and other documents related to developments and explain regulations and policies and procedures to interested parties.

Engineering Objectives for FY 24-25

- Complete construction for the Wholesale Water Efficiency Project.
- Complete construction for the Lift Station No. 1 Replacement Project.
- Update the District's water and wastewater master plans.
- Update the District's water and wastewater hydraulic models.
- Install manual transfer switches at Morro Hills, Rainbow Hills and Vallecitos Pump Stations.
- Relocate utility conflicts and obtain easements for existing District facilities on County-initiated projects, Bonsall Regional Park Project.
- Procure emergency generators for sewer lift stations.

Information Technology

Responsibilities

The Information Technology (IT) Department encompasses the Information Technology Manager, Information Systems Specialist, and two Electrical Technicians.

The IT Department oversees the implementation of district-wide software, assists other departments with finding technological solutions, and manages and maintains the District's cloud and local infrastructure. The Department also oversees the development of Information Technology policies for the District, provides guidance for the department on resolving issues with SCADA, users' computer issues, and deployment plans assists the with daily operations, and manages the department's budget to find more technically feasible and fiscally responsible solutions.

Information Technology

The Information Systems Division performs information systems support related to end-users, desktop and network computer systems, hardware and software installation, and troubleshoots and maintains the District computer systems, and is responsible for the developing and maintaining of interfaces among District systems such as GIS, online and mobile GIS, Asset Management software, SCADA, finance software, and Automated Metering Infrastructure.

Information Technology Major Accomplishments for FY 23-24

- Completed the implementation of Infor Mingle.
- Enhanced the District's cybersecurity and worked on implementing the District's Cyber Security Initiative.
- Completed the implementation of CSF and EAM integrations with IDM.
- Assisted the SCADA vendor with the installation of radios and switches.
- Worked on enhancing the Cybersecurity of the SCADA network.
- Installed a new security badge system for the District that is more cost-effective and easily maintainable.
- Completed the upgrade of our District's camera system.
- Upgraded our password management software.
- Replaced our internet service with a more cost-effective service, while maintaining existing bandwidth.
- Developed an emergency notification system to be used with staff when there is an emergency.
- Developed an in-house reverse-911 tool to allow us to notify our customers of Water shutdowns.
- Implemented Single Sign-On for multiple software.
- Developed FOG inspections for Wastewater crew.
- Developed a New Meter Install Application Tool to reduce the reliance on paper applications which results in a more efficient workflow.

Information Technology Objectives for FY 24-25

- Continue enhancing the District's cybersecurity and implement the District's Cyber Security Initiative.
- Continue assisting the SCADA vendor with the installation of radios and switches.
- Enhance Cybersecurity on the SCADA network.
- Develop a solution for Employee Performance Evaluation workflow.
- Deploy and maintain patch management and inventory software.

Technical Services

The Technical Services Division includes Electrical and SCADA Services, which is responsible for maintaining all electrical, electronic, instrumentation, associated control data networks, and SCADA systems and the networks that are used to supply water to District customers and systems that treat water. Additionally, the Electrical Services group continues to revise operating systems for efficiency and ease of operation and monitor District facilities for electrical violations and safety hazards to maintain an electrically safe environment.

Technical Services Major Accomplishments for FY 23-24

- Added additional cameras at these remote sites Canonita Tank, Morro Reservoir, Rainbow Heights Pump Station, Hutton Tank and Rice Canyon Tank.
- Added Additional cameras at HQ to cover blind spots at Building 2 and Finance Building.
- Relocated SCADA equipment for protection from the environment at Canonita Tank.
- Installed and Calibrated new Flow Meters at Canonita Tank, Rice Tank, Gomez Tank.
- Added Battery backup panels to ensure power resiliency at Hutton Tank, Canonita Tank, Connection 8 and Connection 9.
- Added three additional radios at Rice Canyon Tank for Redundancy.
- Assisted Operations department in the installation and connecting Chlorine Analyzers at Canonita Tank and Rice Canyon Tank.
- Assisted in the setup of Thoroughbred Lift Station
- Assisted in the startup of new Generators at Gomez and Magee Pump Stations.
- Assisted in the replacement of the Main Circuit Breaker for Gomez Pump Station.
- Replaced Pump 1 & 3 Control Valve Wiring at Gomez Pump Station.
- Upgraded electrical feeds to mixer panels to accommodate the higher load.
- Powered up Pump Skid at the temporary Turner Pump site.
- Diagnosed and repaired issues with pump motors and electronics.
- Replaced Motor Starters at Rancho Viejo Lift Station
- Wired the Odor Control system at Horse Creek Ranch and Rancho Monserate Lift Stations.
- Installed Lights behind Building 2 to prevent break-ins.
- Replaced Starters at Morro Chlorine Station.
- Rainbow Hills Pump Station Motor Controls Replacement.
- Lift Station Motor Meg Testing.



Technical Services Objectives for FY 24-25

- Added additional cameras at these remote sites Canonita Tank, Morro Reservoir, Rainbow Heights Pump Station,
- Add additional cameras at Sites.
- Upgrade Load Center at Sites.
- Add Battery backup panels for sites to ensure power resiliency.
- Assist in implementing a new Rapid Aerial Water Supply (RAWS) at Gomez Tank.
- Install and connect additional Chlorine Analyzers at Tanks.
- Install and Calibrate new Flow Meters at Tanks.
- Assist in the startup of the new Pump Stations.
- Assist in the startup of the Thoroughbred lift station.



Construction

Responsibilities

The Construction Department is dedicated to conducting its mission cooperatively and collaboratively. It is the District's largest department and often supports other departments, such as Meters, Valve Maintenance, and Wastewater. Construction emphasizes quality and safety and provides high-quality customer service. The most critical function of the construction crew is to maintain and repair the District's infrastructure. The Department tackles leaks and water main breaks to restore the water service promptly. A rapid response and execution are critical to reducing service interruption time. The Construction team responds to water emergencies 24 hours per day, year-round. Construction is vital to the District's ability to deliver safe and reliable water to ratepayers.

Construction

In addition to the reactive responses to leaks, the Construction team also takes proactive measures by performing Capital Improvement Projects (CIP). The team consistently achieves CIP valve replacements to minimize the number of customers affected in future water shutdowns. The team installs new water lines to improve and expand the District's pipeline infrastructure. Construction also installs and upgrades Pressure Reducing Stations (PRS) to maintain lower pressures where possible.

Lastly, the Construction crew is responsible for locating water and wastewater pipes and marking them for contractors, residents, and other utilities. Successfully locating and marking out pipelines is essential to protecting RMWD's infrastructure. Locates are accomplished in collaboration with the 811 Dig Alert service and are regularly completed within two days of being called in.

Construction Major Accomplishments for FY 23-24

- Projects in construction, Lift Station No. 1 Replacement Project.
- Installed two new pressure-reducing stations at Via Mariposa and Fire Rd.
- Upgraded the Atkins pressure station from 8-inch to 12-inch.
- Installed 80 feet of 12-inch pipe at Turner Tank to test a pump skid that moves water from Hutton to Gopher tank.
- Repaired 41 main breaks throughout the year.
- Removed a 30-inch butterfly valve and disabled a 30-inch plug valve at Beck Reservoir.
- Rehabilitated an RMWD and FPUD Interconnection at Mission Rd.
- Studied the viability of five new interconnects between FPUD and RMWD.
- Contributed to the Bonsall High School STEM program field trip to RMWD.
- Assisted the Wastewater department during atmospheric river events and supported the operation at the Lift Station and North River Road.
- Contributed to the Meters department by replacing and downsizing meters.

Construction Objectives For FY 24-25

- Continue with District-Wide Pressure Management by installing pressure-reducing stations in suitable locations.
- Extend the lifespan of RMWD pipelines by installing sacrificial anodes whenever there are opportunities, such as during excavations.
- Install or replace 20 valves to minimize the number of customers affected by future water shutdowns.
- Clean and maintain the lower yard to promote professionalism and a safe workspace.
- Train all Construction Department staff to be proficient with pipe welding.
- Train all Department staff to operate heavy equipment safely and effectively.



Meters

Responsibilities

The Meters Department's primary function is to ensure timely and accurate meter readings and maintain the District's 8,901 water meters. Reading meters occur monthly, starting on the first working day of the month. The district's meters are primarily Automatic Meter Reading (AMR) meters. Reads are collected via a truck-mounted antenna and driving through routes to capture the data. The AMR meters allow for efficient radio reads, eliminating the need for manual reading and physical logging of each meter.

Meters

The Meters team also serves as a field service representative. They are responsible for responding to service orders issued by the RMWD Customer Service department. Meters staff frequently responds to service requests, inquiries, and billing or read discrepancies. While carrying out these responsibilities, the team engages with the customer to address their requests or inquiries. When billing discrepancies occur, Meter staff can data-log the meter to illustrate water usage to the customer. If a meter is broken or under-registering, the team will repair or replace it to ensure accuracy.

The Meters team also safeguards the district's potable water system through an effective Cross-Connection Control (CCC) program. The team is responsible for annually testing all 4,933 backflows in the District to ensure State and Federal compliance. Backflow testing is performed by the CCC & Backflow Technician, as well as the Meter department staff. If a backflow fails its annual test, a repair notice is sent to the owner. Additional notifications are mailed to unresponsive customers. If the customer does not cooperate, the lock-off procedure is initiated. The Meters department is responsible for the entire CCC Program and its processes.

Meters Major Accomplishments for FY 23-24

- Consolidated the reading schedule to read the entire district in two working days. A process that used to take weeks is now completed in two days.
- Meters worked with Information Technology to pinpoint and prioritize the meters that were under-registering. Using a systematic approach, the team replaced meters or registers to guarantee reading accuracy.
- Maintained a successful Cross Connection Control Program by testing all 4,933 backflows in the District and sending out failure notices, thus ensuring ratepayer compliance and a safe water supply.
- Enhanced the Department's capabilities in backflow testing, eliminating the need for contracted backflow testing services.
- Conducted a study to determine the feasibility of insourcing backflow repairs as a service to the ratepayers and presented the findings to the April E&O Committee meeting.
- Contributed to the Bonsall High School STEM program field trip to RMWD.
- Assisted the Wastewater department during atmospheric river events and the operation on North River and Old River roads.

Meters Objectives For FY 24-25

- Continue with a successful Cross Connection Control Program by testing all backflow devices in the District, sending failure notifications, and stopping service to non-compliant customers.
- Continue research to identify broken or under-registering meters and replace them as needed.
- Consistently complete all meter readings within the first two working days of the month.
- Work with the Billing Specialist to consolidate and complete check bills within two weeks.
- Study and test Advanced Metering Infrastructure (AMI) to determine its feasibility at RMWD.



Technical Services

Responsibilities

The Senior Fleet Mechanic/Maintenance (Garage) provides maintenance and record keeping of all District Fleet, including all vehicles and heavy construction equipment. The district mechanic maintains the fleet daily, ensuring the fleet and equipment is operational 24 hours per day, seven days per week for customer service calls and emergency response. Additionally, this area maintains and repairs all other miscellaneous small equipment and field equipment. The district mechanic is responsible for researching specifications for new vehicles & equipment. This involves meeting with fabricators and ensuring vehicles and equipment are built to the district's requested specifications throughout upfitting.

Technical Services Major Accomplishments for FY 23-24

- Arranged and monitored the surplus auction of vehicles and equipment to be replaced using GOVDEALS and recovered \$2,006.
- Involved in drafting specifications to equip and upgrade many vehicles with improved tool and equipment storage systems, safety lighting, and safety improvements.
- Met all requirements for the Bureau of Automotive Repair, California Air Resources Board (CARB), and Cal Recycle on Site Inspection.
- Met all California Periodic Smoke Inspection requirements for Diesel Powered ON ROAD Vehicles.
- Acquired California Council on Diesel Education and Technology (CDET) Certification to perform Diesel engine emissions testing in-house and purchased test equipment.
- Involved in defining the specifications, purchasing, and fitting a new work truck for the electrician, and working with the electrician to configure the vehicle to maximize efficiency.

Technical Services Objectives For FY 24-25

- Add shelf storage, wiper blade, and wiring arrangements to parts rooms and keep them stocked and orderly.
- Arrange and monitor Diesel Particulate Filter cleanings. Perform capacity and smoke testing per the California Air Resources Board in-house.
- Purchase and install improved storage for waste oil and antifreeze cage spill kits and major clean-up equipment.
- Continue to maintain all on-road and off-road Fleet vehicles and small equipment in good working order and ensure they are safe and efficient.
- Work with the District Electrician on installing Electric Vehicle Charging systems for future vehicles that will be required by CARB. Also work on a pilot test of vehicles within the district. Ensure that the District Infrastructure and the Emergency backup generators will operate and sustain a major power outage without failure during the outage.
- Work with the District Electrician on the potential placement of EV charging stations at some of our work sites. The stations would be in strategic areas for future use as we implement electric vehicles.
- Gather all data on the mileage range needed by vehicles selected per department.
- Vehicle inspection and grading for vehicles that require replacement.
- Work on the best vehicles to start the transition into Electrification.
- Seek Manufacturer's Training on the Safety and Troubleshooting of Electric Vehicles and Charging Stations.



Water System Operations and Valve Maintenance

Responsibilities

System Operations is responsible for operating the potable water system to ensure reliable and sustainable deliveries to District ratepayers. To accomplish this, Water Operations utilizes a Supervisor Control and Data Acquisition (SCADA) system that controls water flow and storage through the District's distribution system. Additionally, this department performs various maintenance, monitoring and evaluations of the District's storage reservoirs, tanks, pump stations and chlorine/chloramine injection facilities. System Operators perform routine maintenance and repairs for all pumps in the distribution system.

Water System Operations and Valve Maintenance

Water Quality is also a part of System Operations. The system operators are responsible for collecting routine samples used to monitor water quality in the distribution system. This includes specific sampling for California State Water Resources Control Board requirements, contractors and construction crews working on the District's pipelines. Other components of Water Quality include responding to customer water quality calls, pipeline flushing as well as the preparation of monthly, quarterly, and annual reports for the State Water Resources Control Board.

Valve Maintenance is responsible for the District's valve exercise program while maintaining all appurtenances such as fire hydrants, wharf heads, blow-offs and air release valves. Additionally, Valve Maintenance handles the upkeep of easements. Valve Maintenance ensures that distribution valves are operational and ready to isolate the water mains in emergencies, routine maintenance work and new construction projects. Valve Maintenance also assists with shutdowns for the construction/maintenance department and contractors by operating the valves that isolate the main lines.

Water System Operations and Valve Maintenance Major Accomplishments for FY 23-24

- Industrial painted one (1) sites/pump stations.
- Industrial painted three (3) pressure stations.
- System Ops successfully installed four (4) 900ft injections lines at Morro reservoir for the chloramination process. This updated process separately injects chlorine and LAS directly into the body of the reservoir. District system operators have been able to achieve chloramine residual levels of up to 3.0ppm at 50ft in the body of the reservoir, these residual numbers were the ultimate goal of the district.
- Successfully operated as a proof of concept a temporary pump station at Turner tank property. This test was to prove the viability of pumping Hutton/Turner water directly into the Gopher tank. This test is a concept in lieu of the Oceanside Weese treatment plant pump station. System operators have been able to achieve an inflow into Gopher of up to 2,000 GPM on top of system demands.
- Five (5) distribution storage tanks were cleaned/washed out and disinfected.
- Replaced twenty-four (24) EFI pressure station isolation valves with new EFI warranty replacement valves.
- System Operators removed a 12" CLA-VAL from a non-operational site and repurposed it at Atkins to up-size it from an 8" straight pipe setup. The Construction crew installed the new larger CLA-VAL and System Ops installed the pilotry and successfully configured the valve to allow 24 CFS from Metropolitan versus the old max of 20 CFS on connection #8.
- Installed new Hach CL-10 analyzer at Canonita tank.
- System Ops procured a underwater (ROV) to capture video and pictures. The Water Resource Control Board mandated that we perform underwater dive inspections of the three (3) covered reservoirs. Using the new ROV, System Ops performed all of the dive inspections in-house, saving the District money.
- Valve maintenance turned/exercised over 1,400 valves.
- Valve maintenance staff input over 170 geo-viewer mapping corrections in our distribution mapping software.
- Beck Reservoir was successfully placed in official inoperable status by the Division of Safety of Dams. This was achieved by completing all the physical alterations required by the Division and then passing an inspection.
- Completed a Tri-annual Sanitary Survey with the Division of Drinking Water and completed/corrected all the action items set by the Division.

Meters Objectives For FY 24-25

- Continue with a successful Cross Connection Control Program by testing all backflow devices in the District, sending failure notifications, and stopping service to non-compliant customers.
- Continue research to identify broken or under-registering meters and replace them as needed.
- Consistently complete all meter readings within the first two working days of the month.
- Work with the Billing Specialist to consolidate and complete check bills within two weeks.
- Study and test Advanced Metering Infrastructure (AMI) to determine its feasibility at RMWD.

Water System Operations and Valve Maintenance Objectives FY 24-25

- Successfully test in a methodical fashion and operate all three of the new EFI pump stations after they're installed.
- Continue working with Engineering and construction to develop system pressure controls with the installation of above ground pressure stations.
- Construction and System ops work together to install new Heli-Hydrant in the Gomez area.
- Continue testing on the chloramination injection process for the Morro injection system. This is to include testing more efficient ways to inject to reduce chemical burn off which induces residual loss. Ideas can include injecting from the bottom of Res directly into mixer stream, adding another injection point in middle of Res, upgrading all our injection lines to UV rated Herco-Chems.
- System operations to continue to brainstorm and manipulate the distribution system in search of additional ways to get extra Metropolitan water to the southern region of the District to reduce and or eliminate our reliance on SDCWA connection water.
- Install new flow meter at Upper Lookout tank.
- Install an additional three (3) new Hach CL-10's chlorine analyzers at three distribution system storage tanks.



Wastewater

Responsibilities

The Wastewater Division protects public health and the environment by providing customers with reliable and sustainable wastewater collection and pumping services. This area is responsible for prudently accomplishing its duties by completing its tasks using effective management practices and ensuring an environmentally responsible operation.



Gomez Tank

Wastewater Major Accomplishments for FY 23-24

- Consolidated the reading schedule to read the entire district in two working days. A process that used to take weeks is
- Process and shuttle several developer projects through design and or construction phases including the following:
 - ✓ Bonsall Oaks
 - ✓ Campus Park West
- Assist the Engineering Department with the completion of upcoming Capital Improvement Projects:
 - ✓ Thoroughbred Lift station review final plans 2023.
 - ✓ Wastewater department will receive training on VFDs and automation controls in 2023.
 - ✓ Campus Park Development review plans and provide feedback.
 - ✓ Operate Thoroughbred lift station & emergency storage to its fullest potential 2023-2024.
- New Statewide waste/discharge requirements general order WQ 2022-0103-DWQ for sanitary sewer systems. Effective June 05, 2023, into new implementation.
 - ✓ Regulatory Coverage transfer - 4-11-2023 certified District continuing coverage.
 - ✓ Six-year sewer system management plan update
 - ✓ System resilience
 - ✓ System performance analysis
 - ✓ Electronic Sanitary Sewer System service area boundary Map
 - ✓ Unintended failure to report
 - ✓ Duty to report to Waterboards
 - ✓ Enforcement provisions
 - ✓ Entry & Inspections
- Air Pollution Control District (APCD) - Data for EIS.
- USP Technologies treating Rainbow collection system with SulFeLox per odor control.
- Continue Odalog sewer odor reading assessments on the collection system. Control H2S buildup and minimize odor complaints.
- Provide and maintain preventative maintenance to seven sewage lift stations and one flow meter station (1- A new additional lift station will come online in January 2024, Thoroughbred).
- Fats, oils, and grease (FOG) inspections. Provide outreach practices to 43 Food Service establishments (FSE) and residents.
- Manhole interior rehabilitation repairs. Budgeted (10) manholes for rehab. repairs.
- Manage and maintain collection sewer easements.
- Rancho Viejo generator rebuilt cylinder heads, and new engine bolts.
- Mutual Services Agreement between Fallbrook Public Utility District and Rainbow Municipal Water District. (FPUD Sewer combination truck vector usage).
- 15" VCP warranty inspection North River Road - Sewer line cleaning and CCTV inspections 3 miles.
- The contractor provides 25% CCTV Inspections of the collection system, minimizing exfiltration and infiltrating sewer manholes and lines.
- Maximize sewer trailer jetter cleaner under 12" sewer pipes along residential areas.
- Continue with confined space rescue training in-house and outside agencies for emergency preparations.

Wastewater Objectives for FY 23-24

- Consolidated the reading schedule to read the entire district in two working days. A process that used to take weeks is
- Assist the Engineering Department with completing upcoming Capital Improvement Projects 2024-2025.
- CIP for a new replacement generator at Rancho Viejo. Per the APCD field inspection, the current portable unit expires in January 2025.
- The wastewater department will receive training on VFDs, Cat generators, MCC electrical building, Lift station operational equipment, and automation controls in 2024.
- A 2-year internal Sewer System Management Plan audit will be completed in March 2025
- Sanitary Sewer System - Annual Report Data completed/certified April 2024.
- Monthly Certifications of "No Spills" Categories 1- 4.
- Maintain and continue quarterly sampling & flows per the City Of Oceanside & Rainbow mwd maintenance and operations of wastewater, transmission, and treatment agreement.
- Sanitary Sewer System General order Sewer System Management Plan Audit due date: August 02, 2025, Draft LRO needs to be uploaded to the CIWQS database. Rainbow Municipal Water District WDID # 9SSO10687.
- Statewide waste/discharge requirements for general order WQ2022-0103-DWQ for sanitary sewer systems. Effective June 5, 2023, into new implementation.
 - ✓ District staff and LRO will build and update the required implementation draft by August 2025. Section numbers 3, 4, 5 & 6 specifications.
 - ✓ Update the following sections: (3.1, 3.2, 3.3, 3.4, 3.5, 3.6-4.1, 4.2, 4.35.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 5.10, 5.11, 5.12, 5.13, 5.14, 5.15, 5.16, 5.17, 5.18, 5.19-6.1, 6.2, 6.3, and 6.4).
- Air Pollution Control District (APCD) - Maintain accurate documentation per Rule 11 permit requirements, including annual oil and air filter changes.
- USP Technologies will treat the Rainbow collection system with SulFeLox odor control. A 15-day odor trial from Horsecreek to Old River Road lift station will be treated and completed before July 01, 2024 with a full implementation of an odor control program.
- Continue Odalog sewer odor reading assessments on the collection system. Control H2S buildup and minimize odor complaints, concentrating in older neighborhoods with older collection systems.
- Provide preventative maintenance to eight sewage lift stations and one flow meter station (Thoroughbred L/S and emergency storage basin will come online in late June 2024). After acceptance by the district wastewater division to operate the Thoroughbred lift station and emergency storage to their fullest potential in 2024.
- Fats, oils, and grease (FOG) inspections. Provide outreach practices to 43 current and two new Food Service Establishments (FSE).
- Manhole interior rehabilitation repairs. Budgeted (10) manholes for rehabilitation repairs 2024-2025.
- Manage and maintain collection sewer easements.
- Increase contractor CCTV inspections from 25% to 30%. Inspections of the collection system, minimizing exfiltration and infiltrating sewer manholes and sewer lines.
- Maximize sewer trailer jetter cleaner under 12" sewer pipes along residential areas, including continual water truck rental.





Glossary

Accrual Basis of Accounting: The basis of accounting under which transactions are recognized when they occur, regardless of timing of cash receipts and disbursements.

Adopted Budget: The official budget as approved by the Board of Directors at the start of each fiscal year.

Amended Budget: The adopted budget as amended by the Board of Directors through the course of the fiscal year.

Balanced Budget: A budget in which planned expenditures do not exceed planned funds available.

Bond: A security whereby an issuer borrows money from an investor and agrees and promises, by written contract, to pay a fixed principal sum on a specified date (maturity date) and at a specified rate of interest.

Budget: A plan of financial operation comprised of estimated expenditures for a given period (usually a single fiscal year) and the proposed means of financing the expenditures (through revenues).

Capital Budget: A budget which focuses on capital projects to implement the Capital Improvement Program.

Capital Expense/Expenditure: An acquisition or an improvement (as distinguished from a repair) that will have a life of more than one year and costs more than \$10,000.

Capital Improvement Program: A plan for the capital improvements to be implemented each year over a number of years to meet capital needs arising from the assessment of long-term needs. It sets forth the estimated cost for each project and specifies the resources required to finance the projected expenditures.

Capital Improvement Project: The budget unit to group activities and costs necessary to implement a specific capital improvement and/or acquisition. A project can include the construction, acquisition, expansion, replacement, or rehabilitation of a physical facility or improvement. Projects often include planning and design, land acquisition, and project management costs related to such facilities and improvements.

Department: A major organization group of the District with overall management responsibility for an operation or a group of related operations within a functional area.

Expenses: Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of regardless of the timing of related expenditures.

Fiscal Year: A 12-month period to which the annual operating budget applies and at the end of which an entity determines its financial position, the results of its operations, and adopts a budget for the coming year. The District's fiscal year is from July 1 to June 30.

Fixed Assets: Equipment costing \$10,000 or more, including tax, with a useful life longer than one year, and not qualifying as a capital improvement project. Includes automotive equipment, office equipment, office furniture, acquisitions, landscaping improvements, etc.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance: The equity (assets minus liabilities) of governmental fund and fiduciary fund types.

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards of and guidelines for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures.

Government Finance Officers Association (GFOA): Founded in 1906, it is the premier association for public-sector finance professionals in the United States and Canada.

Governmental Accounting Standards Board (GASB): The independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments.

Payroll Expenses: Compensation paid to or on behalf of District employees for salaries and wages, overtime and benefits.

Revenue: Moneys that the District receives as income such as payments for water consumption, shared revenues and interest income.



About Rainbow Water

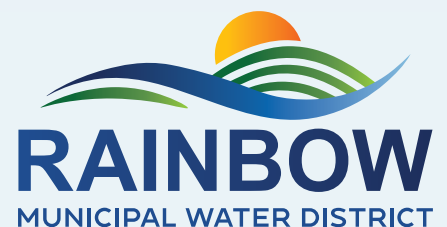
Founded in 1953, Rainbow Water treats and delivers water to over 8,800 water customers and 3,260 sewer customers within an 82-square mile service area. As a small government agency, Rainbow Water works tirelessly to maintain service 24 hours a day and 365 days per year.

Mission

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

Core Values

Integrity, Professionalism, Responsibility, Teamwork, and Innovation.



3707 OLD HIGHWAY 395, FALLBROOK, CA 92028
760.728.1178 | RAINBOWMWD.CA.GOV



BOARD INFORMATION

BOARD OF DIRECTORS

November 19, 2024

SUBJECT

FINANCE REPORT FOR OCTOBER 2024

DESCRIPTION

Summary:

Water Sales:

FY 24/15 Budget -	10,000 AF
Actual September FYTD 24/25	5,815 AF
Actual September FYTD 23/24	4,813 AF
Actual September FYTD 22/23	7,262 AF
Actual September FYTD 21/22	6,708 AF

September FYTD 2024/2025 Budget vs Actual:

Water Operating Revenues through September 2024 came in at \$16.1M or 2% above the budgeted amount for this time of year, due mostly due to the higher-than-average water demands for July through September as noted in the "Water Purchases" section below. The gain in revenue from water sales is offset slightly by a timing variance due to RTS charges placed on property taxes by the District not being received until mostly in the December through May time period. Water Operating Expenses are at \$12.8M and 4% above the budgeted amount for this time of year due to the increased volume of imported water purchases stemming from higher sales. Net Operating Water Revenue was \$3.2M or 6% below the budgeted amount for the third month of operating activity. The District spent \$2.1M on capital projects, or 27% of the annual budget through the same period. Water Non-Operating Revenues are at \$0.1M or 14% below budget due to property taxes not being received from the County until starting in December.

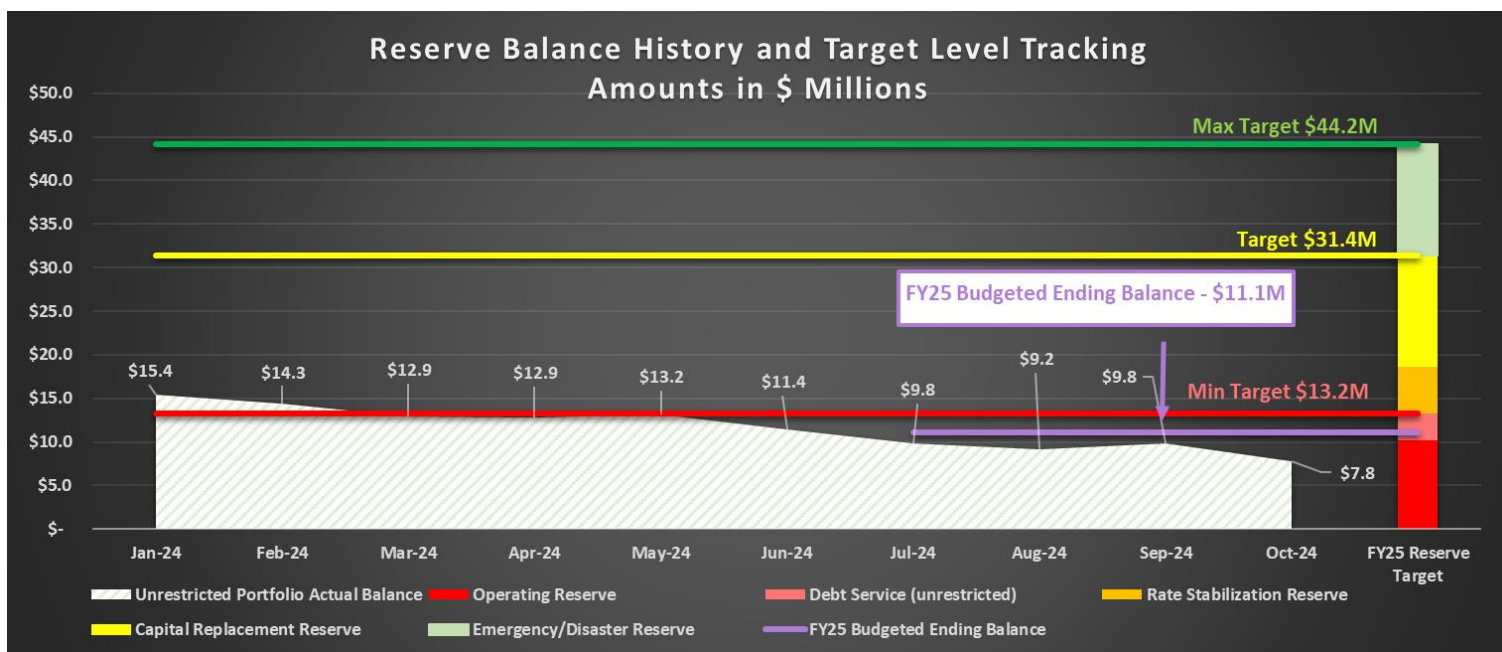
Wastewater Operating Revenues through September 2024 came in at \$1.4M or 1% above the budgeted amount for this time of year. Wastewater Operating Expenses are at \$1.1M or 1% below the budgeted amount for this time of year due mostly from the timing of expenses. Net Operating Wastewater Revenue was \$264 thousand or 23% above the budgeted amount for the third month of operating activity. Capital project spending came in at \$368 thousand or 8% of budget. Most of the Wastewater CIP budget stems from amounts approved in previous years that have been carried forward relating to the Thoroughbred Lift Station to cover remaining costs to wrap up the project but are in excess of the projected actual costs by approximately \$3.5M to \$3.7M. However, since there was no identified funding source tied to the excess budget approved in previous years on this project, there will be no remaining budget to reallocate to other projects when this project's budget is revised downward to actual costs during the mid-year budget revision.

Staff finished the comprehensive budget book for FY24/25 and submitted it to the GFOA for consideration to given the Distinguished Budget Presentation Award. If awarded, this would mark the District's 9th consecutive year of received the award. The budget document is presented separately on this agenda for review and reference.

Treasury Report:

The District’s total portfolio at the end of October 2024 was \$14.3M with the unrestricted portion totaling \$7.8M, and \$3.8M in remaining restricted proceeds from US Bank \$10M loan dedicated to covering CIP expenses for FY25 and FY26 budgeted projects. This is a decrease from the unrestricted portfolio balance of \$9.8M in September 2024 due the District initial exit fee payment in October to the SDCWA of \$3.2M and acquisition price payment of the 4 northern MWD connections for \$0.6M. The graph below depicts the historical unrestricted portfolio balances compared to the new reserve targets adopted in June 2024.

The District received interest revenue in the amount \$70,623 for October, not including interest on restricted debt service reserves, compared to \$30,721 for the same period last year. The Federal Home Loan Bank bond for \$500,000 matured in October and was rolled into the main liquidity money market fund the District uses that currently earns approximately 4.7%. The CAMP investment yield is currently 5.0% and LAIF is 4.52%. As liquidity is of primary concern over the next year due to the impending exit fee payment this fall and higher debt service amounts, no funds will be reinvested beyond the District’s most liquid and safe options (CAMP, Money Market, LAIF) until reserves amounts have substantially increased. Fortunately, these immediately available investment options still have higher interest rates than longer term options.



Water Purchases & Water Sales:

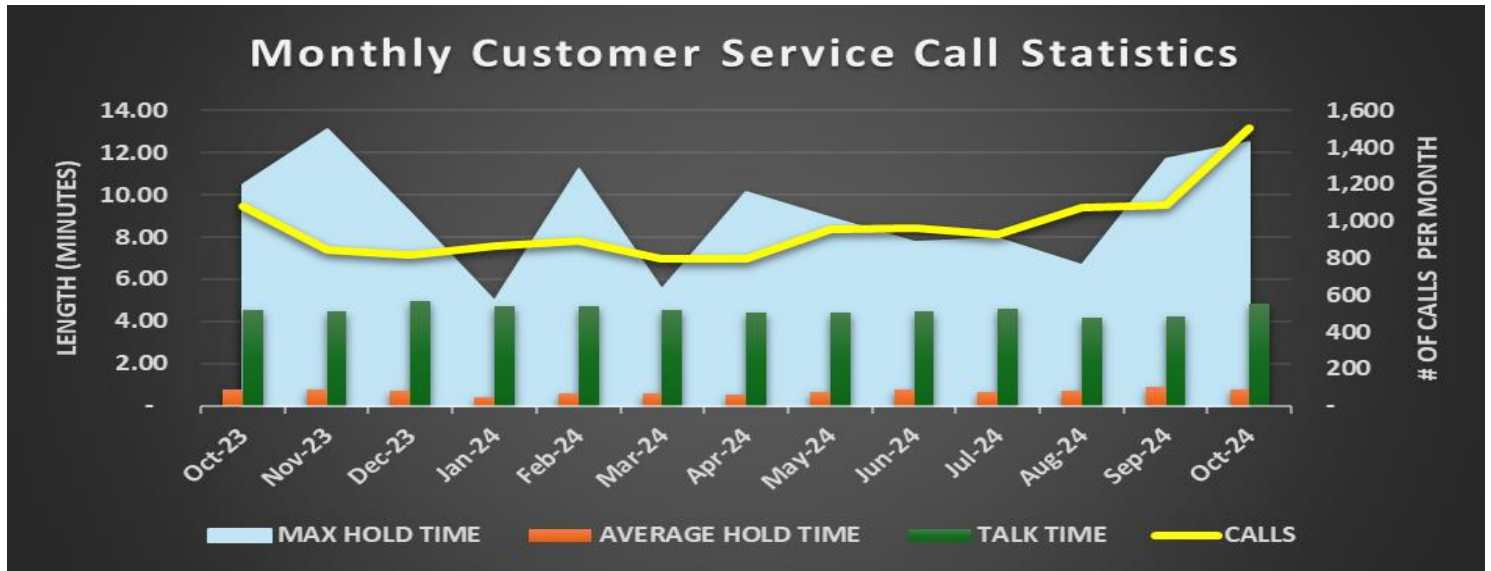
The Five-Year Water Purchases Demand Chart (Attachment D) reports imported water purchases; this data is available in real time. System demand for the current fiscal year totaled 6,402 AF through October, or 16% above the system demand at the same time last year, and 21% above the water purchases budget for this time of year based on the average 5-year demand trend through October.

The District recorded 5,815AF in water sales through October for FY25 compared to 4,813 AF is sales for FY24 for the same period, or 21% higher than prior year due to the hotter and dryer weather this summer compared to last year. The Water Sales Summary Report (Attachment E) represents water that was billed to customers, so the data is time delayed in comparison to the Five-Year Water Purchases Demand Chart. These two reports will not correlate unless they are both presented for the same date; we provide the purchases report in real time to provide the board with the most current demand information available.

Monthly Call Volume:

The call volume for October included 1,503 calls to customer service with an average hold time of 46 seconds, average talk time of 4 minutes and 51 seconds, and a max time in queue of 12 minutes and 29 seconds. See the chart below for the comparison of call statistics over the last 12 months. The District saw elevated call volume in October due to technical issue causing Cycle 1 customers on Autopay to have payments drawn for both outstanding months of water bills rather than just those due in October. The issue was remedied with the

additional month refunded, but it involved answering significantly more calls in the initial few days when customers first noticed the high payment amounts.



Attachments:

- A. Budget vs Actuals (September FY25)
- B. CIP Budget to Actuals (September FY25)
- C. Treasury Report (September FY25)
- D. Five-Year Water Purchases Demand Chart (through 11/1/2024)
- E. Water Sales Summary (October FY25)
- F. Check Register (September FY25)
- G. Directors' Expense Report (September FY25)
- H. Credit Card Breakdown (September FY25)
- I. RMWD Properties

Richard R. Aragon
CFO/Treasurer

November 19th, 2024

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

Description	FY 2024 Adjusted Budget	FY 2024 Actuals YTD 6/30/24	FY 2025 Actuals YTD 9/30/2024	Current \$ (Under)/Over Full Year Budget	Current % of Full Year Budget	Projected Over/(Under) \$	Projected Over/(Under) %	FY 2025 Adopted Budget
Water Operating & Non-Operating Fund								
Water Operating Revenues	\$ 42,497,078	\$ 42,302,657	\$ 16,053,533	\$ (31,115,509)	34%	\$ 727,193	2%	\$ 47,169,042
Water Operating Expenses	35,906,391	38,459,074	\$ 12,841,825	(23,011,943)	36%	1,454,687	4%	35,853,767
Water Fund Net Operating Revenue	\$ 6,590,687	\$ 3,843,583	\$ 3,211,708	\$ (8,103,566)	28%	\$ (727,494)	-6%	\$ 11,315,275
Water Non-Operating Fund								
Water Non-Operating Revenues	\$ 956,000	\$ 11,050,756	\$ 114,683	\$ (952,159)	11%	\$ (152,027)	-14%	\$ 1,066,842
Water Non-Operating Expenses	16,601,337	15,076,854	2,076,992	(13,085,541)	14%	(1,713,641)	-11%	15,162,533
Water Fund Net Non-Operating Revenue	\$ (15,645,337)	\$ (4,026,098)	\$ (1,962,309)	\$ 12,133,382	14%	\$ 1,561,614	111%	\$ (14,095,691)
WATER NET REVENUE	\$ (9,054,650)	\$ (182,515)	\$ 1,249,400	\$ 4,029,816	-45%	\$ 834,120	130%	\$ (2,780,416)
Wastewater Operating & Non-Operating Fund								
Wastewater Operating Revenues	4,717,000	4,751,970	1,388,545	(3,938,436)	26%	56,799	1%	5,326,981
Wastewater Operating Expenses	4,222,180	4,487,384	1,124,605	(3,652,790)	24%	(69,744)	-1%	4,777,396
Wastewater Fund Net Operating Revenue	\$ 494,820	\$ 264,586	\$ 263,939	\$ (285,646)	48%	\$ 126,543	23%	\$ 549,585
Wastewater Non-Operating Fund								
Wastewater Non-Operating Revenues	39,000	80,434	31,279	(684,656)	4%	(147,705)	-21%	715,935
Wastewater Non-Operating Expenses	10,146,644	6,561,624	1,512,654	(6,082,693)	20%	(386,182)	-5%	7,595,347
Wastewater Fund Net Non-Operating Revenue	\$ (10,107,644)	\$ (6,481,190)	\$ (1,481,375)	\$ 5,398,037	22%	\$ 238,478	103%	\$ (6,879,412)
WASTEWATER NET REVENUE	\$ (9,612,824)	\$ (6,216,604)	\$ (1,217,436)	\$ 5,112,391	19%	\$ 365,021	106%	\$ (6,329,826)
WATER & WASTEWATER NET REVENUE	\$ (18,667,474)	\$ (6,399,119)	\$ 31,964	\$ 9,142,207	0%	\$ 1,199,141	113%	\$ (9,110,243)

% of Annual Budget

- 40% Water Purchases/Sales based on historical average
- 25% Fixed Fee Revenue & Expenses are based on time

Rainbow Municipal Water District
Water Fund Operating Budget Summary

Water Operating

Description	FY 2024 Adjusted Budget	FY 2024 Actuals YTD 6/30/24	FY 2025 Actuals YTD 9/30/2024	Current \$		Projected Over/(Under) \$	Projected Over/(Under) %	FY 2025 Adopted Budget
				(Under)/Over Full Year Budget	Current % of Full Year Budget			
Operating Revenues								
Water Sales	\$ 42,172,414	\$ 42,002,070	\$ 15,981,676	\$ (30,868,200)	34%	\$ 735,128	2%	\$ 46,849,876
Other Water Services	324,664	300,587	\$ 71,856	(247,310)	23%	\$ (7,935)	-2%	319,166
Total Operating Revenues	\$ 42,497,078	\$ 42,302,657	\$ 16,053,533	\$ (31,115,509)	34%	\$ 727,193	2%	\$ 47,169,042
Operating Expenses								
Purchased Water	21,997,021	22,088,500	9,324,123	(10,413,479)	47%	1,966,027	10%	19,737,602
Pumping	903,529	1,012,459	328,981	(1,211,189)	21%	(56,062)	-4%	1,540,170
Operations	2,723,168	2,995,406	650,510	(2,261,403)	22%	(77,468)	-3%	2,911,913
Valve Maintenance	407,508	462,317	108,724	(328,820)	25%	(662)	0%	437,545
Construction	2,424,696	3,255,382	569,918	(2,704,146)	17%	(248,598)	-8%	3,274,064
Meters	1,071,718	1,029,274	228,464	(782,833)	23%	(24,360)	-2%	1,011,298
General Fund Transfer	6,378,750	7,615,735	1,631,104	(5,310,072)	23%	(104,190)	-2%	6,941,176
Total Operating Expenses	\$ 35,906,391	\$ 38,459,074	\$ 12,841,825	\$ (23,011,943)	36%	\$ 1,454,687	4%	\$ 35,853,767
NET OPERATING REVENUE	\$ 6,590,687	\$ 3,843,583	\$ 3,211,708	\$ (8,103,566)	28%	\$ (727,494)	-6%	\$ 11,315,275
Non-Operating Revenues								
Debt Proceeds	-	10,000,000	-	0	0%	-	0%	-
Investment Income	200,000	444,797	99,069	(361,665)	22%	(16,115)	-3%	460,734
Property Tax Revenue	650,000	591,418	12,696	(576,228)	2%	(134,535)	-23%	588,924
Other Non-Operating Revenue	106,000	14,541	2,919	(14,265)	17%	(1,377)	-8%	17,184
Total Non-Operating Revenues	\$ 956,000	\$ 11,050,756	\$ 114,683	\$ (952,159)	11%	\$ (152,027)	-14%	\$ 1,066,842
Non-Operating Expenses								
Capital Improvement Projects	13,524,172	11,999,689	2,076,992	(5,535,683)	27%	173,823	2%	7,612,675
Debt Service	3,077,165	3,077,165	-	(4,140,069)	0%	(1,035,017)	-25%	4,140,069
Detachment Payment	0	0	-	(3,409,789)	0%	(852,447)	-25%	3,409,789
Total Non-Operating Expenses	\$ 16,601,337	\$ 15,076,854	\$ 2,076,992	\$ (13,085,541)	14%	\$ (1,713,641)	-11%	\$ 15,162,533
NET NON-OPERATING REVENUE	\$ (15,645,337)	\$ (4,026,098)	\$ (1,962,309)	\$ 12,133,382	14%	\$ 1,561,614	111%	\$ (14,095,691)
NET REVENUE	\$ (9,054,650)	\$ (182,515)	\$ 1,249,400	\$ 4,029,816	-45%	\$ 834,120	130%	\$ (2,780,416)
	10,000 AF	9,975 AF						10,000AF

Rainbow Municipal Water District
Wastewater Fund Operating Budget Summary

Description	FY 2024 Adjusted Budget	FY 2024 Actuals YTD 6/30/24	FY 2025 Actuals YTD 9/30/2024	Current \$ (Under)/Over Full Year Budget	Current % of Full Year Budget	Projected Over/(Under) \$	Projected Over/(Under) %	FY 2025 Adopted Budget
Operating Revenues								
Wastewater Revenues	\$ 4,711,000	\$ 4,750,770	\$ 1,387,895	\$ (3,937,486)	26%	\$ 56,549	1%	\$ 5,325,381
Other Revenues	6,000	1,200	650	(950)	41%	250	16%	1,600
Total Operating Revenues	\$ 4,717,000	\$ 4,751,970	\$ 1,388,545	\$ (3,938,436)	26%	\$ 56,799	1%	\$ 5,326,981
Operating Expenses								
Total Payroll Expenses	807,330	824,453	196,158	(672,520)	23%	(21,011)	-2%	868,679
Total Maintenance & Supply	1,918,600	1,876,524	545,842	(1,734,698)	24%	(24,293)	-1%	2,280,540
General Fund Transfer	1,496,250	1,786,407	382,605	(1,245,572)	23%	(24,440)	-2%	1,628,177
Total Operating Expenses	\$ 4,222,180	\$ 4,487,384	\$ 1,124,605	\$ (3,652,790)	24%	\$ (69,744)	-1%	\$ 4,777,396
NET OPERATING REVENUE	494,820	264,586	263,939	(285,646)	48%	126,543	23%	549,585
Non-Operating Revenues								
Investment Income	-	-	23,238	(81,647)	22%	(2,983)	-3%	104,885
Property Tax Revenue	38,000	80,434	1,855	(84,195)	2%	(19,658)	-23%	86,050
Grants Revenue	-	-	6,186	(518,814)	1%	(125,064)	-24%	525,000
Other Non-Operating Revenue	1,000	-	-	-	0%	-	0%	-
Total Non-Operating Revenues	39,000	80,434	31,279	(684,656)	4%	(147,705)	-21%	715,935
Non-Operating Expenses								
Oceanside- Prior Period Liability	802,836	802,836	481,702	(1,445,105)	25%	-	0%	1,926,806
Oceanside - Contribution to Repl. Reserve	-	440,553	-	(440,553)	0%	(110,138)	-25%	440,553
Capital Improvement Projects	8,680,787	4,655,214	367,932	(4,197,035)	8%	(773,310)	-17%	4,564,967
Debt Service	663,021	663,021	663,021	-	100%	497,266	75%	663,021
Total Non-Operating Expenses	10,146,644	6,561,624	1,512,654	(6,082,693)	20%	(386,182)	-5%	7,595,347
NET NON-OPERATING REVENUE	\$ (10,107,644)	\$ (6,481,190)	\$ (1,481,375)	\$ 5,398,037	22%	\$ 238,478	103%	\$ (6,879,412)
NET REVENUE	\$ (9,612,824)	\$ (6,216,604)	\$ (1,217,436)	\$ 5,112,391	19%	\$ 365,021	106%	\$ (6,329,826)

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

General Operating

Description	FY 2024 Adjusted Budget	FY 2024 Actuals YTD 6/30/24	FY 2025 Actuals YTD 9/30/2024	Current \$ (Under)/Over Full Year Budget	Current % of Full Year Budget	Projected Over/(Under) \$	Projected Over/(Under) %	FY 2025 Adopted Budget
Operating Revenues								
Water Overhead Transfer	\$ 6,378,750	\$ 7,615,735	\$ 1,631,104	\$ (5,310,072)	23%	\$ (258,954)	-4%	\$ 6,941,176
Wastewater Overhead Transfer	1,496,250	1,786,407	382,605	(1,245,572)	23%	(24,440)	-2%	1,628,177
Other General Fund Revenue	860,000	558,506	51,889	-849,471	6%	(173,451)	-19%	901,360
Total Operating Revenues	\$ 8,735,000	\$ 9,960,648	\$ 2,065,598	\$ (7,405,115)	22%	\$ (456,844)	-5%	\$ 9,470,713
Operating Expenses								
Board of Directors	\$ 35,105	\$ 49,902	\$ 3,110	\$ (60,733)	5%	\$ (12,851)	-20%	\$ 63,843
Garage	638,335	641,451	143,455	-493,977	23%	(15,903)	-2%	637,432
Administration	1,804,028	2,828,135	325,922	-1,256,342	21%	(69,644)	-4%	1,582,264
Human Resources	457,924	439,422	114,155	-455,536	20%	(28,267)	-5%	569,692
Risk Management	825,989	674,077	224,564	-555,816	29%	29,469	4%	780,380
IT Services	1,476,617	1,415,465	332,588	-1,324,314	20%	(81,638)	-5%	1,656,902
Public Relations	69,022	81,036	20,263	-166,602	11%	(26,453)	-14%	186,865
Finance	1,210,691	1,138,961	214,223	-1,118,447	16%	(118,944)	-9%	1,332,670
Customer Service	585,384	521,300	167,711	-571,226	23%	(17,023)	-2%	738,937
Engineering	981,906	1,518,363	306,591	-590,139	34%	82,409	9%	896,730
CalPERS UAL Payment	650,000	652,535	213,016	-811,984	21%	(43,234)	-4%	1,025,000
Total Operating Expenses	\$ 8,735,000	\$ 9,960,648	\$ 2,065,598	\$ (7,405,115)	22%	\$ (302,080)	-3%	\$ 9,470,713
CHANGE IN NET POSITION	\$ -	\$ -	\$ -	\$ -				\$ -

Water Capital Projects - FY25 Budget to Actuals through September 2024

Project #	Project Name	PY Adjusted Budget -	Prior Year Actual (FY24)	PY Remaining Budget -	Carryforward Remaining	Carryforward Amount of	CY Adopted Budget	CY Budget Adjustments	Amended Budget w/ PY	Year-to-Date Expended	Remaining Budget
		FY24	FY 23/24	FY24	Budget Balance from PY ?	Remaining Budget From PY			FY 24/25	FY 24/25	FY 24/25
300008	New District Headquarters	\$ -	\$ 2,085	\$ (2,085)	No	\$ -	\$ 500,000		\$ 500,000	\$ 325	\$ 499,675
600003	San Luis Rey Imported Return Flow Recovery	\$ 225,000	\$ 102,602	\$ 122,398	Yes	\$ 122,398	\$ -		\$ 122,398	\$ 5,566	\$ 116,832
600007	Pressure Reducing Stations	\$ 25,000	\$ 22,936	\$ 2,064	No	\$ -	\$ 150,000		\$ 150,000	\$ -	\$ 150,000
600009	Isolation Valve Installation Program	\$ 80,000	\$ 67,212	\$ 12,788	No	\$ -	\$ 100,000		\$ 100,000	\$ 75,465	\$ 24,535
600013	Hutton/Rancho Amigos (Turner)/Dentro Pump Stations	\$ 9,577,891	\$ 9,592,614	\$ (14,723)	Yes	\$ (14,723)	\$ 3,400,000		\$ 3,385,277	\$ 1,851,126	\$ 1,534,151
600026	Camino Del Rey Waterline Relocation	\$ 45,000	\$ 30,569	\$ 14,431	No	\$ -	\$ 100,000		\$ 100,000	\$ 14,652	\$ 85,348
600030	Corrosion Prevention Program Development and Implementation	\$ 162,861	\$ 5,876	\$ 156,985	No	\$ -	\$ -		\$ -	\$ 3,436	\$ (3,436)
600058	Electrical Panel Switches	\$ 6,000	\$ 11,902	\$ (5,902)	No	\$ -	\$ 200,000		\$ 200,000	\$ -	\$ 200,000
600088	SDCWA Connections 1, 8, 9 & 10 Acquisition				N/A	\$ -	\$ 500,000	\$ 250,000	\$ 750,000	\$ 96,333	\$ 653,667
600089	SDCWA Connections 3, 6, 7, 11, & 12 Interim Decommissioning				N/A	\$ -	\$ 200,000		\$ 200,000	\$ -	\$ 200,000
600090	Master Plans (Water & Waste Water)				N/A	\$ -	\$ 100,000		\$ 100,000	\$ 315	\$ 99,685
600091	FPUD Maravilla to RMWD Maravilla (Morro Tank) (750 LF, in-house construction)				N/A	\$ -	\$ 210,000		\$ 210,000	\$ 2,368	\$ 207,632
600092	FPUD Olive Hill to RMWD Olive Hill (Morro Reservoir) (840 LF, in-house construction)				N/A	\$ -	\$ 235,000		\$ 235,000	\$ 2,718	\$ 232,282
600093	La Canada Pipeline Replacement and Pressure Reduction from Hillrise Rd. to Via Monserate (4,000 LF, in-house construction)				N/A	\$ -	\$ 100,000		\$ 100,000	\$ -	\$ 100,000
600094	Gopher Skid Pump Station				N/A	\$ -	\$ 710,000		\$ 710,000	\$ -	\$ 710,000
600096	Gopher Canyon Pipeline Extension (FY25)				N/A	\$ -	\$ -	\$ 600,000	\$ 600,000	\$ -	\$ 600,000
N/A	Vehicle/Equipment Acquisition	\$ 200,000	\$ 232,721	\$ (32,721)	No	\$ -	\$ 150,000		\$ 150,000	\$ 24,688	\$ 125,312
Total		\$ 10,321,752	\$ 10,068,517	\$ 253,235	\$ -	\$ 107,675	\$ 6,655,000	\$ 850,000	\$ 7,612,675	\$ 2,076,992	\$ 5,535,682

= Financed in part or whole by the \$10M US Bank Loan (dated 5-1-24)

Wastewater Capital Projects - FY25 Budget to Actuals through September 2024

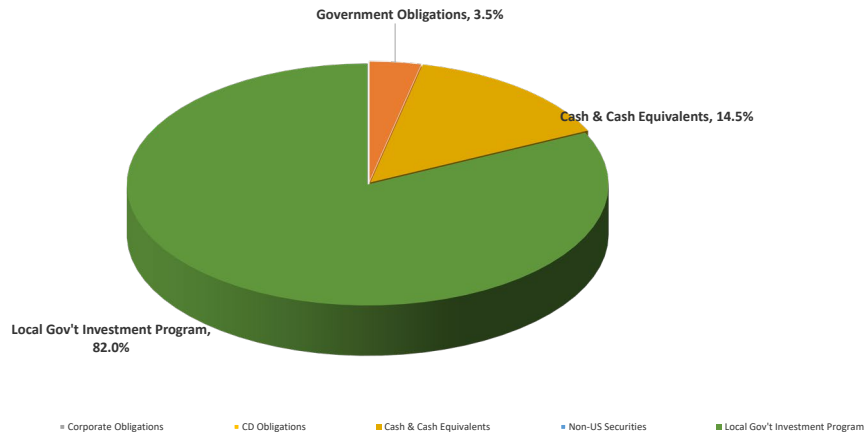
		PY Adjusted Budget FY24	Prior Year Actual (FY24)	PY Remaining Budget - FY24	Carryforward Remaining Budget Balance from PY ?	Carryforward Amount of Remaining Budget From PY	CY Adopted Budget	CY Budget Adjustments	Amended Budget w/ PY Carryforward	Year-to-Date Expended 9/30/24	Remaining Budget
Project #	Project Name	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 24/25
530001	Thoroughbred Lane Lift Station and Pipeline Repair (LS1 Replacement)	\$ 8,680,787	\$ 4,640,820	\$ 4,039,967	Yes	\$ 4,039,967	\$ -	\$ -	\$ 4,039,967	\$ 367,932	\$ 3,672,035
530023	Rancho Monserate, Rancho Viejo LS & HQ B-Plant Emergency Generators	\$ -	\$ -	\$ -	No	\$ -	\$ 525,000	\$ -	\$ 525,000	\$ -	\$ 525,000
Total		\$ 8,680,787	\$ 4,640,820	\$ 4,039,967	\$ -	\$ 4,039,967	\$ 525,000	\$ -	\$ 4,564,967	\$ 367,932	\$ 4,197,035

RAINBOW MUNICIPAL WATER DISTRICT
 TREASURER'S MONTHLY REPORT OF INVESTMENTS
 PORTFOLIO SUMMARY
 10/31/2024

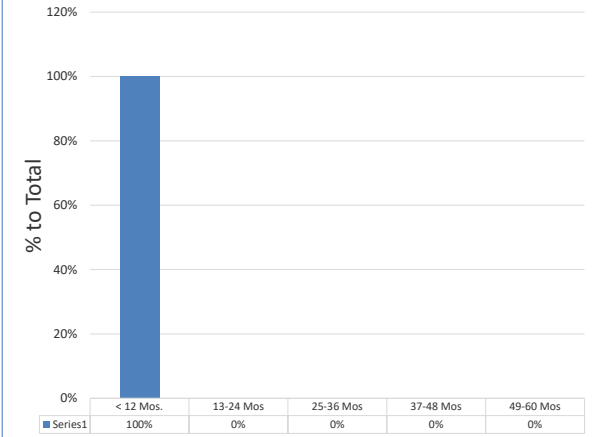


TYPE	ISSUER	RESTRICTION LEVEL	CUSIP	Bond Rating	Date of Maturity	Par Value	Cost Basis	Market Value*	Interest Rate	Yield to Maturity	Semi-Annual Interest	Days to Maturity
Cash-Operating	US Bank x139	Unrestricted				\$ 336,922	\$ 336,922	\$ 336,922				0
Cash-Oceanside Plant Construction	US Bank x352	Restricted				\$ -	\$ -	\$ -				0
Money Market Funds	First American Government, US Bank	Unrestricted	31846V567			\$ 0	\$ 0	\$ 0				0
Money Market Funds (Debt Reserve)	Western Alliance	Restricted				\$ -	\$ -	\$ -				0
Money Market Funds-Beck Restr (Debt Reserve)	Computershare Corporate Trust 201	Restricted				\$ 477,009	\$ 477,009	\$ 477,009				0
Money Market Funds-Morro Restr (Debt Reserve)	Computershare Corporate Trust 301	Restricted				\$ 632,011	\$ 632,011	\$ 632,011				0
Money Market Funds (Debt Reserve)	39170200 Trust 200	Restricted				\$ 99	\$ 99	\$ 99				0
Money Market Funds (Debt Reserve)	39170300 Trust 300	Restricted				\$ 111	\$ 111	\$ 111				0
Money Market Funds(Debt Reserve)	Zions Bank-D	Restricted				\$ 617,683	\$ 617,683	\$ 617,683				0
Money Market Funds (Debt Reserve)	Zions Bank-E	Restricted				\$ 46	\$ 46	\$ 46				0
Total Cash & Cash Equivalents						\$ 2,063,881	\$ 2,063,881	\$ 2,063,881				
Local Gov't Investment Program												
	California Asset Management Program (CAMP)	Unrestricted	4039-001			\$ 7,885,065	\$ 7,885,065	\$ 7,885,065				
	CAMP - US Bank Loan Proceeds for CIP	Restricted	4039-002			\$ 3,777,683	\$ 3,777,683	\$ 3,777,683				
	Local Agency Investment Fund (LAIF)	Unrestricted				\$ 44,894	\$ 44,894	\$ 44,894				0
Total Local Gov't Investment Program						\$ 11,707,642	\$ 11,707,642	\$ 11,707,642				
US Bank Government Obligations												
	FEDERAL HOME LOAN BKS	Unrestricted	3130AQF40	Aaa	12/20/24	\$ 500,000	\$ 499,710	\$ 497,520	1.000%	1.030%	\$ 2,499	50
Total Government Obligations						\$ 500,000	\$ 499,710	\$ 497,520				
US Bank Corporate Issues												
Total Corporate Issues						\$ -	\$ -	\$ -				
Investment Portfolio Totals						\$ 14,271,523	\$ 14,271,233	\$ 14,269,043				
Less Restricted Cash for Oceanside Replacement Reserve						\$ (974,540)	\$ (974,540)	\$ (974,540)				
Less Restricted Portfolio						\$ (5,504,642)	\$ (5,504,642)	\$ (5,504,642)				
Total Unrestricted Portfolio						\$ 7,792,341	\$ 7,792,051	\$ 7,789,861				

Portfolio Mix



Maturity Distribution



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. The District is in compliance with the current Investment Policy and California Government Code.

Richard R. Aragon, Treasurer

11/4/2024

*Source of Market Value - US Bank monthly statements

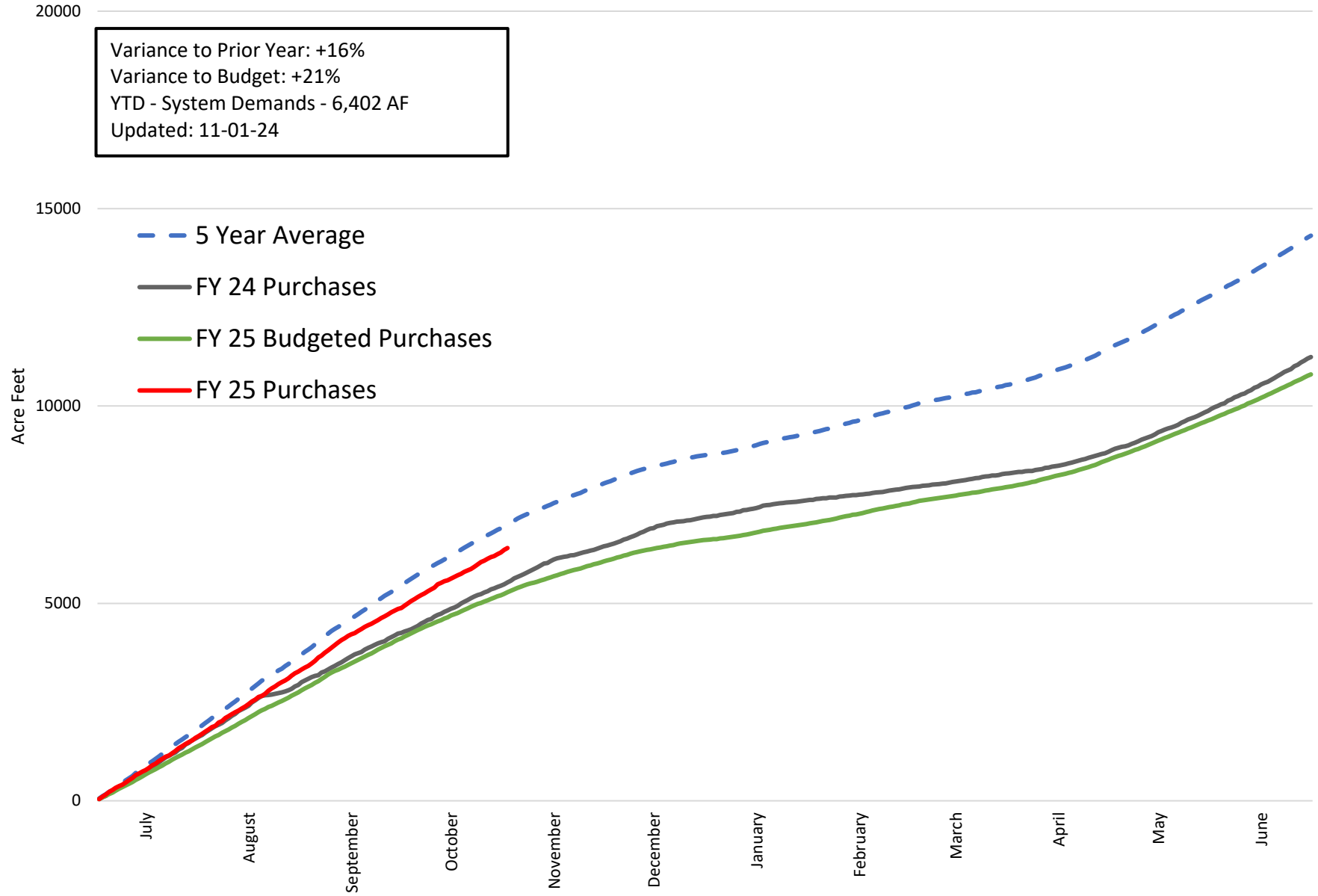
RAINBOW MUNICIPAL WATER DISTRICT
 TREASURER'S MONTHLY REPORT OF INVESTMENTS
 MONTHLY TRANSACTIONS
 10/31/2024



										Bond	
											Yield to
TYPE	ISSUER	CUSIP	Rating	Date of Maturity	Par Value	Cost Basis	Buy/Sell Price	Gain/(Loss) on Sale	Interest Rate	Maturity	
No Activity											
TOTAL SALES ACTIVITY					\$	-	\$	-	\$	-	

System Demands Comparison Chart

Variance to Prior Year: +16%
Variance to Budget: +21%
YTD - System Demands - 6,402 AF
Updated: 11-01-24



Comparative Water Sales YTD from Prior Years

FISCAL YEAR 2024-2025

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Total
1,124	AD	193	251	269	231	-	-	-	-	-	-	-	-	945
500	AG	246	344	374	307	-	-	-	-	-	-	-	-	1,272
247	CM	85	111	123	83	-	-	-	-	-	-	-	-	401
22	CN	6	10	7	11	-	-	-	-	-	-	-	-	34
16	IS	5	7	7	6	-	-	-	-	-	-	-	-	26
113	MF	33	38	37	33	-	-	-	-	-	-	-	-	141
131	PC	140	184	197	171	-	-	-	-	-	-	-	-	692
287	PD	157	202	218	192	-	-	-	-	-	-	-	-	768
6,465	SF	327	405	441	364	-	-	-	-	-	-	-	-	1,537
8,905	Total	1,192	1,553	1,672	1,398	-	-	-	-	-	-	-	-	5,815

FISCAL YEAR 2023-2024

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
1,186	AD	168	225	211	178	-	-	-	-	-	-	-	-	783
513	AG	203	317	311	221	-	-	-	-	-	-	-	-	1,052
275	CM	66	98	88	65	-	-	-	-	-	-	-	-	318
37	CN	6	6	7	5	-	-	-	-	-	-	-	-	25
21	IS	4	6	5	5	-	-	-	-	-	-	-	-	20
124	MF	26	31	37	31	-	-	-	-	-	-	-	-	125
139	PC	100	150	132	120	-	-	-	-	-	-	-	-	503
300	PD	138	200	176	148	-	-	-	-	-	-	-	-	663
6,234	SF	287	363	365	311	-	-	-	-	-	-	-	-	1,325
8,829	Total	998	1,398	1,332	1,085	-	-	-	-	-	-	-	-	4,813

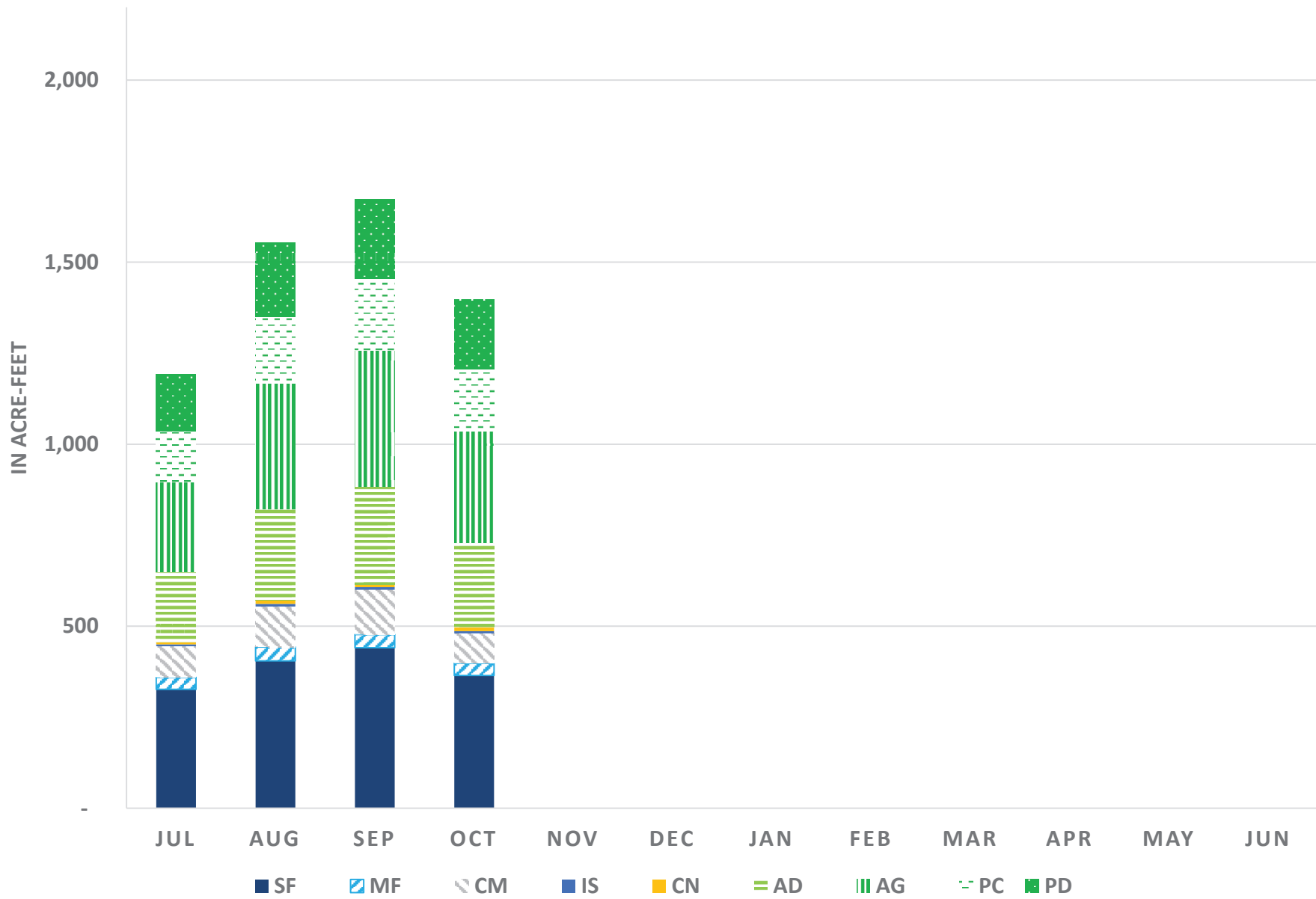
FISCAL YEAR 2022-2023

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
1,227	AD	291	249	318	242	-	-	-	-	-	-	-	-	1,100
531	AG	438	400	540	356	-	-	-	-	-	-	-	-	1,736
276	CM	119	110	144	98	-	-	-	-	-	-	-	-	471
26	CN	32	20	37	19	-	-	-	-	-	-	-	-	108
21	IS	10	8	10	6	-	-	-	-	-	-	-	-	34
121	MF	32	29	38	31	-	-	-	-	-	-	-	-	130
148	PC	199	177	229	179	-	-	-	-	-	-	-	-	784
313	PD	235	217	279	202	-	-	-	-	-	-	-	-	932
-	SC	-	-	-	363	-	-	-	-	-	-	-	-	363
-	SD	-	-	-	-	-	-	-	-	-	-	-	-	-
6,012	SF	417	368	457	363	-	-	-	-	-	-	-	-	1,605
8675	Total	1,774	1,579	2,053	1,858	-	-	-	-	-	-	-	-	7,262

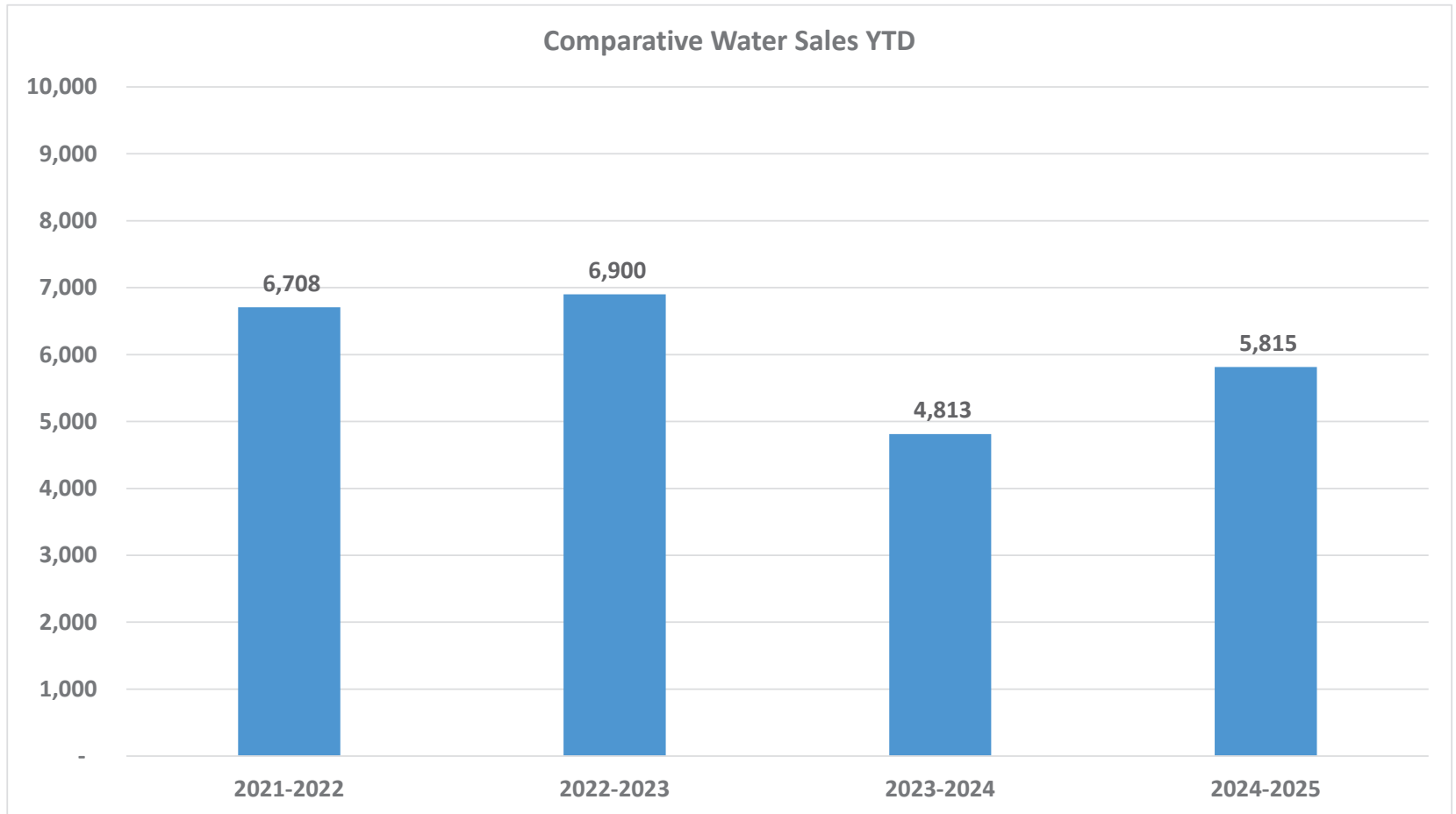
FISCAL YEAR 2021-2022

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
549	AD	115	277	304	243	-	-	-	-	-	-	-	-	938
402	AG	289	359	433	324	-	-	-	-	-	-	-	-	1,406
271	CM	100	103	135	80	-	-	-	-	-	-	-	-	418
24	CN	23	17	20	11	-	-	-	-	-	-	-	-	71
21	IS	9	8	9	6	-	-	-	-	-	-	-	-	32
114	MF	33	29	34	26	-	-	-	-	-	-	-	-	121
	PC	241	201	225	175	-	-	-	-	-	-	-	-	843
	PD	240	233	249	196	-	-	-	-	-	-	-	-	918
319	SC	125	-	-	-	-	-	-	-	-	-	-	-	125
1,012	SD	198	-	-	-	-	-	-	-	-	-	-	-	198
5,851	SF	429	406	444	357	-	-	-	-	-	-	-	-	1,637
8,563	Total	1,802	1,635	1,853	1,418	-	-	-	-	-	-	-	-	6,708

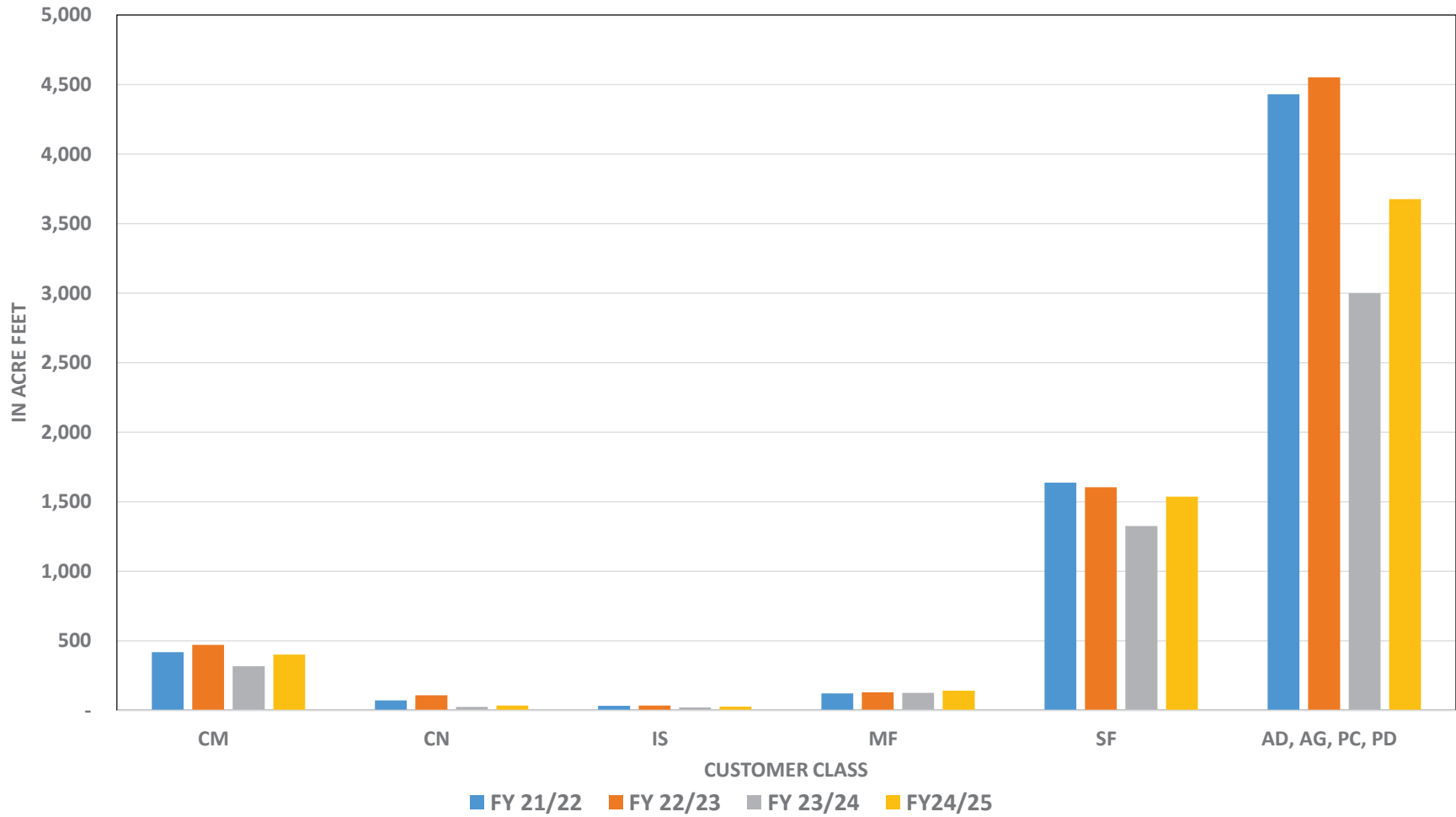
USAGE BY CUSTOMER CLASS FY 24-25



Comparative Water Sales YTD from Prior Years



YTD USAGE BY CUSTOMER CLASS





Check Register
Fiscal Year 2024-2025

September 2024

Payments above 50K

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
150430004	WIRE	700707	SAN DIEGO COUNTY WATER AUTHORITY	SDCWA WATER PURCHASE- JULY 2024	09/13/2024	\$ 3,278,412.40
2845	ACH	701263	PACIFIC HYDROTECH CORPORATION	WEST LILAC, RANCHO AMIGOS, AND DENTRO PS PROJECT	09/13/2024	\$ 591,543.72
28326	CHECK	700659	CITY OF OCEANSIDE	RAINBOW WASTEWATER AGREEMENT, FY22/FY23/FY24 O&M PAST DUE	09/27/2024	\$ 209,227.15
202409250001	ACH	702909	WESTERN ALLIANCE DEBT PAYMENT	WESTERN ALLIANCE DEBT PAYMENT	09/25/2024	\$ 182,477.91
150732134	WIRE		US BANK DEBT SERVICE LOAN	US BANK - COMMERCIAL LOAN	09/24/2024	\$ 181,642.96
28326	CHECK	700659	CITY OF OCEANSIDE	RAINBOW WASTEWATER AGREEMENT, FY25 2 OF 11 RECONCILE,O&M SEP	09/27/2024	\$ 142,454.28
28305	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS & ELECTRIC, #1065 087 935 1	09/13/2024	\$ 132,114.46
2852	ACH	700935	ACWA-JPIA	MONTHLY INSURANCE MEDICAL/VISION - OCTOBER 2024	09/27/2024	\$ 99,565.32

Payments below 50K

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
150430003	WIRE	701034	AMERICAN EXPRESS	AMERICAN EXPRESS (AUGUST STATEMENT)	09/12/2024	\$ 22,683.18
621485778631135	EFT		HOME DEPOT	HOME DEPOT CC - ALL (AUGUST 2024 STATEMENT)	09/12/2024	\$ 4,725.50
28271	CHECK	703003	ACE LOCK & KEY	MASTER LOCK KEY BLANKS	09/13/2024	\$ 140.08
2837	ACH	703073	ACROSTIC	AS-NEEDED CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES	09/13/2024	\$ 5,775.00
28272	CHECK	702925	AMERICAN BUSINESS BANK	WEST LILAC, RANCHO AMIGOS, AND DENTRO PS PROJECT	09/13/2024	\$ 31,133.88
28273	CHECK	702896	ARDURRA GROUP, INC.	ENGINEERING & DEVELOPMENT PLAN CHECKING SERVICES	09/13/2024	\$ 1,800.00
28273	CHECK	702896	ARDURRA GROUP, INC.	ENGINEERING & DEVELOPMENT PLAN CHECKING SERVICES	09/13/2024	\$ 6,200.00
28274	CHECK	702629	ATLAS ENGINEERING WEST, INC.	AS-NEEDED GEOTECHNICAL SERVICES	09/13/2024	\$ 2,882.50
28311	CHECK	702900	ATS COMMUNICATIONS	UNMANNED WIRELESS COMMUNICATIONS FACILITIES MANAGEMENT	09/13/2024	\$ 297.50
2838	ACH	700830	BABCOCK LABORATORIES, INC	FINANCE CHARGE	09/13/2024	\$ 10.00
2838	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	09/13/2024	\$ 152.00
2838	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	09/13/2024	\$ 445.95
2838	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	09/13/2024	\$ 247.75
2838	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	09/13/2024	\$ 247.75
2838	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	09/13/2024	\$ 396.40
2838	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	09/13/2024	\$ 545.05
2838	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	09/13/2024	\$ 99.10
2838	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	09/13/2024	\$ 102.00
2838	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	09/13/2024	\$ 180.00
2838	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	09/13/2024	\$ 740.11
2838	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY LEASE AGREEMENT	09/13/2024	\$ 137.48
2838	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	09/13/2024	\$ 119.00
2838	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	09/13/2024	\$ 119.00
2838	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	09/13/2024	\$ 119.00
2839	ACH	702525	BADGER METER INC.	ORION CELLULAR LTE SERV UNIT	09/13/2024	\$ 224.10
2839	ACH	702525	BADGER METER INC.	DS - RCDL DISC LEAD-FREE BRZ ALLOY	09/13/2024	\$ 8,379.56
2839	ACH	702525	BADGER METER INC.	DS - RCDL DISC LEAD-FREE BRZ ALLOY	09/13/2024	\$ 33,606.36
2840	ACH	700638	CECILIA'S SAFETY SERVICE	TRAFFIC CONTROL - 3876 ALTA VISTA DRIVE, VISTA	09/13/2024	\$ 1,775.00
28275	CHECK	700650	COLONIAL LIFE & ACCIDENT INS.	PR BATCH 2418_HEALTH AND ACCIDENTAL INSURANCE	09/13/2024	\$ 68.90
28276	CHECK	701977	CORE & MAIN LP	6X42 CI FLG HYD BURY 6H	09/13/2024	\$ 511.82
28276	CHECK	701977	CORE & MAIN LP	2-1/2 FNST X 2 FNPT SWVL ADPT, 300# 316SS B&N KIT W/WASHERS	09/13/2024	\$ 4,596.62
28276	CHECK	701977	CORE & MAIN LP	HYDRANT GUARD CHECK VALVE	09/13/2024	\$ 14,162.62

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
28276	CHECK	701977	CORE & MAIN LP	10 HP HYMAX GRIP CPLG 10.65-11.55 OD	09/13/2024	\$ 3,232.50
28277	CHECK	700688	COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	ANNUAL HAZ MAT PERMIT FOR L/S1	09/13/2024	\$ 603.00
28277	CHECK	700688	COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	UNIFIED PROGRAM FACILITY PERMIT-MAGEE PUMP STATION	09/13/2024	\$ 603.00
28277	CHECK	700688	COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	ANNUAL HAZ MAT PERMIT FOR BECK RESERVOIR	09/13/2024	\$ 603.00
28277	CHECK	700688	COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	ANNUAL HAZMAT PERMIT FOR L/S 5	09/13/2024	\$ 603.00
28278	CHECK	702652	COUNTY OF SAN DIEGO, RCS	WATER RADIOS ON THE 800 MHZ NETWORK	09/13/2024	\$ 2,732.45
28279	CHECK	703097	DESMOND, MARCELLO & AMSTER, LLC	WATER FLOW REVIEW	09/13/2024	\$ 3,000.00
28280	CHECK	702515	DITCH WITCH WEST	WATER PUMP, CONNECTOR, SERVICE SUPPLIES	09/13/2024	\$ 2,437.71
28281	CHECK	700839	ESCONDIDO METAL SUPPLY, INC.	SHEET SALE 10, 11, 16 GA SHEET	09/13/2024	\$ 109.53
28282	CHECK	702718	FALLBROOK ACE HARDWARE	STRAW WATTLE 9INX25FT, 1X2X12 PINE STAKE, 24 STAKES	09/13/2024	\$ 245.90
2841	ACH	700853	FALLBROOK EQUIPMENT RENTAL	WATER TRUCK 2000 GAL	09/13/2024	\$ 2,700.00
28283	CHECK	700884	FALLBROOK IRRIGATION SUPPLIES	PIPE ABS CELL CORE 3, BEND90 ABS 3", BULKHEAD FTG ST 2", BUL	09/13/2024	\$ 251.97
28284	CHECK	700855	FEDEX	DELIVERY SERVICE	09/13/2024	\$ 47.30
28285	CHECK	700860	FERGUSON WATERWORKS #1083	6" MACRO HP FCA 6.60-7.60 AND 8" MACRO HP FCA 8.60-9.75	09/13/2024	\$ 833.99
28285	CHECK	700860	FERGUSON WATERWORKS #1083	10 HIGH PRESS GRIP COUP 10.65-11.55	09/13/2024	\$ 843.05
28285	CHECK	700860	FERGUSON WATERWORKS #1083	*CVR* LF 3/4IN FIP X 1IN MALE MTR T	09/13/2024	\$ 171.86
28285	CHECK	700860	FERGUSON WATERWORKS #1083	HYDRANT GUARD BREAKOFF CHECK VLV	09/13/2024	\$ 2,559.06
28286	CHECK	701711	FLUME TECH	FLUME SMART WATER SYSTEM	09/13/2024	\$ 1,761.71
2842	ACH	701930	FLYERS ENERGY LLC	ORDER #3723209-24, DSL 100 UNITS/ETH 400 UNITS	09/13/2024	\$ 2,079.97
2842	ACH	701930	FLYERS ENERGY LLC	ORDER #3714689-24, DSL 295 UNITS/ETH 395 UNITS	09/13/2024	\$ 2,887.97
28287	CHECK	700915	FREEDOM AUTOMATION, INC.	TROUBLESHOOT GOMEZ PUMP STATION GENERATOR	09/13/2024	\$ 480.00
28288	CHECK	703022	GARDA CL WEST, INC	ARMORED TRANSPORTATION SERVICE	09/13/2024	\$ 268.62
28289	CHECK	702571	HASA INC.	HASACHLOR, 53GAL DRUM, 8 SHIPPED	09/13/2024	\$ 2,377.57
28290	CHECK	700974	HAWTHORNE MACHINERY COMPANY	FENDER-LH	09/13/2024	\$ 226.02
2843	ACH	701400	HELIX ENVIRONMENTAL PLANNING INC	AS-NEEDED ENVIRONMENTAL SERVICES	09/13/2024	\$ 1,197.50
2844	ACH	700663	ICONIX WATERWORKS (US) INC	2" S.S CLA-VAL SEAT P/N C4135E	09/13/2024	\$ 1,960.58
2844	ACH	700663	ICONIX WATERWORKS (US) INC	2 SCH40 MALE ADAPTER	09/13/2024	\$ 15.39
2844	ACH	700663	ICONIX WATERWORKS (US) INC	8" 300LB BOX SET FW T316	09/13/2024	\$ 2,713.03
28291	CHECK	701570	INFOSEND, INC.	MONTHLY MAILING OF WATER BILLS AND NEWSLETTER	09/13/2024	\$ 3,784.53
28292	CHECK	703032	INSIGHT PUBLIC SECTOR INC.	TENABLE VULNERABILITY MANAGEMENET SUBSCRIPTION	09/13/2024	\$ 3,500.00
28293	CHECK	703109	JAKE WILEY	EAST COUNTY AWP PROJECT TOUR LUNCH REIMBURSEMENT	09/13/2024	\$ 210.00
28294	CHECK	701409	KNOCKOUT PEST CONTROL& TERMITES, INC.	ONE TIME METER BEE REMOVAL	09/13/2024	\$ 100.00
28294	CHECK	701409	KNOCKOUT PEST CONTROL& TERMITES, INC.	ONE TIME METER BEE REMOVAL	09/13/2024	\$ 150.00
28295	CHECK	702636	LANCE, SOLL & LUNGHARD LLP	2024 GOVERNMENT AUDIT - INTERIM FIELDWORK	09/13/2024	\$ 3,390.00
28296	CHECK	702635	LEIGHTON CONSULTING, INC.	AS-NEEDED GEOTECHNICAL SERVICES	09/13/2024	\$ 4,963.25
28297	CHECK	703105	LINK2PUMP CORP	L2P PEDESTAL 4P, MR1 PULSER	09/13/2024	\$ 5,550.00
28298	CHECK	701180	MODULAR BUILDING CONCEPTS, INC	LEASE AGREEMENT	09/13/2024	\$ 447.16
28298	CHECK	701180	MODULAR BUILDING CONCEPTS, INC	LEASE AGREEMENT	09/13/2024	\$ 868.46
28298	CHECK	701180	MODULAR BUILDING CONCEPTS, INC	LEASE AGREEMENT	09/13/2024	\$ 490.26
28299	CHECK	703045	NATIONAL PLANT SERVICES, INC.	GROUT 15" SEWER LINE	09/13/2024	\$ 5,925.00
28300	CHECK	701320	PACIFIC PIPELINE SUPPLY	COPPER PROGRESS C X MIP ADAPTER 2"	09/13/2024	\$ 494.78
28300	CHECK	701320	PACIFIC PIPELINE SUPPLY	BRASS HOSE ADAPT SWVL 2-1/2 FHT X 2 FIP	09/13/2024	\$ 1,000.91
28300	CHECK	701320	PACIFIC PIPELINE SUPPLY	GATE CAP M/ WATER 8"	09/13/2024	\$ 513.32
28300	CHECK	701320	PACIFIC PIPELINE SUPPLY	#436-010 ADAPT MALE PVC SCH40 MXS 1	09/13/2024	\$ 14.01
28300	CHECK	701320	PACIFIC PIPELINE SUPPLY	#MACRO-10 COUPLING 10.70-11.90 ESS 10"	09/13/2024	\$ 1,126.48
28300	CHECK	701320	PACIFIC PIPELINE SUPPLY	BALL VALVE SCH80 GEORGE FISHER, PIPE PVC SCH80 BE SW 2"	09/13/2024	\$ 1,654.00
28300	CHECK	701320	PACIFIC PIPELINE SUPPLY	MACRO-08 COUPLING 8.60-9.75 ESS 8", BRASS NIPPLE 2" X CLOSE	09/13/2024	\$ 1,061.79
28301	CHECK	700705	POLLUTION CONTROL DISTRICT COUNTY OF SAN DIEGO, AIR	ANNUAL PERMIT-3090 PANKEY RD, FALLBROOK	09/13/2024	\$ 687.00
2846	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	09/13/2024	\$ 541.39
2846	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	09/13/2024	\$ 572.39
2847	ACH	701341	QUALITY GATE, INC	QUARTERLY PREVENTATIVE MAINTENANCE - HORSE CREEK SEWER L/S	09/13/2024	\$ 462.87
2847	ACH	701341	QUALITY GATE, INC	QUARTERLY PREVENTATIVE MAINTENANCE - L/S #2	09/13/2024	\$ 145.00

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
2847	ACH	701341	QUALITY GATE, INC	QUARTERLY PREVENTATIVE MAINTENANCE - MAIN PLANT GENERATOR	09/13/2024	\$ 145.00
2847	ACH	701341	QUALITY GATE, INC	QUARTERLY PREVENTATIVE MAINTENANCE - MAIN ENTRANCE GATE	09/13/2024	\$ 145.00
2847	ACH	701341	QUALITY GATE, INC	QUARTERLY PREVENTATIVE MAINTENANCE - HORSE CREEK SEWER L/S	09/13/2024	\$ 145.00
28302	CHECK	701833	RIGHT-OF-WAY ENGINEERING SERV	ON-CALL LAND SURVEYING SERVICES	09/13/2024	\$ 6,020.00
28303	CHECK	703096	ROCKWELL CONSTRUCTION SERVICES, LLC	ELECTRICAL INSPECTION AT WEST LILAC PS PROJECT	09/13/2024	\$ 2,145.00
28303	CHECK	703096	ROCKWELL CONSTRUCTION SERVICES, LLC	ELECTRICAL INSPECTION AT WEST LILAC PS PROJECT	09/13/2024	\$ 780.00
28304	CHECK	703066	SAFEGUARD BUSINESS SYSTEMS, INC.	POCKET SECURE, EZSHIELD PREMIUM SERVICE, US BANK WAIVER	09/13/2024	\$ 125.28
2848	ACH	701888	SAFETY-KLEEN	FULL SYNTHETIC 5W-30 OIL, 15W-40	09/13/2024	\$ 2,333.85
28306	CHECK	701982	SOUTHWEST ANSWERING SERVICE, INC.	MONTHLY ANSWERING SERVICE	09/13/2024	\$ 1,225.00
28307	CHECK	701928	STERICYCLE, INC.	REGULAR SERVICES, 8/1/24-8/31/24	09/13/2024	\$ 182.63
28308	CHECK	701972	STREAMLINE	MONTHLY WEB MANAGEMENT FEE	09/13/2024	\$ 355.00
28309	CHECK	702022	T S INDUSTRIAL SUPPLY	@ASSY 2-1/2" X 50' WHITE KIT 400# FIRE HOSE CPLD MXF NST	09/13/2024	\$ 1,749.86
28310	CHECK	701984	TCN, INC	MONTHLY 48 HOUR NOTICE	09/13/2024	\$ 13.44
28312	CHECK	702899	THE ALCHEMY GROUP INC	ACTIVITIES FROM 8/1/24-8/31/24	09/13/2024	\$ 10,000.00
28313	CHECK	701059	TIME WARNER CABLE/SPECTRUM	MONTHLY INTERNET SERVICE	09/13/2024	\$ 1,400.00
28314	CHECK	701773	TRAFFIC SUPPLY, INC.	6FT X 32" X 18" TRAFFIX WATER-WALL BARRIER - ORANGE	09/13/2024	\$ 2,561.05
28315	CHECK	702065	ULINE	SOLID TOP RACKABLE PALLET - 48 X 40", RUST-OLEUM® INDUSTRIAL	09/13/2024	\$ 2,940.77
2849	ACH	702042	UNDERGROUND SERVICE ALERT	RAI88 NEW TICKET CHARGES	09/13/2024	\$ 280.10
2849	ACH	702042	UNDERGROUND SERVICE ALERT	CA STATE FEE FOR REGULATORY COSTS	09/13/2024	\$ 83.97
2850	ACH	702788	US BANK	TRUST DEPARTMENT - FEES, 7/1/24-7/31/24	09/13/2024	\$ 291.67
2851	ACH	701621	VALLEY CONSTRUCTION MANAGEMENT	AS-NEEDED CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES	09/13/2024	\$ 5,406.00
2851	ACH	701621	VALLEY CONSTRUCTION MANAGEMENT	CONSTRUCTION MANAGEMENT/INSPECTION SERVICES FOR LS1 REPL PH1	09/13/2024	\$ 38,752.03
28316	CHECK	703072	VESTIS SERVICES, LLC	MONTHLY UNIFORMS/MATS & MISC	09/13/2024	\$ 446.00
28316	CHECK	703072	VESTIS SERVICES, LLC	MONTHLY UNIFORMS/MATS & MISC	09/13/2024	\$ 440.15
28317	CHECK	703092	WELLSTEPS	WELLNESS PROGRAM	09/13/2024	\$ 2,142.00
28318	CHECK	702126	WHITE CAP CONSTRUCTION SUPPLY	60LB RED-E-CRETE 2500 PSI BASIC CONCRETE MIX QUIKRETE	09/13/2024	\$ 488.76
28318	CHECK	702126	WHITE CAP CONSTRUCTION SUPPLY	ASPHALT CUTTER BOSCH, NARROW CHISEL, SHANK SCALING CHISEL	09/13/2024	\$ 253.82
28318	CHECK	702126	WHITE CAP CONSTRUCTION SUPPLY	HEX CHISEL BOSCH, HEX MOIL POINT BOSCH, HEX CLAY SPADE	09/13/2024	\$ 336.50
2426374252318	ACH	701872	SAN DIEGO GAS & ELECTRIC	SDG&E - 1000016659/PROJECT #300000463362 (31267 RANCHO AMIG	09/19/2024	\$ 10,770.00
2426574384744	ACH	701872	SAN DIEGO GAS & ELECTRIC	SDG&E - 1000016706/PROJECT #300000463354 (7232 W LILAC)	09/21/2024	\$ 42,070.00
0002016645	EFT		WEX	WEX - ADMIN FEES (AUGUST 2024)	09/25/2024	\$ 85.00
2853	ACH	700958	AIRGAS USA, LLC	ELECT STCK, BACLV INDRA UNIV NVY BLU SNGL FRM	09/27/2024	\$ 116.52
2853	ACH	700958	AIRGAS USA, LLC	GLOW STICK, WELDING GLOVES, WELDING JACKET	09/27/2024	\$ 171.94
2853	ACH	700958	AIRGAS USA, LLC	DIGITAL HELMET, WELDING JACKET, GLOW STICK, LENS, GLOVES	09/27/2024	\$ 794.95
2853	ACH	700958	AIRGAS USA, LLC	CYLINDER RENTAL - LARGE AIR & OXYGEN, SMALL ACETYLENE & CARB	09/27/2024	\$ 146.08
2853	ACH	700958	AIRGAS USA, LLC	CYLINDER RENTAL - ACETYLENE, CARBON DIOXIDE, OXYGEN	09/27/2024	\$ 234.33
28319	CHECK	701264	AT&T	MONTHLY PHONE SERVICE	09/27/2024	\$ (13.45)
28319	CHECK	701264	AT&T	MONTHLY PHONE SERVICE	09/27/2024	\$ 87.47
28320	CHECK	701266	AT&T	MONTHLY PHONE SERVICE	09/27/2024	\$ 469.01
28320	CHECK	701266	AT&T	MONTHLY PHONE SERVICE	09/27/2024	\$ 30.42
28320	CHECK	701266	AT&T	MONTHLY PHONE SERVICE	09/27/2024	\$ 208.77
28320	CHECK	701266	AT&T	MONTHLY PHONE SERVICE	09/27/2024	\$ 30.42
28321	CHECK	701269	AT&T LONG DISTANCE	MONTHLY PHONE SERVICE	09/27/2024	\$ 172.43
28322	CHECK	702629	ATLAS ENGINEERING WEST, INC.	AS-NEEDED GEOTECHNICAL SERVICES	09/27/2024	\$ 2,899.75
2854	ACH	701677	AZUGA, INC.	MONTHLY SERVICE FEE	09/27/2024	\$ 244.15
28323	CHECK	700586	BONSALL PEST CONTROL	MONTHLY PEST CONTROL	09/27/2024	\$ 210.00
28324	CHECK	701510	BOOT BARN INC	SAFETY BOOTS - OMOEDANO	09/27/2024	\$ 165.60
28324	CHECK	701510	BOOT BARN INC	SAFETY BOOTS - AJONES	09/27/2024	\$ 183.16
28324	CHECK	701510	BOOT BARN INC	SAFETY BOOTS - EBRADLEY	09/27/2024	\$ 200.00
28324	CHECK	701510	BOOT BARN INC	SAFETY BOOTS - LJOHNSON	09/27/2024	\$ 200.00
2855	ACH	700868	BOOT WORLD, INC	SAFETY BOOTS - GALLOWAY AND GASSMANN	09/27/2024	\$ 394.83
2856	ACH	701187	BP BATTERY INC.	GROUP 31 - 1000 CCA	09/27/2024	\$ 473.69

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
2856	ACH	701187	BP BATTERY INC.	12VOLT 8AMP HOUR SEALED BATTERY	09/27/2024	\$ 203.59
28325	CHECK	702523	BRIGHTVIEW TREE CARE SERVICES, INC.	VOLUNTEERS EUCALYPTUS/PEPPERS	09/27/2024	\$ 4,320.00
2857	ACH	700638	CECILIA'S SAFETY SERVICE	TRAFFIC CONTROL - 3125 GIRD RD, FALLBROOK	09/27/2024	\$ 1,775.00
28327	CHECK	702988	CLEARSTAR, INC.	BACKGROUND CHECK	09/27/2024	\$ 32.00
28328	CHECK	700650	COLONIAL LIFE & ACCIDENT INS.	PR BATCH 2419_HEALTH AND ACCIDENTAL INSURANCE	09/27/2024	\$ 68.90
28329	CHECK	701977	CORE & MAIN LP	890-58-08216-16 8 HP HYMAX GRIP CPLG 8.50-9.40 OD	09/27/2024	\$ 9,552.04
28329	CHECK	701977	CORE & MAIN LP	890-58-10270-16 10 HP HYMAX GRIP CPLG 10.65-11.55 OD	09/27/2024	\$ 4,040.63
28330	CHECK	700688	COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	ANNUAL RENEWAL HAZMAT PERMIT FOR L/S 2	09/27/2024	\$ 603.00
28330	CHECK	700688	COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	NORTH RESERVOIR PERMIT	09/27/2024	\$ 603.00
28330	CHECK	700688	COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	LOWER MORRO PERMIT	09/27/2024	\$ 799.00
28330	CHECK	700688	COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	NORTHSIDE RESERVOIR PERMIT	09/27/2024	\$ 603.00
28330	CHECK	700688	COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	DISTRICT PERMIT	09/27/2024	\$ 2,052.00
28331	CHECK	700797	DIAMOND ENVIRONMENTAL SERVICES	PORTA POTTY RENTAL	09/27/2024	\$ 36.93
28331	CHECK	700797	DIAMOND ENVIRONMENTAL SERVICES	PORTA POTTY RENTAL	09/27/2024	\$ 11.69
28332	CHECK	702718	FALLBROOK ACE HARDWARE	16"-1-1/4"(12)SS GEAR CLAMP	09/27/2024	\$ 36.74
28333	CHECK	700845	FALLBROOK AUTO PARTS	CONTROL ARM AND BALL	09/27/2024	\$ (178.32)
28333	CHECK	700845	FALLBROOK AUTO PARTS	ZX AMER VEH 5050 GA, NORTH AMERICAN VEHICLE	09/27/2024	\$ (45.26)
28333	CHECK	700845	FALLBROOK AUTO PARTS	ZX AMER VEH	09/27/2024	\$ 174.49
28333	CHECK	700845	FALLBROOK AUTO PARTS	PANEL FILTER, FLUID FILTER	09/27/2024	\$ 56.98
28333	CHECK	700845	FALLBROOK AUTO PARTS	CONTROL ARM AND BALL, RADIATOR, QUICK STRUT	09/27/2024	\$ 1,529.96
28333	CHECK	700845	FALLBROOK AUTO PARTS	WHEEL, CARBIDE BURR	09/27/2024	\$ 192.71
28333	CHECK	700845	FALLBROOK AUTO PARTS	MOTOR TUNE-UP 16OZ, ENGINE FLUSH, HOSE CLAMP	09/27/2024	\$ 129.24
28333	CHECK	700845	FALLBROOK AUTO PARTS	SPIN-ON FLUID FILTER	09/27/2024	\$ 53.25
28333	CHECK	700845	FALLBROOK AUTO PARTS	ATP PLATINUM KIT, PERFORMANCE DEX	09/27/2024	\$ 146.08
28333	CHECK	700845	FALLBROOK AUTO PARTS	OIL DRY	09/27/2024	\$ 48.42
28334	CHECK	700884	FALLBROOK IRRIGATION SUPPLIES	BEND90 ABS 3", BEND90 ABS LONGTURN 3", COUP ABS 3	09/27/2024	\$ 20.33
28335	CHECK	700855	FEDEX	DELIVERY SERVICE	09/27/2024	\$ 19.09
28335	CHECK	700855	FEDEX	DELIVERY SERVICE	09/27/2024	\$ 57.37
2858	ACH	701930	FLYERS ENERGY LLC	ORDER #3739728-24, DSL 150 UNITS/ETH 450 UNITS	09/27/2024	\$ 2,457.37
2858	ACH	701930	FLYERS ENERGY LLC	ORDER #3731193-24, DSL 250 UNITS/ETH 400 UNITS	09/27/2024	\$ 2,771.82
2859	ACH	702583	HARRIS & ASSOCIATES, INC.	TRI POINTE HOMES REIMBURSEMENT REVIEW SERVICES	09/27/2024	\$ 772.50
28336	CHECK	701010	HOCH CONSULTING, APC	SAN LUIS REY VALLEY GROUND WATER RECOVERY	09/27/2024	\$ 5,566.25
28337	CHECK	702902	HYDROPRO SOLUTIONS	RAVEN METER BOX 11X18X12 NON-S	09/27/2024	\$ 804.57
28338	CHECK	701570	INFOSEND, INC.	MONTHLY SUPPORT FEE - AUGUST 2024	09/27/2024	\$ 1,960.61
28338	CHECK	701570	INFOSEND, INC.	MONTHLY MAILING OF WATER BILLS AND NEWSLETTER	09/27/2024	\$ 3,936.84
28339	CHECK	701656	LINCOLN NATIONAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - OCTOBER 2024	09/27/2024	\$ 5,718.20
2860	ACH	702580	LIQUID ENVIRONMENTAL SOLUTIONS OF CA, LLC	GREASE AUTO CHARGE	09/27/2024	\$ 229.95
28340	CHECK	701870	MALLORY SAFETY AND SUPPLY, LLC	HONAN-GAPFMAX FILTER PARTICULATE PUMP THICK 5/PK	09/27/2024	\$ 43.64
28340	CHECK	701870	MALLORY SAFETY AND SUPPLY, LLC	34L BW MIX H2S 25 PPM,100PPM CO	09/27/2024	\$ 400.83
28342	CHECK	702467	MOBILE MINI, INC	STORAGE CONTAINER RENTAL	09/27/2024	\$ 299.91
28342	CHECK	702467	MOBILE MINI, INC	STORAGE CONTAINER RENTAL	09/27/2024	\$ 250.13
28342	CHECK	702467	MOBILE MINI, INC	STORAGE CONTAINER RENTAL	09/27/2024	\$ 250.13
28342	CHECK	702467	MOBILE MINI, INC	STORAGE CONTAINER RENTAL	09/27/2024	\$ 250.13
28342	CHECK	702467	MOBILE MINI, INC	STORAGE CONTAINER RENTAL	09/27/2024	\$ 250.13
28341	CHECK	702731	MOBILE MODULAR	OFFICE SPACE RENTAL, 9/13/24 TO 10/12/24	09/27/2024	\$ 880.60
28341	CHECK	702731	MOBILE MODULAR	OFFICE SPACE RENTAL, 9/10/24 TO 10/9/24	09/27/2024	\$ 3,502.51
28343	CHECK	701241	NATIONAL SAFETY COMPLIANCE,INC	SERVICES PERFORMED	09/27/2024	\$ 363.04
2861	ACH	701151	NOBEL SYSTEMS	2023 WATER LOSS AUDIT	09/27/2024	\$ 2,500.00
28344	CHECK	701254	O'REILLY AUTO PARTS	1QT TRANSFLD	09/27/2024	\$ 167.96
28344	CHECK	701254	O'REILLY AUTO PARTS	SWEEPING COM	09/27/2024	\$ 37.70
28344	CHECK	701254	O'REILLY AUTO PARTS	1QT TRANFLD	09/27/2024	\$ 167.96
28345	CHECK	703108	PACIFIC SAFETY SOLUTIONS, LLC	TOWER CLIMBER TRAINING - CLINE & GASSMANN	09/27/2024	\$ 2,290.00

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
28346	CHECK	701423	PERRAULT CORPORATION	3/4" GRAVEL, TRUCKING, ENVIRONMENTAL FEE	09/27/2024	\$ 1,802.01
28346	CHECK	701423	PERRAULT CORPORATION	SE30 SAND, TRUCKING, ENVIRONMENTAL FEE	09/27/2024	\$ 569.06
28346	CHECK	701423	PERRAULT CORPORATION	CLASS II BASE, TRUCKING, ENVIRONMENTAL FEE	09/27/2024	\$ 1,625.47
28347	CHECK	702357	PETERS PAVING & GRADING	TCM DEPOSIT REFUND	09/27/2024	\$ 2,534.09
2862	ACH	701296	PETERS PAVING & GRADING, INC	PAVING & GRADING - 3453 CABALLO LANE, FALLBROOK	09/27/2024	\$ 2,800.00
2862	ACH	701296	PETERS PAVING & GRADING, INC	PAVING & GRADING - 3125 GIRD RD, FALLBROOK	09/27/2024	\$ 3,300.00
2862	ACH	701296	PETERS PAVING & GRADING, INC	PAVING & GRADING - 3932 GIRD RD, FALLBROOK	09/27/2024	\$ 3,375.00
2862	ACH	701296	PETERS PAVING & GRADING, INC	PAVING & GRADING - 31344, 31362, 31404 AND 31418 CLUB VISTA	09/27/2024	\$ 3,950.00
28350	CHECK	701302	PITNEY BOWES BANK INC PURCHASE POWER	POSTAGE	09/27/2024	\$ 900.00
28348	CHECK	701301	PITNEY BOWES INC.	LEASE AGREEMENT	09/27/2024	\$ 594.80
2863	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	09/27/2024	\$ 521.39
2863	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	09/27/2024	\$ 1,160.88
2863	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	09/27/2024	\$ 521.39
2864	ACH	701348	PRINCIPAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - OCT 2024	09/27/2024	\$ 7,624.39
28349	CHECK	703002	PROFORMA PRINTING CORP	#10 ENVELOPES (NAVY INK)	09/27/2024	\$ 971.67
28351	CHECK	702396	QTX MOBILE ACCESSORIES, INC.	PIONEER NEX HEADUNIT, DASH KIT, METRA ADAPTER, GM RADIO INTE	09/27/2024	\$ 1,390.67
2865	ACH	701338	QUALITY CHEVROLET	STARTER	09/27/2024	\$ 827.41
2865	ACH	701338	QUALITY CHEVROLET	SENSOR	09/27/2024	\$ 302.01
2866	ACH	701341	QUALITY GATE, INC	SERVICE CALL - MAIN PLANT (GENERATOR)	09/27/2024	\$ 145.00
2867	ACH	701619	RT LAWRENCE CORPORATION	LOCKBOX PROCESSING FEES - AUG 2024	09/27/2024	\$ 622.33
2867	ACH	701619	RT LAWRENCE CORPORATION	ACCIDENTAL PYMNT - CREDIT ON ACCOUNT	09/27/2024	\$ (531.34)
28352	CHECK	701871	RYAN HERCO PRODUCTS CORP	KYN HOSE ADPT 3/4"MT X 3/4"H PER EA EACH	09/27/2024	\$ 273.64
28352	CHECK	701871	RYAN HERCO PRODUCTS CORP	HERCO CHEM HOSE 1/2"ID X 100', KYN HOSE CONN 3/4" HOSE BARB,	09/27/2024	\$ 12,033.40
28352	CHECK	701871	RYAN HERCO PRODUCTS CORP	LMI MFV RETROFIT KIT, LMI FOOT VLV ASSY PVC/AFL/CER, LMI INJ	09/27/2024	\$ 531.34
28353	CHECK	702450	RYAN STOCKTON	DRINKING WATER OPES CERT RENEWAL REIMB	09/27/2024	\$ 130.00
2868	ACH	702490	SPECIALTY MOWING SERVICES, INC.	CAMINO DEL REY PIPE BRIDGE EXPOSE PIPELINE FOR MARKOUT	09/27/2024	\$ 4,250.00
28354	CHECK	702762	THE LLOYD PEST CONTROL, INC	COMMERCIAL SERVICE PROGRAM	09/27/2024	\$ 334.00
2869	ACH	702949	TOPECO PRODUCTS, INC	PRIMARY WIRE 18GA 100' SPOOL, TERMINAL QUICK CONNECT, HWH TE	09/27/2024	\$ 1,561.03
2870	ACH	702015	TRENCH SHORING COMPANY	K RAIL CONCRETE 10', K-RAIL DELIVERY - BOOM TRUCK PER HOUR,	09/27/2024	\$ 872.60
28355	CHECK	703041	U.S. BANK EQUIPMENT FINANCE, a division of U.S. BANK NATIONAL ASSOCIATION	MONTHLY LEASE AGREEMENT	09/27/2024	\$ 2,526.08
95891	EFT		US BANK CREDIT CARD	US BANK CC - CENTRAL BILL (AUGUST STATEMENT)	09/27/2024	\$ 2,659.95
28356	CHECK	701238	VALLEY CENTER M.W.D.	EMERGENCY 2" CONSTRUCTION METER CONNECTION	09/27/2024	\$ 266.45
2871	ACH	701621	VALLEY CONSTRUCTION MANAGEMENT	CM SERVICES PUMP STATIONS PROJECT	09/27/2024	\$ 11,380.00
28358	CHECK	703072	VESTIS SERVICES, LLC	MONTHLY UNIFORMS/MATS & MISC	09/27/2024	\$ 511.21
28358	CHECK	703072	VESTIS SERVICES, LLC	MONTHLY UNIFORMS/MATS & MISC	09/27/2024	\$ 479.03
28358	CHECK	703072	VESTIS SERVICES, LLC	THREE SEASON JACKET	09/27/2024	\$ 73.25
28358	CHECK	703072	VESTIS SERVICES, LLC	THREE SEASON JACKET	09/27/2024	\$ 62.47
28359	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 2000 UNITS	09/27/2024	\$ 8,460.00
28359	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 700 UNITS	09/27/2024	\$ 2,961.00
28359	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 1000 UNITS	09/27/2024	\$ 4,230.00
2872	ACH	702116	WESTERN LANDSCAPE MAINTENANCE PLUS, INC.	LANDSCAPE MAINTENANCE	09/27/2024	\$ 532.51
28360	CHECK	702126	WHITE CAP CONSTRUCTION SUPPLY	3M DBI-SALA EXOFIT NEX COMFORT ARC FLASH CLIMBING/POSITIONIN	09/27/2024	\$ 1,715.20
28360	CHECK	702126	WHITE CAP CONSTRUCTION SUPPLY	CHISEL, SPADE, POINT, FLAT CHISEL	09/27/2024	\$ 354.12
28360	CHECK	702126	WHITE CAP CONSTRUCTION SUPPLY	60LB RED-E-CRETE 2500 PSI BASIC CONCRETE MIX QUIKRETE, 4' CO	09/27/2024	\$ 283.16
28360	CHECK	702126	WHITE CAP CONSTRUCTION SUPPLY	NAVY BLUE ZENITH X2 AIR ANSI Z89.1 CLASS C TYPE 1 & 2 HELMET	09/27/2024	\$ 442.82
2427474788233	ACH	701872	SAN DIEGO GAS & ELECTRIC	SDG&E - 1000016846/PROJECT #300000541038 (DENTRO DE LOMAS)	09/30/2024	\$ 4,550.00
Net Distribution						\$ 5,336,086.77



**Director's Expense Report
Fiscal Year 2024-2025**

July 2024

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Cari Dale		\$ -				\$ -	\$ -
Claude Hamilton		\$ -				\$ -	\$ -
Julie Johnson		\$ -				\$ -	\$ -
Michael Mack		\$ -				\$ -	\$ -
Patti Townsend-Smith		\$ -				\$ -	\$ -
Monthly Totals	0	\$ -	\$ -	\$ -	0	\$ -	\$ -

August 2024

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Cari Dale	1	\$ 150.00	\$ 75.00			\$ -	\$ 225.00
Claude Hamilton	1	\$ 150.00				\$ -	\$ 150.00
Julie Johnson		\$ -	\$ 75.00			\$ -	\$ 75.00
Michael Mack	2	\$ 300.00				\$ -	\$ 300.00
Patti Townsend-Smith		\$ -				\$ -	\$ -
Monthly Totals	4	\$ 600.00	\$ 150.00	\$ -	0	\$ -	\$ 750.00

September 2024

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Cari Dale	3	\$ 450.00		\$ 247.54		\$ -	\$ 697.54
Claude Hamilton	2	\$ 300.00	\$ (700.00)			\$ -	\$ (400.00)
Julie Johnson		\$ -	\$ 30.00	\$ 247.54		\$ -	\$ 277.54
Michael Mack	2	\$ 300.00	\$ 625.00	\$ 247.54		\$ -	\$ 1,172.54
Patti Townsend-Smith	1	\$ 150.00		\$ 247.54		\$ -	\$ 397.54
Monthly Totals	8	\$ 1,200.00	\$ (45.00)	\$ 990.16	0	\$ -	\$ 2,145.16

Fiscal Year 2024-2025 Total

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb		Total
					# Miles	Amount	
Cari Dale	4	\$ 600.00	\$ 75.00	\$ 247.54	0	\$ -	\$ 922.54
Claude Hamilton	3	\$ 450.00	\$ (700.00)	\$ -	0	\$ -	\$ (250.00)
Julie Johnson	0	\$ -	\$ 105.00	\$ 247.54	0	\$ -	\$ 352.54
Michael Mack	4	\$ 600.00	\$ 625.00	\$ 247.54	0	\$ -	\$ 1,472.54
Patti Townsend-Smith	1	\$ 150.00	\$ -	\$ 247.54	0	\$ -	\$ 397.54
FY24-25 Total	12	\$ 1,800.00	\$ 105.00	\$ 990.16	0	\$ -	\$ 2,895.16



Credit Card Transactions
Fiscal Year 2024-2025

September 2024 Charges

American Express Credit Card

Vendor Name	Description	GL Finance Code	Transaction Amount
AMAZON	RETURNED ITEM: TRASH CAN	GL 03 41 63401 PO#13889	(78.84)
AMAZON	CURRENCY AND COIN RECORD FORM	GL 03 52 72000	38.55
AMAZON	CADDY	GL 03 41 63401	44.78
PREPASS	GM VEHICLE PASS	GL 03 41 75300	17.65
AMAZON	GRAND OPENING SCISSORS AND GREEN SATIN RIBBON	GL 03 45 72000	61.03
AMAZON	ERGONOMIC CHAIR	GL 03 41 63401 PO#13940	465.45
AMAZON	HEADLAMP	GL 03 52 72000 PO#13940	19.59
AMAZON	PIPE WRENCH	GL 01 34 72000 PO#13946	155.72
CULLIGAN	MONTHLY SUBSCRIPTION	GL 03 41 63401	97.66
NOSSAMAN	LEGAL FEES	GL 03 41 70300	48,921.60
AMAZON	IGNITION KEYS REPLACEMENT, KEYS FOR CATERPILLAR	GL 01 34 72000 PO#13946	280.53
GALLEHER INDUSTRIES	2X12 KERUING AD ROUGH TALLY	GL 03 36 72000 PO#13928	120.00
GRAINGER	SOCKET MOUNTING BASE, MOUNTING KIT	GL 02 61 72000 PO#13910	1,043.45
GRAINGER	EAR MUFFS, SCRATCH BRUSH, THREAD SEALANT	GL 03 43 72500 13945	949.61
GRAINGER	SMALL ENGINE FUEL	GL 03 36 63421 PO#13952	642.42
GRAINGER	HAND RAIL	GL 02 61 72000 PO#13910	356.52
GRAINGER	SOCKET MOUNTING BASE	GL 02 61 72000 PO#13910	135.04
GRAINGER	BEVERAGE COOLER, HARD SIDED	GL 03 43 72500 PO#13921	117.36
GRAINGER	MOUNTING KIT	GL 02 61 72000 PO#13910	67.08
GRAINGER	REPAIR CLAMP	GL 01 99 15260 PO#13921	37.13
GRAINGER	SCRAPER STRAIGHT CARBON STEEL, PUTTY KNIFE	GL 03 42 75300	279.31
GRAINGER	BROOM 60" W, OUTDOOR	GL 01 34 72000 PO#13874	1,769.27
GRAINGER	DUCT TAPE, BRUSH 3", PAINT BRUSH, SPRAY PAINT	GL 01 34 72000 PO#13894	1,682.59
GRAINGER	SMALL ENGINE FUEL	GL 03 36 63421 PO#13952	1,374.01
GRAINGER	HANDRAIL	GL 02 61 72000 PO#13910	1,276.27
OFFICE DEPOT	OFFICE SUPPLIES	GL 03 42 75300	316.39
AMAZON	RETURNED ITEM: GRAND OPENING SCISSORS	GL 03 45 72000	(43.09)
AMAZON	STRAIGHT PIPE WRENCH	GL 01 34 72000 PO#13946	193.84
OFFICE SIGN COMPANY	DOOR SIGN	GL 03 41 63401	50.32
RIB SHACK	BOARD MEETING LUNCHES	GL 03 41 75300	156.13
MAJOR MARKETPLACE	EMPLOYEE SNACKS - FRUITS	GL 03 41 63401	31.73
AMAZON	WOOD STAIN MARKER, LAUNDRY DETERGENT PACK	GL 03 41 63401	62.50
AMAZON	ERGONOMIC CHAIR	GL 03 41 63401	202.57
AMAZON	CLASSIFICATION FOLDER	GL 03 41 72900	37.66

Vendor Name	Description	GL Finance Code	Transaction Amount
QUALITY LOGO	PROMOTIONAL ITEMS FOR HR	GL 03 45 72000	3,650.78
MUNICIPAL WATER	MWDOC 2024 WATER SUMMIT	GL 03 51 75300	150.00
RENAISSANCE ESERALD	CFO HOTEL STAY	GL 03 51 75300	267.54
CHATGPT	SUBSCRIPTION	GL 03 51 72400	20.00
VILLAGE NEWS	ANNUAL SUBSCRIPTION	GL 03 41 72400	69.95
MUNICIPAL WATER	REFUND: MWDOC 2024 WATER SUMMIT	GL 03 51 75300	(150.00)
TRAVEL GUARD GROUP	CALPEPRA 2024 CONFERENCE TRIP INSURANCE	GL 03 42 75300	46.31
UNITED AIRLINES	CALPEPRA 2024 CONFERENCE - CRAMIREZ	GL 03 42 75300	687.08
EAGLES NEST PECHANGA	2025 EMPLOYEE BANQUET	GL 03 42 56513	800.00
CWEA	CWEA - ANNUAL MEMBERSHIP	GL 01 33 56512	239.00
INDEED JOBS	MONTHLY SUBSCRIPTION	GL 03 42 75500	120.00
LINKEDIN	MONTHLY SUBSCRIPTION	GL 03 42 75500	169.99
ETSY.COM	20 YEAR SERVICE AWARD-COFFEY	GL 03 42 56513	126.49
SILVER TOWNE	25 YEAR SERVICE AWARD-HEINCY	GL 03 42 56513	232.70
HARRAH'S HOTEL	ADMINISTRATIVE SERVICES MGR HOTEL STAY	GL 03 42 75300	397.19
WHIP AROUND	JANITORIAL SUPPLIES	GL 03 41 63401	489.00
ZOHO	FORMS APP/SOFTWARE	GL 01 35 72000	40.25
WHIP AROUND	JANITORIAL SUPPLIES	GL 03 41 63401	54.60
THE CENTER FOR ORG EFFECTIVEI	SUPERVISORY ACADEMY	GL 02 61 56512	110.00
AMAZON	CAPACITORS FOR PUMP STATIONS	GL 03 44 60100	63.66
WASABI	SOFTWARE PROGRAM	GL 03 44 72400	101.22
AMAZON	RECESSED POWER AND DATA ROUND FLOOR BOX	GL 03 44 72000	514.68
AMAZON	PANEL MOUNT UPS W/ STANDARD BATTERY	GL 03 44 60100	657.68
AMAZON	LAPTOP BACKPACK, SCREEN PROTECTOR	GL 03 44 60100	108.74
AMAZON WEB SERVICES	STORAGE SERVICE - PHONE CALL RECORDINGS	GL 03 44 72400	0.61
AMAZON	NOTEBOOKS	GL 03 44 72000	13.51
STARLINK	SATELLITE INTERNET	GL 03 44 60100	384.67
AMAZON	DELL VIDEO CONFERENCING MONITOR	GL 03 44 60100	481.90
AMAZON	HEADPHONE JACK ADAPTER	GL 03 44 60100	18.29
AMAZON	USB CHARGER	GL 03 44 60100	28.11
CORELOGIC	ADDRESS LOOKUP SERVICE	GL 03 44 72400	192.50
MICROSOFT	CLOUD SOFTWARE	GL 03 44 72400	131.66
TWILIO	SMS SERVICE	GL 03 44 72400	21.78
GOTOCONNECT	PHONE SERVICE	GL 03 41 74100	1,276.34
AMAZON	OTTERBOX SCREENLESS PHONE CASE	GL 03 44 60100	38.71
AMAZON	OTTERBOX IPHONE CASE	GL 03 44 60100	30.64
SQSP	DOMAIN REGISTRATION	GL 03 44 72400	12.00
SQSP	DOMAIN REGISTRATION	GL 03 44 72400	12.00
STARLINK	SATELLITE INTERNET	GL 03 44 60100	26.94
DIRECT TV	EOC TV SUBSCRIPTION	GL 03 44 72400	92.99
DIGITAL RIVER	SOFTWARE PROGRAM	GL 03 44 72400	60.00

Vendor Name	Description	GL Finance Code	Transaction Amount
AMAZON	WALL MOUNT, MICROPHONE CABLE	GL 03 44 60100	97.35
STARLINK	SATELLITE INTERNET	GL 03 44 60100	20.00
ZOOM	SUBSCRIPTION	GL 03 44 72400	135.94
AMAZON	DELL NOTEBOOKS (6)	GL 03 44 60000 PO#13973	5,086.20
APPLE	SUBSCRIPTION	GL 03 44 72400	2.99
AMAZON	65' SMART FIRE TV	GL 03 44 60100	361.56
FLIPPER DEVICES	SOFTWARE PROGRAM	GL 03 45 72000	198.27
TY WHITMAN	UNKNOWN CHARGE, DISPUTED W/ AMEX	GL 03 44 72000	25.00
RING	DOORBELL SUBSCRIPTION	GL 03 44 72400	10.00
AMAZON	SEAGATE SAVVIO (6)	GL 03 44 60100	244.45
AMAZON	IPHONE SCREEN PROTECTORS	GL 03 44 60100	10.62
RENAISSANCE ESMERALD	CSDA CONFERENCE	GL 03 91 75300	57.57
YARD HOUSE	CSDA CONFERENCE	GL 03 91 75300	88.08
RENAISSANCE ESMERALD	CSDA CONFERENCE	GL 03 91 75300	1,269.34
BONSALL POST	MAILING	GL 03 91 72000	24.94
NFPA	NFPA-70E FOR PAUL GASSMANN	GL 03 43 72000	272.00
NFPA	NFPA-70E FOR MARK CLINE	GL 03 43 72000	272.00
SAFETY CLASS	CONFINED SPACE TRAINING FOR ALEX JONES	GL 03 43 72000	325.00
NFPA	NFPA-70E FOR PGASSMANN DUPLICATE CHARGE	GL 03 43 72000	272.00
NFPA	REFUND: NFPA-70E FOR PAUL GASSMANN	GL 03 43 72000	(272.00)
HSI EMERGENCY	HIS CPR CARDS AND STUDENT SUPPLIES	GL 03 43 72000	805.68
LA PERLA	EMERGENCY MAIN BREAK DINNER FOR CREW	GL 03 43 72000	42.14
RENAISSANCE ESMERALDA	CSDA CONF. LODGING DIRECTOR DALE	GL 03 20 75300	495.08
RENAISSANCE ESMERALDA	CSDA CONF. LODGING DIRECTOR JOHNSON	GL 03 20 75300	495.08
RENAISSANCE ESMERALDA	CSDA CONF. LDG DIRECTOR TOWNSEND-SMITH	GL 03 20 75300	495.08
ACWA	FALL CONF. REGISTRATION DIRECTOR DALE	GL 03 20 75300	899.00
ACWA	FALL CONF. REGISTRATION JAKE WILEY	GL 03 41 72400	899.00
ACWA	FALL CONF. REGISTRATION DIRECTOR MACK	GL 03 20 75300	899.00
RENAISSANCE ESMERALDA	CSDA CONF. LODGING DIRECTOR MACK	GL 03 20 75300	495.08
VILLAGE PIZZA	SPECIAL BOARD MEETING LUNCH HH, MM, JJ, CD, PTS, JW, KH, AS	GL 03 41 72400	82.97
COLORADO RIVER WATER USERS	CRWUA CONF REG - DIRECTOR TOWNSEND-SMITH (CANCELLED/CREDIT ISSUED)	GL 03 20 75300	550.00
ACWA	FALL CONF. REGISTRATION DIRECTOR JOHNSON	GL 03 20 75300	899.00
ACWA	FALL CONF. REGISTRATION KARLEEN HARP	GL 03 42 75300	899.00
IMAGE ZONE	THOROUGHbred L/S EVENT	GL 03 45 72000	107.81
WWW.NAMEBADGE.COM	NAME BADGES FOR STAFF	GL 03 41 72900	336.37
MICHAELS	THOROUGHbred L/S EVENT	GL 03 45 72000	17.37
TRADER JOES	THOROUGHbred L/S EVENT	GL 03 45 72000	5.19
VONS	THOROUGHbred L/S EVENT	GL 03 45 72000	30.96
ALBERTSONS	THOROUGHbred L/S EVENT	GL 03 45 72000	12.38
TARGET	THOROUGHbred L/S EVENT	GL 03 45 72000	21.13
KRISPY KREME	THOROUGHbred L/S EVENT	GL 03 45 72000	19.99

Vendor Name	Description	GL Finance Code	Transaction Amount
ISTOCKPHOTO	SUBSCRIPTION	GL 03 45 72400	210.00
VILLAGE NEWS	ANNUAL SUBSCRIPTION	GL 03 45 72400	89.95
DJ MANDY MIXES	COMMUNITY APPRECIATION EVENT W/ FPUD	GL 03 45 72000	337.50
WWW.NAMEBADGE.COM	NAME BADGES FOR STAFF	GL 03 41 72900	125.33
TOTAL AMEX CHARGES:			90,442.74

US Bank Visa Credit Card

Vendor Name	Description	GL Finance Code	Transaction Amount
O'REILLY	1QT TRANSFLD	GL 03 36 63422	167.96
SP ELEMENT FIRE	TACTICAL MOUNT W/ STRAPS AND FIRE EXTINGUISHER	GL 03 36 72000	432.80
SP ELEMENT FIRE FRGN FEE	TRANSACTION FEE	GL 03 36 72000	12.98
PEDAL COMMANDER	PEDAL COMMANDER FOR FORD F350	GL 03 36 63422	338.23
HARBOR FREIGHT	RADIATOR HOSE, ENGINE OIL, BATTERY AND CHARGER, CUTTER	GL 03 36 73000	352.21
MATCO	CHR LOCK EXT SET, CHROME LOCKING EXT, UNIV 6PT SKT	GL 03 36 73000	268.54
HAPPY JUG LIQUOR	ACCIDENTAL CHARGE - PERSONAL	GL 03 99 12121	36.30
WALMART	EMPLOYEE BEVERAGES	GL 01 34 72000	39.02
AWWA	CA-NV-AWWA POLICY & PLAN DEVELOPMENT	GL 01 35 63404	275.00
AWWA	CA-NV-AWWA POLICY & PLAN DEVELOPMENT	GL 01 35 63404	275.00
ALBERTSONS	EMPLOYEE BEVERAGES	GL 01 34 72000	41.36
COSTCO	DELIVERY FEE	GL 03 41 63400	20.99
COSTCO	EMPLOYEE SNACKS - TRAIL MIX	GL 03 41 63400	395.05
COSTCO	EMPLOYEE SNACKS - TRAIL MIX	GL 03 41 63400	224.95
FAST FIX JEWELRY	M CLINE GIFT ENGRAVING	GL 03 42 56513	45.00
BONSALL DONUT	WORKPLACE VIOLENCE TRAINING - FOOD FOR STAFF	GL 03 42 56513	56.80
Z SOUTH	NEW HIRE WELCOME LUNCH - C MELTON	GL 03 42 75500	145.16
MAJOR MARKETPLACE	EMPLOYEE APPRECIATION TREAT - ROOT BEER FLOATS	GL 03 42 56513	58.44
BACKDRAFT	AFTER HOURS MEALS FOR CREW	GL 01 34 72000	117.45
LA PERLA	AFTER HOURS MEALS FOR CREW	GL 01 34 72000	139.54
TB RESTAURANT	CSDA CONFERENCE, MEAL FOR BOARD/STAFF	GL 03 41 75300	400.00
RENAISSANCE HOTELS	LODGING @ CSDA CONFERENCE JW	GL 03 41 75300	267.54
Z CAFÉ	GENERAL MANAGER LUNCH MEETING W/FPUD	GL 03 41 75300	38.00
BONSAL DONUT HOUSE	OPERATIONS PLANNING MEETING	GL 03 41 75300	46.15
TOTAL US BANK VISA CHARGES:			4,194.47

TOTAL CHARGES			94,637.21
----------------------	--	--	------------------

Rainbow Municipal Water District
Property spreadsheet

APN	Description of Use	Acreage
1023000800	North Reservoir	4.8
1023001100	U-1 Pump Station	0.14
1023005000	Rainbow Creek Crossing near North Reservoir	0.89
1023005300	Connection 9	0.01
1024300900	Pump Station across PS1 (not in use)	0.12
1025702000	U-1 Tanks	1.08
1026305400	Pump Station #1	0.33
1026602000	Booster Pump Station #4	0.03
1027001600	Pump Station #3	0.67
1071702800	Connection 7	1.60
1071702900	Pala Mesa Tank	10.35
1080206900	Northside Reservoir	9.23
1082210600	Beck Reservoir	27.25
1082210900	Near Beck Reservoir	4.82
1082211000	Near Beck Reservoir	6.23
1082211800	Near Beck Reservoir - Excess Property (not in use)	4.68
1084210600	Rice Canyon Tank	1.00
1084410300	Canonita Tank	2.41
1091410700	Gomez Creek Tank	1.00
1092310900	Rainbow Heights Tank	0.35
1092330300	Rainbow Heights Tank	0.99
1092341000	Rainbow Heights Concrete Tank - used for SCADA	1.74
1093101800	Vallecitos Tank	0.55
1093822800	Magee Tank	1.03
1093912400	Magee Pump Station	0.3
1100721000	Huntley Road Pump Station	0.52
1102203700	Huntley Chlorination Station (not in use)	0.2
1212011000	Morro Tank	0.31
1212011100	Morro Tank	4.85
1212011200	Morro Reservoir	13.01
1213300900	Morro Reservoir	6.79
1250703200	Sumac Reservoir (Not in Use)	1.72
1250902600	Headquarters	7.38
1250903400	Headquarters	4.43
1250903500	Headquarters	3.40
1250903800	Headquarters	17.03
1251002100	Rancho Viejo Lift Station #5	0.05
1252311800	Hutton Tank	1.39
1252312600	Hutton Tank	0.89
1260803100	Via de los Cepillos Easement	0.47
1261708700	Lift Station #2	0.08
1261708900	Lift Station #2	0.12
1263004200	Lift Station #1	0.01
1270710500	Bonsall Reservoir (Not in Use)	6.19
1270710600	Connection 6	0.28
1271512300	Turner Tank	15.12
1721404300	Gopher Canyon Tank	1.84
	<i>Total</i>	167.68