RAINBOW
MUNICIPAL WATER DISTRICT

AGENDA

REGULAR BOARD MEETING

Board Room
3707 Old Highway 395
Fallbrook, CA 92028

Tuesday, May 26, 2026
1:00 P.M.

1. CALL TO ORDER

2. ROLL CALL: Hamilton, Mack, Townsend-Smith, Hoffman, Irvine

3. PLEDGE OF ALLEGIANCE

4. ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA

5. APPROVAL OF THE AGENDA

6. PUBLIC COMMENT

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

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

7. EMPLOYEE RECOGNITIONS

A. Karleen Harp – 10 Years

8. PUBLIC HEARING

A. Public Hearing to Solicit Public Input on the Draft 2025 Urban Water Management Plan (UWMP) Including Discussion and Consider Adoption of a Resolution Approving the District's Draft 2025 UWMP (UWMP)

9. CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested

person requests that an item be removed from the Calendar, it shall be removed so that it may be acted upon separately.

A. APPROVAL OF:
   1. April 28, 2026, Regular Board Meeting Minutes
   2. May 5, 2026, Engineering & Operations Committee Meeting Minutes
   3. May 12, 2026, Special Board Meeting/Budget Workshop Meeting Minutes
   4. May 19, 2026, Communication & Customer Service Committee Meeting Minutes
   5. Notice of Completion and Acceptance of the Manual Transfer Switches at Morro Hills, Vallecitos, and Rainbow Hills Pump Stations Project (Divisions 2 & 5)

10. ACTION ITEMS

A. Consider Approval of Award of Contract with Rogers Anderson Malody & Scott LLP (RAMS) for Independent Auditing Services
B. Consider Adoption of a Resolution Approving a Successor Memorandum of Understanding Between the Rainbow Municipal Water District and the Rainbow Association of Supervisors and Confidential Employees
C. Consider Adoption of a Resolution Approving a Successor Memorandum of Understanding Between the Rainbow Municipal Water District and the Rainbow Employees' Association
D. Consider Adoption of a Resolution Adopting the Fiscal Year 2026/27 and Fiscal Year 2027/28 Budgets
E. Consider Adoption of an Ordinance Authorizing Amendment to Section 3.01.010 – Regular Meetings
F. Consider Approval of a Policy for Credit Card Processing Service Fees and Adoption of an Ordinance Authorizing Amendment to Administrative Code Sections 8.12.0.0 and 9.02.270

11. PRESENTATION

A. Review the Opterra Energy Services Proposed Projects

12. INFORMATION ITEMS

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

13. REPORTS & COMMENTS

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

A. General Manager's Report
B. Legal Counsel's Report
C. Board Member Comments
D. Board Reports
   1. CSDA

2. LAFCO
3. Eastern MWD
4. ACWA
5. Committees, Workshops, Seminars, Training

14. REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

15. SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING

16. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation Significant Exposure to Litigation Pursuant to Government Code section 54956.9(d)(2) (1 case)
B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code Section 54956.8) Property: APNs 127-071-05 and 127-071-06, Agency Negotiator Jake Wiley, Negotiating Party: Don Dabbs, Under Negotiation: Price

17. ADJOURNMENT - To June 23, 2026, at 1:00 p.m.

ATTEST TO POSTING:

/s/Terese Quintanar	5/22/2026 7:01 AM
Terese Quintanar Secretary of the Board	Date and Time of Posting Outside Display Cases

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

For Online Participation:
Go to: https://rainbowmwd.zoom.us/j/85664315900

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

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

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

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted at the District's Administrative offices not less than 72 hours prior to the meeting date and time above. Meetings are regularly held at 1:00 p.m. All public records relating to each agenda item, including any public records distributed less than 72 hours prior to the meeting to all, or a majority of all, of the members of the 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 that 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.

RAINBOW
MUNICIPAL WATER DISTRICT

BOARD ACTION
Item No. 7.A

BOARD OF DIRECTORS

May 26, 2026

SUBJECT

EMPLOYEE RECOGNITION – KARLEEN HARP - 10 YEARS

DESCRIPTION

10 YEARS OF SERVICE AWARD:
KARLEEN HARP

Karleen Harp has reached an impressive 10-year milestone with the District, having joined the organization in 2016 as Human Resources Manager. Throughout her tenure, she has helped guide the District through significant events and periods of change with unwavering consistency, dedication, and a commitment to strengthening the entire organization through her leadership, insight, and expertise. In 2023, she was promoted to the Administrative Services Manager role, expanding her leadership responsibilities to include Human Resources, Public Information, and Safety & Risk. Karleen's impact on the District is especially evident in her role in hiring 73% of the current staff, helping build a team dedicated to the continued betterment and success of Rainbow Water. Karleen also serves on the District's Executive Management Team, providing invaluable input on all major District initiatives.

RAINBOW
MUNICIPAL WATER DISTRICT

BOARD ACTION
Item No.8.A

BOARD OF DIRECTORS

May 26, 2026

SUBJECT

PUBLIC HEARING TO SOLICIT PUBLIC INPUT ON THE DRAFT 2025 URBAN WATER MANAGEMENT PLAN (UWMP) INCLUDING DISCUSSION AND CONSIDER ADOPTION OF A RESOLUTION APPROVING THE DISTRICT'S DRAFT 2025 UWMP

BACKGROUND

The District is required to update its Urban Water Management Plan (UWMP) every five years in accordance with the requirements of the California Urban Water Management Planning Act (Act) and related provisions of the California Water Code (CWC). The UWMP documents the District's water service area, water usage, water supply, water sustainability, water conservation efforts, and water shortage contingency planning. The last UWMP was prepared in 2021.

Regulation of the Act is provided by the California Department of Water Resources (DWR) who has provided guidelines for the development of a compliant submission. At DWR's request, the submission is divided into two separate but interrelated documents: the Urban Water Management Plan (UWMP) and the Water Shortage Contingency Plan (WSCP). The UWMP is the regulatory component and includes information related to regional planning and development. The WSCP is the emergency response component and includes information related to assessment of and response to a water shortage. Note that the WSCP is included as an appendix to the UWMP. For purposes of this public hearing and adoption, the two documents are considered a single submittal and may be heard and adopted as the 2025 UWMP.

On August 19, 2025, Engineering Resources of Southern California (ERSC) was awarded a contract to produce updated Water and Wastewater Master Plans. Given an overlap of scope related to the Master Plan work, on September 23, 2025, the Board approved an amendment to the contract with ERSC to add work associated with the update of the UWMP and the WSCP. On February 18, 2026, the District sent out a 60-Day Notice of Preparation for both the UWMP and WSCP to the City of Oceanside, the County of San Diego, Eastern Municipal Water District, and Fallbrook Public Utility District pursuant to CWC §10624(b). A presentation of the UWMP and WSCP was made to the Engineering and Operations Committee on May 7, 2026. Public drafts of the UWMP and WSCP were made available on the District website, and a hard copy was made available at the District headquarters on May 8, 2026, for public review. A 14-day notice of public hearing was advertised in the Valley News on May 7, 2026 and May 14, 2026.

DESCRIPTION

The purpose of the UWMP is to maintain the efficient use of urban water supplies, confirm that sufficient water supplies are available for future beneficial use, and provide a mechanism for response during drought conditions. The District will utilize the UWMP to support long-term water resource planning and ensure adequate water supplies are available to meet existing and future water demands. The UWMP integrates data and projects water demand and supply to help inform regional and state planning efforts.

The public will have access to the UWMP and its appendices to inform water supply and demand assessments that are needed for development planning. The UWMP includes the following chapters:

Chapter 1 – Introduction and Overview
This chapter is used to provide a discussion on the fundamentals of the UWMP. It is intended to assist the reader in navigating and contextualizing the plan.

Chapter 2 – Urban Water Management Plan Preparation
This chapter provides information on the processes used for developing the UWMP, including efforts in coordination and outreach.

Chapter 3 – Service Area Description
This chapter includes the required system description. This description includes a map of the service area, an overview of the service area climate, land use, and demographics.

Chapter 4 – Water Use Characterization
This chapter includes a description and quantification of current and projected water uses within the service area.

Chapter 5 – SB X7-7 Baselines, Targets, and Reporting
In this chapter, water use efficiency targets associated with the Water Conservation Act of 2009 are presented and compliance confirmed.

Chapter 6 – Normal-Year Water Supply Characterization
In this chapter, current, projected and planned sources of water supply are described and quantified.

Chapter 7 – Water Service Reliability and Drought Risk Assessment
This chapter provides a comparison of projected water use and supply under normal year, single dry year, and five consecutive dry years conditions. Also included is a comparison of water use and supply under an immediate five year drought.

Chapter 8 – Water Shortage Contingency Plan
The Water Shortage Contingency Plan is provided in Appendix N.

Chapter 9 – Demand Management Measures
This chapter provides a description of the current water conservation program and associated coordination with wholesalers on additional conservation programs and rebates.

Chapter 10 – Adoption, Submittal, and Implementation
This chapter describes and documents the steps taken to make the UWMP publicly available, as well as the steps taken to adopt and submit the UWMP in accordance with the Water Code.

Appendices
Additional information and documentation are provided to support and further clarify content included in the main chapters. Providing additional information strengthens the plan and offers a complete and well-supported planning document for use by the public and stakeholders.

The WSCP is an integral part of the UWMP. The WSCP documents how the District will respond in the event of a water shortage. A water shortage means that the available water supply cannot sufficiently meet the normally expected customer water use at a given point in time. The WSCP provides guidance for managing and mitigating a potential shortage of water supply in coordination with the District's emergency response plan.

The WSCP, cited above as Appendix N of the UWMP, includes the following chapters:

Chapter 1 – Introduction and Overview

This chapter is used to provide a discussion on the fundamentals of the WSCP.

Chapter 2 – Water Supply Reliability Analysis
This chapter provides information on coordination between the UWMP and the WSCP.

Chapter 3 – Annual Assessment Procedures
This chapter describes the methods, tables, and submittal process for the preparation of an annual water supply and demand assessment.

Chapter 4 – Six Standard Water Shortage Levels
This chapter delineates the shortage levels and describes the impact of a wholesaler supply shortage on dependent retailers.

Chapter 5 – Shortage Response Actions
This chapter details the various methods to reduce demand in response to a shortage.

Chapter 6 – Emergency Response Plan
In this chapter, the District's emergency response plan is presented.

Chapter 7 – Communication Protocols
This chapter summarizes methods for communicating water supply shortage and responses with the public and other government bodies.

Chapter 8 – Compliance and Enforcement
This chapter delineates aspects of Ordinance No. 16-10 related to compliance and enforcement of water use reduction policy.

Chapter 9 – Legal Authority
This chapter cites aspects of Ordinance No. 16-10 that authorize the District to enforce and compel compliance with water use reduction policy.

Chapter 10 – Financial Consequences
This chapter observes potential financial consequences of WSCP implementation including loss of revenue and costs associated with monitoring, communication, conservation program execution, and enforcement.

Chapter 11 – Monitoring and Reporting
This chapter describes collecting, tracking, and analyzing appropriate data under the various shortage levels.

Chapter 12 – WSCP Refinements and Procedures
This chapter delineates the procedures required for submitting an amended WSCP.

Appendices
Additional information and documentation are provided to support and further clarify content included in the main chapters. Providing additional information strengthens the plan and offers a complete and well-supported planning document for use by the public and stakeholders.

The UWMP and WSCP were prepared in compliance with the California Water Code and conform with DWR's 2025 UWMP Guidebook. The UWMP and WSCP conclude with the following recommendations to be considered by the Board of Directors in due course:

- Consider updating Ordinance 16-10 (An Ordinance of Rainbow Municipal Water District Adopting a Drought Response Conservation Program)
- Consider Implementation of a Leak Detection and Repair Pilot Program

- Consider Conducting a Seismic Vulnerability Study of Water Infrastructure

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area One and Five: Water Resources and Customer Service. The 2025 UWMP will assess projected demands and supplies over a 20-year planning horizon and addresses methods to ensure reliable and adequate water service to meet the needs of our customers. The 2025 WSCP provides guidance for managing and mitigating a potential shortage of water supply.

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

The current PSA amount for the 2025 UWMP with ERSC is $74,830 that includes Change Order #1 approved by the Board of Directors on March 23, 2021. Adequate funds are available under Engineering Professional Services GL Account 03-91-70000 Project Number 300018, which is budgeted at $257,500.

Option 1:
- Open public hearing, take testimony, and close public hearing.
- Adopt a resolution approving the 2025 UWMP with any amendments presented at the public hearing.
- Make a determination that the action identified herein does not constitute a "project" as defined by CEQA.

Option 2:
- Address Board and public comments on the UWMP and return to the June 23, 2026, board meeting with an amended 2025 UWMP.

Option 3:
- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.

Konstantin Shilkov, Finance manager May 26, 2026

RESOLUTION NO. 2026-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT ADOPTING THE 2025 URBAN WATER MANAGEMENT PLAN (UWMP)

WHEREAS, the Urban Water Management Planning Act (Water Code section 10620 – 10645) requires every urban water supplier as defined in the act to prepare and adopt an Urban Water Management; and

WHEREAS, Rainbow Municipal Water District is an urban water supplier within the meaning of the act; and

WHEREAS, the District has prepared its 2025 Urban Water Management Plan, made the plan available for public inspection, and held a public hearing thereon following publication within the jurisdiction of the District of a notice of the time and place of the hearing pursuant to Section 6066 of the Government Code; and

WHEREAS, it is in the interest of the District to adopt a revised Urban Water Management Plan;

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

1. That the 2025 URBAN WATER MANAGEMENT PLAN FOR RAINBOW MUNICIPAL WATER DISTRICT, a copy of which is on file with the District, be approved and adopted as the plan required by the Urban Water Management Planning Act.

2. That the District shall implement its updated plan.

3. That District staff is authorized and directed to file with the Department of Water Resources of the State of California a copy of the District's updated plan by July 1, 2026.

PASSED AND ADOPTED at an adjourned regular meeting of the Board of Directors of the Rainbow Municipal Water District held on May 26, 2026, by the following vote, to wit:

_____
Hayden Hamilton, Board President

ATTEST:

_____
Terese Quintanar, Board Secretary

Rainbow Municipal Water District
2025 Urban Water Management Plan
2025 Water Shortage Contingency Plan
Board Presentation – May 26, 2026

RAINBOW
MUNICIPAL WATER DISTRICT

ERSC
Engineering Resources of Southern California

Agenda

- Plan Administration
- Plan Description
- Schedule and Next Steps

Plan Administration

- Pursuant to CWC §§10610–10657 (aka, California Urban Water Management Planning Act), the District is required to update its Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP) on a five-year basis.

- Upon submittal the District is eligible for state grants and low interest loans.

Plan Description

- The plan is presented as two inter-related documents and associate data tables:
  - UWMP – Regulatory Component
  - WSCP – Emergency Response Component
- Developed in Coordination with Eastern MWD
- Consistent with Dept. of Water Resources Guidebook
  - All requirements have been addressed
  - A checklist was prepared to assist DWR review

Changes to the Public Draft

- Information related to:
  - public availability and public hearing notification
  - availability of EMWD and MWD draft and final plans
  - adoption and submittal
- Minor updates from RMWD Staff
- Minor updates from EMWD draft UWMP
  - No supply augmentation opportunities
  - Updated wholesaler conservation program

Schedule

- Notification was provided to relevant local and regional agencies
- The plan was prepared in coordination with EMWD
- The plan was presented to the Engineering and Operations Committee
- Public drafts were issued for review
- Notification of a public hearing was provided

Next Steps

- Conduct public hearing
- Adopt plan as amended
- Submit plan and data tables to DWR
- Provide copies of plan to relevant local, regional, and state agencies
- Respond to DWR reviewer comments, if needed

Rainbow Municipal Water District

2025 Urban Water Management Plan Public Draft

RAINBOW
MUNICIPAL WATER DISTRICT



Rainbow Municipal Water District

2025 Urban Water Management Plan Public Draft

Prepared by

Engineering Resources of Southern California



Anthony Herda, P.E.

May 2026

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Executive Summary

Background

This Urban Water Management Plan (UWMP) was prepared in accordance with the Urban Water Management Planning Act (Act) defined by the California Water Code (CWC), Division 6, Part 2.6, and Sections 10610 through 10657. The purpose of the UWMP is to maintain the efficient use of urban water supplies, confirm that sufficient water supplies are available for future beneficial use, and provide a mechanism for response to a water shortage during drought conditions or other emergencies.

The Rainbow Municipal Water District (District) recognizes the importance of maintaining high-quality, reliable water supply. Although water is a renewable resource, its availability is limited. The District, in coordination with Eastern Municipal Water District (EMWD) and Metropolitan Water District of Southern California (MWD), is committed to safeguarding the quality, reliability, and sustainability of water services for the benefit of the ratepayers and residents served.

The UWMP integrates demographic and meteorological data and projects water demand and supply to help inform various regional and state planning efforts. The public will have access to the UWMP and its appendices to inform water supply and demand assessments as needed for CEQA and development planning.

Analysis

In 2025, the District served an estimated population of 23,299 via 9,180 municipal connections with a potable water supply of 12,355 acre-feet (AF). The District delivers water within a service area of over 52,000 acres via 344 miles of water mains, eight pump stations, three reservoirs, and 13 storage tanks. The service area includes the unincorporated San Diego County communities of Rainbow and Bonsall, as well as portions of Vista, Oceanside, and Fallbrook.

The District is wholly reliant on imported water sources that are delivered through MWD facilities and purchased through EMWD. The District has coordinated the preparation of its UWMP with EMWD including provision of projected population and water demands in five-year increments through 2050 to assure mutually accurate reporting.

The District is anticipated to experience modest population growth resulting in an increase in residential demand; however, agricultural demand is expected to decrease due to water use efficiency achieved through continued application of the CropSWAP program and economic pressure on local growers.

The supply from EMWD is very consistent in quantity and quality. Through inter-agency coordination efforts, EMWD asserts having sufficient capacity to meet peak demands presented in this UWMP without any delivery constraints.

Conclusions

This UWMP has been prepared in accordance with guidelines provided by the Department of Water Resources and in coordination with EMWD. It demonstrates compliance with the Act and includes required data tables to be uploaded to DWR's Water Use Efficiency electronic data portal for use by the state in evaluating and reporting on water sustainability.

Recommendations

Implementation of the UWMP is recommended. In addition, the District should consider the following:

Ordinance No. 16-10

The UWMP references Ordinance No. 16-10 (An Ordinance of Rainbow Municipal Water District Adopting a Drought Response Conservation Program) concerning authority to implement and enforce water demand reduction actions in the event of a declared water shortage. Since adoption of the ordinance, several relevant changes have occurred:

- The District has changed wholesale water suppliers from the San Diego County Water Authority to EMWD. This means new wholesaler programs and policies are in place.
- Retailer impact of a wholesale supply shortage is now tied to MWD's Water Supply Allocation Plan (WSAP). The WSAP outlines operational changes in management of wholesale deliveries to reduce the impact on retailers. Specifically, WMD will make up for supply shortages on the State Water Project and Colorado River Aqueduct by drawing down surface storage.
- The District has experienced a nearly 50 percent reduction in average annual demand, primarily in the agricultural sector. This means that a supply shortage will have a smaller impact and variation in demand is less volatile reducing the likelihood of a shortage.

The District may consider reviewing the impacts of these changes on the Ordinance and making appropriate amendments.

Water Leak Detection and Repair Pilot Program

Reduction of real water loss due to leaks was observed as a potential water conservation program. The District may consider implementing a pilot program for leak detection and repair.

Adoption

Following public review of the Draft UWMP and following consideration and incorporation of any public comments received during the public hearing, adoption by resolution is recommended.

Chapter 1 – Introduction and Overview

This chapter provides an overview of the Urban Water Management Planning Act (Act), relations to other planning efforts, plan organization, and other general information to help orient and guide the reader.

1.1 – Purpose of the 2025 UWMP

The purpose of the Urban Water Management Plan (UWMP) is to maintain the efficient use of urban water supplies, confirm that sufficient water supplies are available for future beneficial use, and provide a mechanism for response during drought conditions. The Rainbow Municipal Water District (District) will utilize the UWMP to support long-term water resource planning and ensure adequate water supplies are available to meet existing and future water demands.

The District recognizes the importance of maintaining high-quality, reliable water supply. Although water is a renewable resource, its availability is limited. The District, in coordination with Eastern Municipal Water District (EMWD) and Metropolitan Water District of Southern California (MWD), is committed to safeguarding the quality, reliability, and sustainability of water services for the benefit of the ratepayers and residents served.

The UWMP integrates data and projects water demand and supply to help inform other regional and state planning efforts. The public will have access to the UWMP and its appendices to inform water supply and demand assessments that are needed for development plans.

1.2 – Urban Water Management Planning and the California Water Code

The UWMP was prepared in accordance with the Urban Water Management Planning Act (Act) defined by the California Water Code (CWC), Division 6, Part 2.6, and Sections 10610 through 10657 (see Appendix A). The Act became part of the CWC with the passage of Assembly Bill 797 during the 1983-1984 regular session of the California legislature. The Act requires every urban water supplier providing water for municipal purposes to more than 3,000 connections or supplying more than 3,000 acre-feet (AF) of water annually to adopt and submit a UWMP every five years to the California Department of Water Resources (DWR). The Act regulates the contents of the UWMP as well as how urban water suppliers should adopt and implement the UWMP and the associated Water Shortage Contingency Plan (WSCP).

1.3 – Updated Guidance for 2025 Urban Water Management Plans

The Urban Water Management Plan Guidebook was made available by DWR in January 2026. The Guidebook presents applicable legislation, legislative interpretation of minimum requirements, examples and methods for preparing contents, preferences for regulatory review, and supporting research. To the extent practical, this plan is organized as presented in the Guidebook.

1.4 – Submittal Tables

> ***Water Code Section 10644***
>
> *(a)(2) The plan, or amendments to the plan, submitted to the department … shall include any standardized forms, tables, or displays specified by the department.*

The Water Use Efficiency (WUE) Tables were uploaded via the portal. Copies of the WUE Tables are provided in Appendix B.

At the end of each chapter, a list of corresponding submittal tables is provided.

1.5 – Report Organization

1.5.1 – Citation of Water Code

By convention, Water Code citations from the Guidebook are provided as shown below, italicized in a frame with a grey background.

> ***Water Code Section XXXXX***
>
> *(X) Direct excerpt from the Water Code as presented in the Guidebook.*

The intent of including relevant excerpts from the Water Code is to give the reader a perspective linking statute and regulations to the content of the plan.

1.5.2 – Description of Chapters

Chapter 1 – Introduction and Overview

This chapter is used to provide a discussion on the fundamentals of the UWMP. It is intended to assist the reader in navigating and contextualizing the plan.

Chapter 2 – Urban Water Management Plan Preparation

This chapter provides information on the processes used for developing the UWMP, including efforts in coordination and outreach.

Chapter 3 – Service Area Description

This chapter includes the required system description. This description includes a map of the service area, an overview of the service area climate, land use, and demographics.

Chapter 4 – Water Use Characterization

This chapter includes a description and quantification of current and projected water uses within the service area.

Chapter 5 – SB X7-7 Baselines, Targets, and Reporting

In this chapter, water use efficiency targets associated with the Water Conservation Act of 2009 are presented and compliance confirmed.

Chapter 6 – Normal-Year Water Supply Characterization

In this chapter, current, projected and planned sources of water supply are described and quantified.

Chapter 7 – Water Service Reliability and Drought Risk Assessment

This chapter provides a comparison of projected water use and supply under normal year, single dry year, and five consecutive dry years conditions. Also included is a comparison of water use and supply under an immediate five year drought.

Chapter 8 – Water Shortage Contingency Plan

The Water Shortage Contingency Plan is provided under a separate cover and in Appendix N.

Chapter 9 – Demand Management Measures

This chapter provides a description of the current water conservation program and associated coordination with wholesalers on additional conservation programs and rebates.

Chapter 10 – Adoption, Submittal, and Implementation

This chapter describes and documents the steps taken to make the UWMP publicly available, as well as the steps taken to adopt and submit the UWMP in accordance with the Water Code.

Appendices

Additional information and documentation are provided to support and further clarify content included in the main chapters. Providing additional information strengthens the plan and offers a complete and well-supported planning document for use by the public and stakeholders.

1.6 – Relation to Other Efforts

The District's 2025 UWMP integrates with related planning efforts of MWD, EMWD, the County of San Diego, and others. Key related planning efforts are listed below:

- Eastern Municipal Water District 2025 UWMP: Information on demands from the District's UWMP has been coordinated with EMWD for presentation in its 2025 Wholesaler UWMP.
- Metropolitan Water District of Southern California UWMP: Information on supplies provided to EMWD were noted and integrated into the District's UWMP. Of note is the current Water Supply Allocation Plan (WSAP) which may be implemented in the event of a regional water shortage.
- San Diego Association of Governments (SANDAG) Regional Plan: The District's projections of future water demands are based on demographic projections made by SANDAG as part of its 2025 Regional Plan. The SANDAG projections are fully consistent with the adopted land use plans of the County of San Diego and each of the various municipalities within the county.
- San Diego County General Plan: As noted in the SANDAG Regional Plan description above, the District's water demand projections are consistent with the adopted General Plan land uses of the County of San Diego. The County will be able to use the District's UWMP as needed to provide documentation of available water supplies relative to any land use decisions that come before the County during the five-year life of the current UWMP.
- San Diego Integrated Regional Water Management Plan:

  California legislation that was passed in 2000 promotes the development of Integrated Regional Water Management Plans (IRWMPs). The process involves an integrated approach to water management planning by providing the framework for local agencies to cooperatively manage local and imported water supplies and improve water supply quality, quantity, and reliability.

  The San Diego IRWMP, recently updated in 2019, promotes regional planning and supports projects that aim to increase water supply reliability and improve surface water and groundwater quality. IRWM planning and funding has helped to make water supply projects possible in the areas of seawater desalination, recycled water, local surface water, and groundwater, which are part of the region's projected mix of water resources. The IRWM program also supports water conservation.

The District participated in the development of the San Diego IRWMP, a copy of which can be found at http://www.sdirwmp.org/. The watershed boundaries of the San Diego IRWMP planning region are shown in Figure 1.1.

Figure 1.1 – San Diego IRWMP Region



Excerpt from 2019 San Diego IRWMP

1.7 – Department of Water Resources Review Process

Upon submittal, DWR will review the UWMP and WSCP to ensure that plans address Water Code requirements. Following the review, the District will be notified of the results of the review via a formal review letter.

1.8 – Grant or Loan Eligibility

By virtue of submitting a compliant UWMP, the District is eligible for State grants and low interest loans.

Water Code Section 10608.56

(a) On and after July 1, 2016, an urban retail water supplier is not eligible for a water grant or loan awarded or administered by the state unless the supplier complies with this part.

(c) Notwithstanding subdivision (a), the department shall determine that an urban retail water supplier is eligible for a water grant or loan even though the supplier has not met the per capita reductions required pursuant to Section 10608.24, if the urban retail water supplier has submitted to the department for approval a schedule, financing plan, and budget, to be included in the grant or loan agreement, for achieving the per capita reductions. The supplier may request grant or loan funds to achieve the per capita reductions to the extent the request is consistent with the eligibility requirements applicable to the water funds.

(e) Notwithstanding subdivision (a), the department shall determine that an urban retail water supplier is eligible for a water grant or loan even though the supplier has not met the per capita reductions required pursuant to Section 10608.24, if the urban retail water supplier has submitted to the department for approval documentation demonstrating that its entire service area qualifies as a disadvantaged community.

(f) The department shall not deny eligibility to an urban retail water supplier or agricultural water supplier in compliance with the requirements of this part and Part 2.8 (commencing with Section 10800), that is participating in a multiagency water project, or an integrated regional water management plan, developed pursuant to Section 75026 of the Public Resources Code, solely on the basis that one or more of the agencies participating in the project or plan is not implementing all of the requirements of this part or Part 2.8 (commencing with Section 10800).

Water Code Section 10656

An urban water supplier is not eligible for a water grant or loan awarded or administered by the state unless the urban water supplier complies with this part.

23 CCR Section 596.1

(b)(2) "disadvantaged community" means a community with a median household income that is less than 80 percent of the statewide annual median household income.

1.9 – Units of Measurement

Units of measure used for calculations in the WUE Tables are included below:

AF	acre-feet
AFY	acre-feet per year
GPCD	gallons per capita per day
GPMD	gallons per mile of pipe per day
GPSCD	gallons per service connection per day
kWh	kilowatt-hour
MG	millions of gallons

1.10 – Acronyms and Abbreviations

Common acronyms and abbreviations are used throughout the plan. By convention, the first appearance is written out followed by the acronym or abbreviation in parentheses, and subsequent appearances use only the acronym or abbreviation.

UWMP	Urban Water Management Plan
Act	Urban Water Management Planning Act
AD	Domestic Agriculture
AF	acre-feet
AF	acre-feet per year
AG	Agriculture
AWWA	American Water Works Associations
BMPs	best management practices
C	Celsius
CIMIS	California Irrigation Management Information System
CIP	capital improvement program
CM	Commercial Family
CN	Construction
CO2	carbon dioxide
CropSWAP	Sustainable Water for Agricultural Production
CWC	California Water Code
CY	calendar year
District	Rainbow Municipal Water District
DMMs	demand management measures
DRA	Drought Risk Assessment
DWR	California Department of Water Resources
EMWD	Eastern Municipal Water District
EOC	Emergency Operations Center
ERP	Emergency Response Plan

ET	evapotranspiration
F	Fahrenheit
FPUD	Fallbrook Public Utility District
GPCD	gallons per capita per day
IRWMP	Integrated Regional Water Management Plan
kWh	kilowatt-hour
MF	Multi-Family Residential
MGD	million gallons per day
MWD	Metropolitan Water District of Southern California
PWS	Public Water System
RMWD	Rainbow Municipal Water District
SANDAG	San Diego Association of Governments
SCADA	supervisory control and data acquisition system
SF	Single Family Residential
SLRWRP	San Luis Rey Water Reclamation Plant
UWUO	Urban Water Use Objectives
Water Authority	San Diego County Water Authority
WSAP	Water Supply Allocation Plan
WSCP	Water Shortage Contingency Plan
WUE	Water Use Efficiency

1.11 – Acknowledgements

The District appreciates the participation of the following individuals in preparing, reviewing, and contributing to the UWMP:

Rainbow Municipal Water District

- Jake Wiley, P.E. – General Manager
- Chad Williams – Engineering & CIP Program Manager
- Konstantin Shilkov, CPA – Chief Financial Officer/Treasurer
- Esther Lan – Management Analyst
- Terese Quintanar – District Secretary

Engineering Resources of Southern California

- Anthony Herda, P.E. – Senior Principal Engineer
- Trent Brudin, P.E. – Engineering Manager
- Braniah Washington – Engineering Aide

Eastern Municipal Water District

- Kylee Wideman – Water Resources Specialist Associate

Chapter 2 – Urban Water Management Plan Preparation

This chapter presents the basis for preparing the UWMP, units of measure, coordination, and outreach.

2.1 – Basis for Preparing a Plan

Water Code Section 10617

"Urban water supplier" means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers. This part applies only to water supplied from public water systems subject to Chapter 4 (commencing with Section 116275) of Part 12 of Division 104 of the Health and Safety Code.

Water Code Section 10608.12

(t) "Urban retail water supplier" means a water supplier, either publicly or privately owned, that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre-feet of potable water annually at retail for municipal purposes.

(w) "Urban wholesale water supplier" means a water supplier, either publicly or privately owned, that provides more than 3,000 acre-feet of water annually at wholesale for potable municipal purposes.

Water Code Section 10620

(b) Every person that becomes an urban water supplier shall adopt an urban water management plan within one year after it has become an urban water supplier.

Water Code Section 10621

(a) Each urban water supplier shall update its plan at least once every five years on or before July 1, in years ending in six and one, incorporating updated and new information from the five years preceding each update.

In 2025, the District served 9,180 municipal connections with a supply of 12,355 AF. The District exceeds the threshold of 3,000 or more customers and 3,000 AFY or more of supply to those customers and is therefore required to prepare an UWMP.

2.2 – Public Water System

California Health and Safety Code 116275

(h) "Public Water System" means a system for the provision of water for human consumption through pipes or other constructed conveyances that has 15 or more service connections or regularly serves at least 25 individuals daily at least 60 days out of the year.

23 CCR Section 980(ddd):

(1) If the supplier owns and operates at least one public water system that has provided an average annual total of 3,000 AF of water or more for municipal purposes for the previous two years, or has served an annual average of 3,000 or more municipal service connections (i.e., residential [single or multifamily], commercial, institutional, industrial, or landscape irrigation) for the previous two years.

(2) Multiple public water systems that are owned and operated by the same supplier are, together, considered an urban retail water supplier provided they:

(A) Individually serve 200 connections or more;

(B) Collectively, meet the criteria in paragraph (1); and

(C) Meet one or more of the criteria below:

(i) The systems are permanently interconnected;

(ii) The service area boundaries are adjacent;

(iii) The supplier is using the system's data, such as population or landscape area, to calculate its urban water use objective pursuant to Water Code Section 10609.20.

The District's Public Water System Number is 3710016. In 2025, the District served 9,180 municipal connections with a supply of 12,355 AF.

2.3 – Individual or Regional Plan

Water Code Section 10620(d)(1):

An urban water supplier may satisfy the requirements of this part by participation in area wide, regional, watershed, or basin wide urban water management planning where those plans will reduce preparation costs and contribute to the achievement of conservation, efficient water use, and improved local drought resilience.

The District has submitted an individual plan and is not participating in a regional plan.

2.4 – Fiscal or Calendar Year and Units of Measure

Water Code Section 10608.20

(a)(1) Urban retail water suppliers … may determine the targets on a fiscal year or calendar year basis.

The plan uses calendar years as a basis for calculating water use targets.

2.5 – Coordination and Outreach

Water Code Section 10631

(h) An urban water supplier that relies upon a wholesale agency for a source of water shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water-year types in accordance with subdivision

(f) An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and (f).

This section describes the District's coordination efforts with their wholesaler, as well as other agencies and communities in their service area.

2.5.1 – Wholesale and Retail Coordination

The District is wholly reliant on imported water sources that are delivered through MWD facilities but purchased through EMWD. The District has coordinated the preparation of its UWMP with EMWD including provision of projected population and water demands in five-year increments through 2050.

2.5.2 – Coordination with Other Agencies and the Community

Water Code Section 10620

(d)(3) Each urban water supplier shall coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.

Water Code Section 10642

Each urban water supplier shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of both the plan and the water shortage contingency plan…

The District coordinated the preparation of this UWMP with appropriate local agencies to the extent practical, including EMWD and MWD.

The Public Draft 2025 UWMP and WSCP were made available on the District's website beginning on May 7, 2026. Within 30 days of their adoption, copies of the final UWMP and final WSCP were sent to DWR, the California State Library, and the County of San Diego, and are posted on the District's website and made available for review in hardcopy form at the District's offices during normal working hours.

2.5.3 – Notice to Cities and Counties

Water Code Section 10621(b)

Every urban water supplier required to prepare a plan pursuant to this part shall, at least 60 days before the public hearing on the plan required by Section 10642, notify any city or county within which the supplier provides water supplies that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan.

Notifications of the current UWMP and WSCP update were sent via email on February 18, 2026, to the County of San Diego, Eastern Municipal Water District, Fallbrook Public Utility District, and the City of Oceanside.

2.6 – Submittal Tables

Electronic data and information related to the content of this chapter are included in the following WUE Tables.

- Submittal Table 2-1 Retail: Public Water Systems
- Submittal Table 2-2: Plan Identification
- Submittal Table 2-3: Supplier Identification
- Submittal Table 2-4 Retail: Water Supplier Information Exchange

Copies of the tables may be found in Appendix B.

Chapter 3 – Service Area Description

Water Code Section 10631.

A plan shall be adopted in accordance with this chapter that shall do all of the following:

> *(a) Describe the service area of the supplier, including current and projected population, climate, and other social, economic, and demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available. The description shall include the current and projected land uses within the existing or anticipated service area affecting the supplier's water management planning. Urban water suppliers shall coordinate with local or regional land use authorities to determine the most appropriate land use information, including, where appropriate, land use information obtained from local or regional land use authorities, as developed pursuant to Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of Title 7 of the Government Code.*

This chapter describes the District's water system. It contains a description of factors that impact water demand such as service area climate and population.

3.1 – General Description

Water Code Section 10631.

> *(a) Describe the service area of the supplier …*

The District was established in 1953 as a Special District, organized under Section 71000 of the California Water Code. The District provides water services to over 9,000 water customers within an 82-square mile service area which includes unincorporated San Diego County communities of Rainbow, Bonsall, and portions of Vista, Oceanside, and Fallbrook.

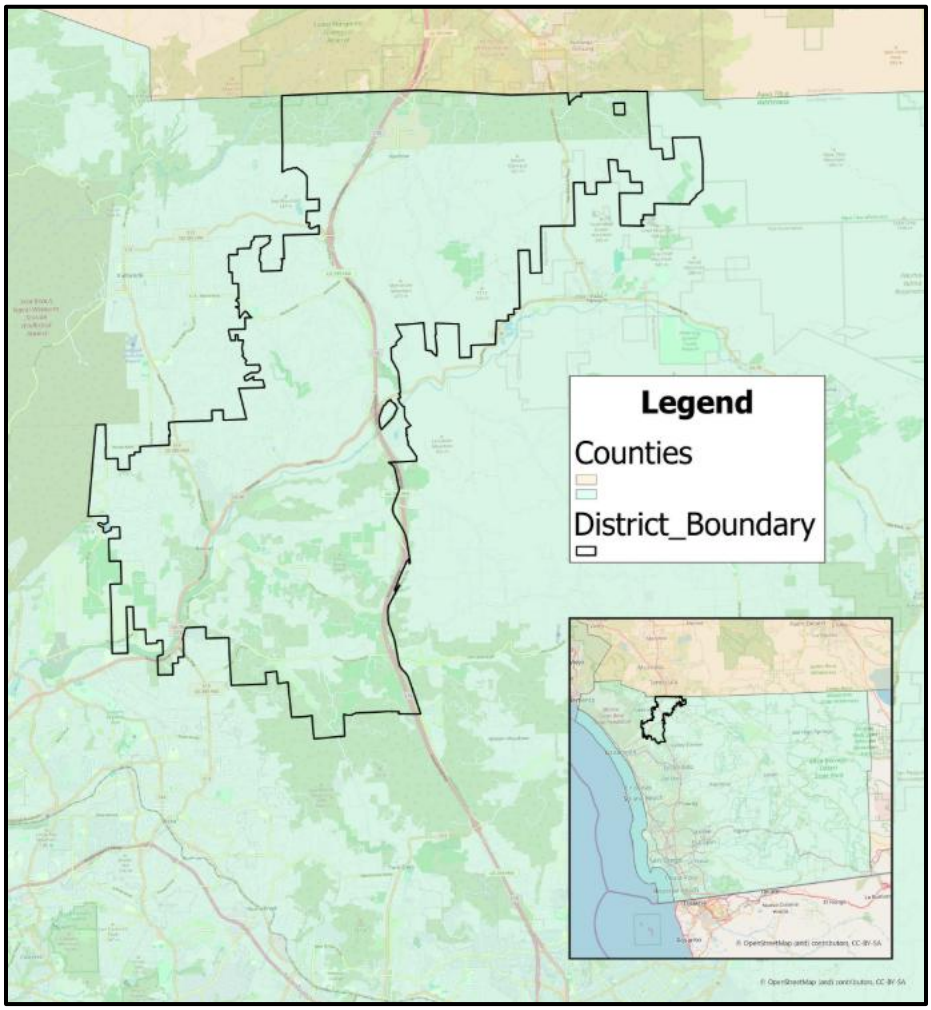
The District imports 100% of its water from Metropolitan Water District's Lake Skinner Water Treatment Plant in Temecula. The District is a member of the Eastern Municipal Water District, a water wholesaler in Riverside County.

The District delivers water to over 52,000 acres via 344 miles of water main, eight pump stations, three reservoirs, and 13 storage tanks.

3.2 – Service Area Boundary

The District serves the unincorporated communities of Rainbow and Bonsall, a portion of the unincorporated community of Fallbrook, and small portions of the City of Oceanside, as shown in Figure 3.1.

Figure 3.1 – Service Area Boundary



3.3 – Service Area Climate

Water Code Section 10631(a)

Describe the service area of the supplier, including … "climate…"

Water Code Section 10630.

It is the intention of the Legislature, in enacting this part, to permit levels of water management planning … while accounting for impacts from climate change.

Climate data were gathered from California Irrigation Management Information System (CIMIS) Weather Station No. 62 located in Temecula.

CIMIS is a program unit in the Water Use and Efficiency Branch, Division of Regional Assistance, California Department of Water Resources (DWR) that manages a network of over 145 automated weather stations in California. It was designed to assist irrigators in managing their water resources more efficiently.

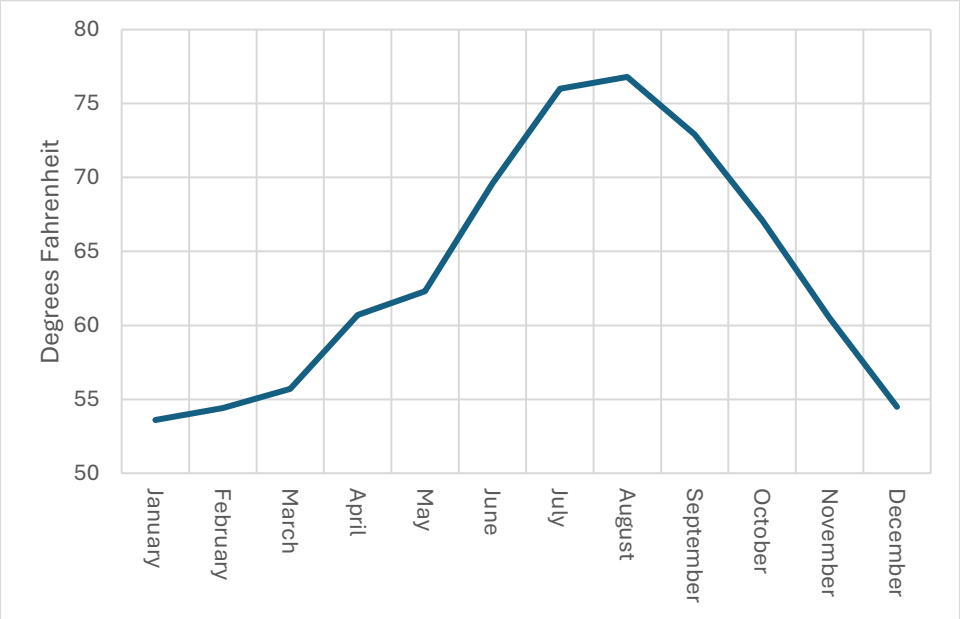
Table 3.1 provides a tabulation of the ten-year (CY 2016 through 2025) monthly averages for temperature, precipitation, and evapotranspiration index (see definition at the end of this section).

Table 3.1 – CIMIS Climate Data

Month	Temperature (degree F)	Precipitation (inches per month)	Evapotranspiration Index (inches per month)
January	53.6	2.2	2.6
February	54.4	1.8	3.2
March	55.7	2.0	4.3
April	60.7	0.7	5.8
May	62.3	0.2	6.3
June	69.6	0.1	7.5
July	76.0	0.1	8.4
August	76.8	0.2	7.9
September	72.9	0.6	5.9
October	67.1	0.7	4.9
November	60.5	1.0	3.4
December	54.5	1.5	2.4

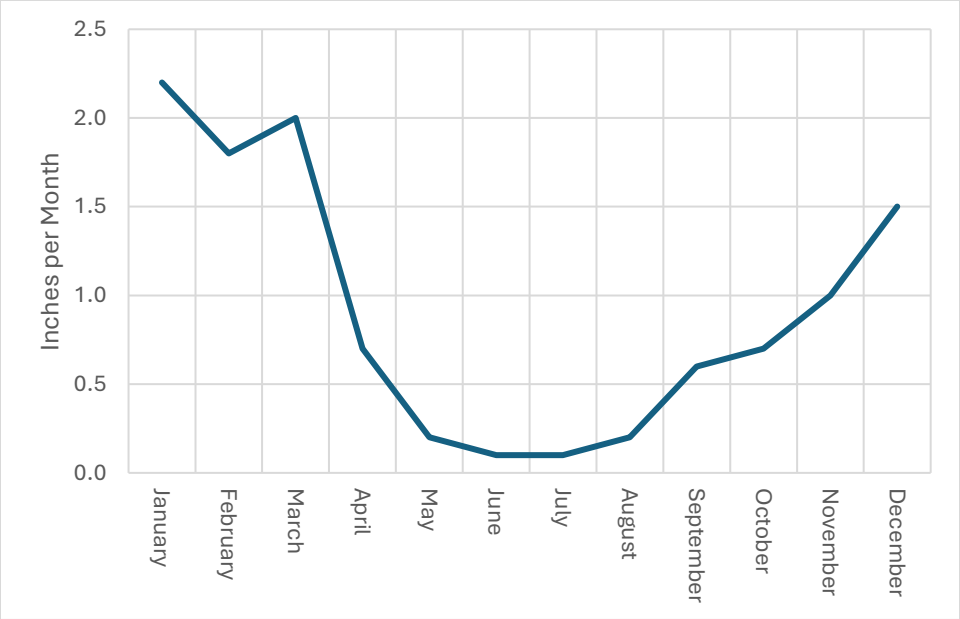
Average monthly temperature variation over the last ten years is shown in Figure 3.2.

Figure 3.2 – 10-year Average Temperature Variation



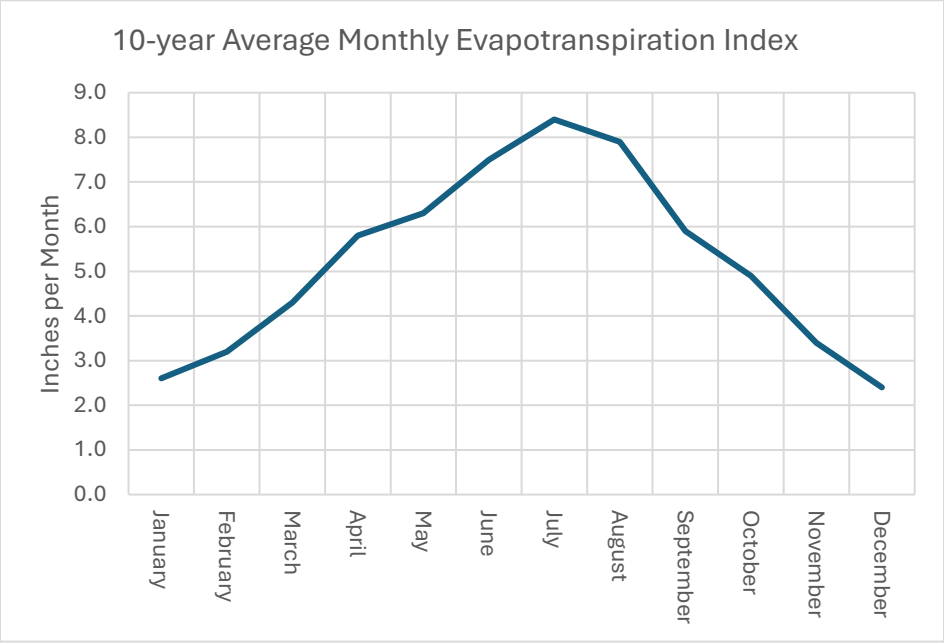
Average monthly precipitation over the last ten years is shown in Figure 3.3.

Figure 3.3 – 10-year Average Precipitation Variation



The average monthly evapotranspiration index over the last ten years is shown in Figure 3.4.

Figure 3.4 – Average Evapotranspiration



Generally, the evapotranspiration index is a measure of the amount of irrigation required to maintain healthy turf grass. A more precise definition is provided below.

Per CIMIS:

> *Water is essential for all living things including plants. Precipitation and irrigation are the two primary sources of water for agricultural crops and landscape vegetation. Plant leaves and soil surfaces temporarily retain parts of water directly applied to them. As solar radiation hits such surface, it breaks the retained water molecules apart and changes liquid water into water vapor. The water vapor is transported away from the surface by winds. The process by which the water molecule is converted from liquid phase into the gaseous phase (and removed from the surface) is called evaporation.*
>
> *The water that is not retained by the plant and soil surfaces infiltrates into the soil. Plants extract the infiltrated water through their roots and transport it to their leaves for photosynthesis, a process by which plants produce glucose (sugar). In addition to water, plants need carbon dioxide (CO2) and light for photosynthesis. The light comes from the sun and CO2 comes from the atmosphere. In order to take atmospheric CO2 in, plants open their stomata, the microscopic pores on plant leaf surfaces, thereby exposing the water in the leaf to solar energy and wind. This results in a loss of water from within plant leaves to the atmosphere through the process known as transpiration.*
>
> *Evapotranspiration (ET) is the term used to describe the loss of water to the atmosphere by the combined processes of evaporation (from soil and plant*

surfaces) and transpiration (from plant tissues). Accurate estimates of ET are needed in many applications. In agricultural and landscape irrigation, for example, estimates of ET are necessary for system design, irrigation scheduling, water rights, water transfers, water resources planning, and other water related issues.

As described above, three conditions must be met for ET to take place. First, water has to be present at the surface-atmosphere interface. Second, there must be some form of energy to convert the liquid water into a water vapor. This conversion requires large amounts of energy (about 540 Calories per gram of water at a temperature of 100 °C), which is usually provided by the sun. Third, there must be a mechanism to transport the water vapor away from the evaporating surface.

3.4 – Service Area Population

Water Code Section 10631(a)

Describe the service area of the supplier, including current and projected population …The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available.

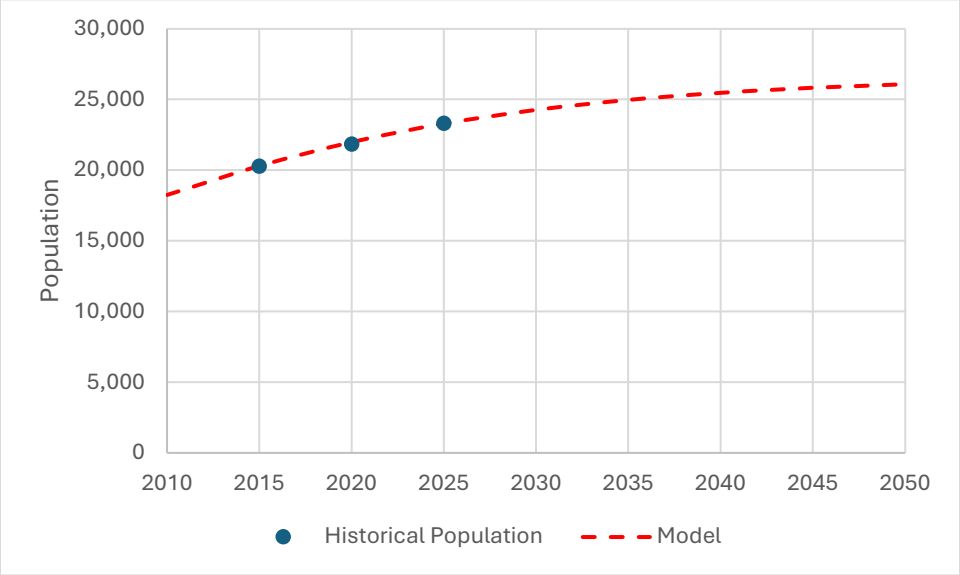
The population projection is based on a combination of historical population estimates from previous UWMPs, input from the San Diego Association of Governments (SANDAG), evaluation of land use, and anticipated growth within the District.

Per current land use as shown in Table 3.3, there are 8,967 residential parcels. Based on interaction with developers, the District anticipates up to 794 additional parcels. Per the US Census, population density is estimated at 2.72 persons per household. At build-out, this equates to a maximum population of 26,599.

Based on previous UWMPs, the District's historical population was 20,279 in 2015, 21,841 in 2020, and 23,299 in 2025.

These data points were used to construct a population projection model based on a best-fit logistics curve, as shown in Figure 3.5.

Figure 3.5 – Population Projection Model



$$P(t) = \frac{P_{max}}{1 + e^{-k(t-t_0)}} = \frac{26{,}599}{1 + e^{-0.078(t-2000)}}$$

Where:

$P(t)$ is the population in year t

P_{max} is the build-out population

t_0 is the inflection point of the logistics curve

k is the growth coefficient

The population model was used to project the population at five increments through 2050, as shown in Table 3.2.

Table 3.2 – Population Projection

Year	2025	2030	2035	2040	2045	2050
Population	23,299	24,262	24,970	25,474	25,827	26,071

3.5 – Other Social, Economic, and Demographic Factors

Water Code Section 10631

(a) Describe the service area of the supplier, including… other social, economic and demographic factors affecting the supplier's water management planning.

The local economy is driven in part by agriculture, which has fostered participation in the CropSWAP (Sustainable Water for Agricultural Production) program. Designed to offer financial incentives to agricultural water users to transition from high-water-use crops to varieties with lower water requirements, the Program aims to alleviate the effects of challenging drought conditions and a declining local agricultural economy.

For additional information on the CropSWAP Program, see Appendix F.

3.6 – Land Uses Within the Service Area

Water Code Section 10631(a)

…The description shall include the current and projected land uses within the existing or anticipated service area affecting the supplier's water management planning. Urban water suppliers shall coordinate with local or regional land use authorities to determine the most appropriate land use information, including, where appropriate, land use information obtained from local or regional land use authorities…

Current land use data were acquired from SANDAG. Official San Diego County land uses within the service area boundary are provided in Table 3.3.

Table 3.3 – Current Land Uses

Land Use Code	Description	Parcels	Area (acres)
1000	Spaced Rural Residential	4,712	16,385.08
1090	Spaced Rural Residential Without Units	23	45.55
1110	Single Family Detached	2,720	373.56
1120	Single Family Multiple-Units	615	115.82
1190	Single Family Residential Without Units	17	24.45
1200	Multi-Family Residential	219	5.63
1300	Mobile Home Park	661	72.33
1401	Jail/Prison	1	47.33
1409	Other Group Quarters Facility	2	50.06
1501	Hotel/Motel (Low-Rise)	2	3.51
1503	Resort	8	152.01
2103	Light Industry - General	3	16.13
2104	Warehousing	1	0.74
2201	Extractive Industry	3	119.30
2301	Junkyard/Dump/Landfill	1	122.61
4112	Freeway	3	2.11
4113	Communications and Utilities	74	225.07
4116	Park and Ride Lot	1	12.66
4118	Road Right of Way	59	416.45
4119	Other Transportation	4	34.59
5004	Neighborhood Shopping Center	5	23.26
5007	Arterial Commercial	3	1.98
5008	Service Station	3	2.18
5009	Other Retail Trade and Strip Commercial	12	44.60
6003	Government Office/Civic Center	1	2.97
6102	Religious Facility	4	12.74
6105	Fire/Police Station	5	9.28
6109	Other Public Services	1	0.77
6805	Junior High School or Middle School	1	17.00
6806	Elementary School	5	31.91
7203	Racetrack	9	121.01
7204	Golf Course	32	757.73
7205	Golf Course Clubhouse	2	9.14
7211	Other Recreation - Low	2	38.00
7601	Park - Active	6	13.20
7603	Open Space Park or Preserve	143	3,780.65
7606	Landscape Open Space	74	124.64
7607	Residential Recreation	9	12.99
7609	Undevelopable Natural Area	8	401.18
8001	Orchard or Vineyard	799	7,093.34
8002	Intensive Agriculture	145	2,867.82
8003	Field Crops	141	1,731.64
9101	Vacant and Undeveloped Land	1,338	12,182.30
9202	Lake/Reservoir/Large Pond	3	78.43
9501	Residential Under Construction	34	48.76
Totals		**11,916**	**47,632.51**

The total area within the water service area boundary is approximately 51,021 acres and

county land use accounts for 47,633 acres, or approximately 93.4%. The remaining area is associated with Interstate 15, which is not included in the county land use database.

3.7 – Submittal Tables

Electronic data and information related to the content of this chapter are included in the following WUE Table.

- Submittal Table 3-1 Retail: Population - Current and Projected | Water Code Section 10631(a)

A copy of this table may be found in Appendix B.

Chapter 4 – Water Use Characterization

This chapter presents the historical and projected retail water demands by customer type, climate change considerations, distribution system water losses, and water savings.

4.1 – Non-Potable Versus Potable Water Use

All customers receive potable water.

4.2 – Past, Current, and Projected Water Use by Sector

Water Code Section 10635.

(a) Every urban water Supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the long-term total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and a drought lasting five consecutive water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

Water Code Section 10631(d)

(1) For an urban retail water supplier, quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, based upon information developed pursuant to subdivision (a), identifying the uses among water use sectors, including, but not necessarily limited to, all of the following…

(2). The water use projections shall be in the same five-year increments described in subdivision (a).

(4)(A) Water use projections, where available, shall display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use plans identified by the urban water supplier, as applicable to the service area.

(4)(B) To the extent that an urban water supplier reports the information described in subparagraph (A), an urban water supplier shall do both of the following: (i) Provide citations of the various codes, standards, ordinances, or transportation and land use plans utilized in making the projections. (ii) Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or

transportation and land use plans. Water use projections that do not account for these water savings shall be noted of that fact.

The following sections present details and summaries of current and projected water use by sector.

4.2.1 – Water-Use Sectors

Water Code Section 10631(d)

(1) For an urban retail water supplier, quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, based upon information developed pursuant to subdivision (a), identifying the uses among water use sectors, including, but not necessarily limited to, all of the following:

(A) Single-family residential.

(B) Multifamily.

(C) Commercial.

(D) Industrial.

(E) Institutional and governmental.

(F) Landscape.

(G) Sales to other agencies.

(H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof.

(I) Agricultural.

(J) Distribution system water loss.

Per the District billing system, customers are broken down into the following water use sectors.

- AD (Domestic Agriculture)
- AG (Agriculture)
- CM (Commercial Family)
- CN (Construction)
- IS (Institutional)
- MF (Multi-Family Residential)
- SF (Single Family Residential)

4.2.2 – Past Water Use

> ***Water Code Section 10631(d)***
>
> *(1) For an urban retail water supplier, quantify, to the extent records are available, past... water use... based upon information developed pursuant to subdivision (a), identifying the uses among water use sectors...*

Water use for 2021 through 2025 was taken from internal historical water use and water supply records, as shown in Table 4.1.

Table 4.1 – Last Five Years of Water Use in AF

Customers	2021	2022	2023	2024	2025
AD (Domestic Agriculture)	1,590	2,421	1,597	2,122	3,313
AG (Agriculture)	2,772	3,431	2,062	2,604	3,648
CM (Commercial)	828	946	579	718	715
CN (Construction)	227	249	49	64	66
IS (Institutional)	70	69	47	56	57
MF (Multi-Family Residential)	320	332	346	359	385
PC	1,473	1,675	981	957	
PD	1,665	1,979	1,281	1,129	
SC	1,029				
SD	1,293				
SF (Single Family Residential)	3,870	3,673	2,911	3,263	3,473
Water Loss	767	1,570	939	1,417	698
Total	**15,904**	**16,346**	**10,791**	**12,687**	**12,355**

Customer designations PC, PD, SC, and SD refer to agriculture programs administered by the San Diego County Water Authority. These programs have been discontinued since the District now receives wholesale supply from EMWD.

4.2.3 – Current Water Use

> ***Water Code Section 10631(d)***
>
> *(1) For an urban retail water supplier, quantify, to the extent records are available ...current water use... based upon information developed pursuant to subdivision (a), identifying the uses among water use sectors...*

In 2025, water use was distributed as shown Table 4.2 among the District's water use sectors.

Table 4.2 – Current Water Use

Water Use Sector	Volume (AF)
AD (Domestic Agriculture)	3,313
AG (Agriculture)	3,648
CM (Commercial)	715
CN (Construction)	66
IS (Institutional)	57
MF (Multi-Family Residential)	385
SF (Single Family Residential)	3,473
Losses	698
Total	**12,355**

4.2.4 – Projected Water Use

Water Code Section 10631(d)

(1) For an urban retail water supplier, quantify, to the extent records are available, … projected water use, based upon information developed pursuant to subdivision (a), identifying the uses among water use sectors…

Water Code Section 10633

The plan shall provide, to the extent available, information on recycled water…and shall include all of the following…

(e) The projected use of recycled water within the supplier's service area at the end of 5, 10, 15, and 20 years, and a description of the actual use of recycled water in comparison to uses previously projected pursuant to this subdivision…

Water Code Section 10635 (a)

Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the long-term total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and a drought lasting five consecutive water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

Water Code Section 10631(h)

An urban water supplier that relies upon a wholesale agency for a source of water shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available…

If a Retail Supplier receives water from a Wholesale Supplier, the Retail Supplier must provide their projected use of that supply to the Wholesale Supplier. Suppliers will report which wholesale suppliers were informed of their projected use using Submittal Table 2-4 R.

Projected water use is shown Table 4.3 broken down by the District's current water use sectors.

Table 4.3 – Projected Water Use in AF

Water Use Sector (AF)	2030	2035	2040	2045	2050
AD (Domestic Agriculture)	3,109	2,954	2,806	2,666	2,533
AG (Agriculture)	3,526	3,350	3,183	3,024	2,873
CM (Commercial)	844	949	1,024	1,076	1,112
CN (Construction)	100	100	100	100	100
IS (Institutional)	55	55	55	55	55
MF (Multi-Family Residential)	523	628	703	755	791
SF (Single Family Residential)	3,632	3,737	3,812	3,864	3,900
Losses	1,061	942	818	692	568
Total	12,850	12,715	12,501	12,232	11,932

Basis for demand projection:

- CN (Construction) and IS (Institutional) demands will remain flat at the four-year average.
- AD (Domestic Agriculture), AG (Agriculture) demands will decrease by one percent every year from the four-year average due to continued implementation of the CropSWAP Program and an anticipated decline in economic activity in the agricultural sector.
- SF (Single Family Residential), MF (Multi-Family Residential), and CM (Commercial) demands will increase proportionally to population growth from the four-year average adjusted lower by one percent to account for water use efficiency standards per the San Diego County Code of Regulatory Ordinances.
- Water loss is estimated at 10 percent in 2025 and will decrease by one percent every five years through implementation of a planned water loss reduction program.

Demands presented in Table 4.3 represent normal years. In any given year, demands may vary due to weather or unanticipated demographic or economic changes. This volatility is addressed in Chapter 7 where water service reliability and drought are assessed in greater detail.

4.2.5 – Standards, Codes, Ordinances, and Plans

Water Code Section 10631(d)(4)

(A) Water use projections, where available, shall display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use plans identified by the urban water supplier, as applicable to the service area.

(B) To the extent that an urban water supplier reports the information described in subparagraph (A), an urban water supplier shall do both of the following:

(i) Provide citations of the various codes, standards, ordinances, or transportation and land use plans utilized in making the projections.

(ii) Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or transportation and land use plans. Water use projections that do not account for these water savings shall be noted of that fact.

Development within the Service Area is subject to the San Diego County Code of Regulatory Ordinances, Title 8 (Zoning and Land Use Regulations). These regulations include standards for water conservation in landscaping and water conservation for county facilities and parks.

Based on implementation of the ordinances, new development is assumed to use water more efficiently than comparable existing customers. For purposes of estimating future demand, new development is one percent more efficient than similar existing water use sectors.

4.2.6 – Lower-Income Households

Water Code Section 10631.1.

(a) The water use projections required by Section 10631 shall include projected water use for single-family and multifamily residential housing needed for lower income households, as defined in Section 50079.5 of the Health and Safety Code, as identified in the housing element of any city, county, or city and county in the service area of the supplier.

(b) It is the intent of the Legislature that the identification of projected water use for single-family and multifamily residential housing for lower income households will assist a supplier in complying with the requirement under Section 65589.7 of the Government Code to grant a priority for the provision of service to housing units affordable to lower income households.

California Health and Safety Code Section 50079.5 (a)

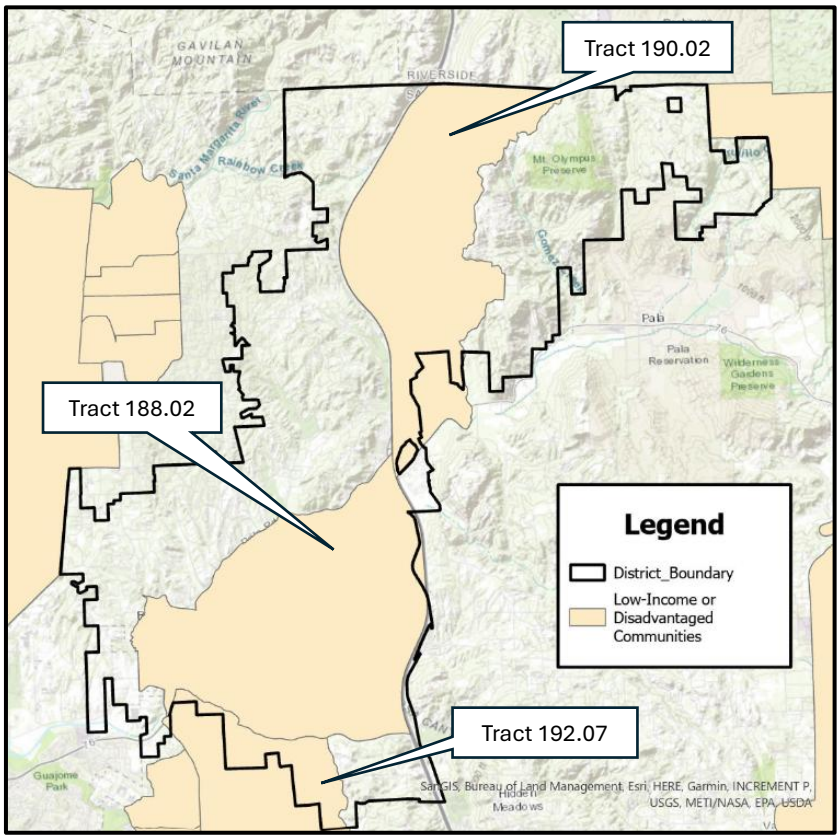
"Lower income households" means persons and families whose income does not exceed the qualifying limits for lower income families... In the event the federal standards are discontinued, the department shall, by regulation, establish income limits for lower income households for all geographic areas of the state at 80 percent of area median income, adjusted for family size and revised annually.

Analysis of lower-income households is based on 2024 spatial data acquired from the Department of Housing and Community Development titled *Low-Income or Disadvantaged Communities Designated by California*.

80 percent of area median income is established at $87,300.

Three Census Tracts that overlie the service area are identified as lower-income as shown in Figure 4.1.

Figure 4.1 – Lower-Income Areas



The sum of the tributary areas within the District's service area boundary is approximately 33.7 square miles, as tabulated in Table 4.4.

Table 4.4 – Tributary Area of Lower-Income Households

Tract	Median Household Income	Tributary Area (square miles)
Census Tract 192.07	$69,125	2.6
Census Tract 188.03	$82,250	17.9
Census Tract 190.02	$80,898	13.2
Total		**33.7**

Lower income households represent approximately 42% of the District's total area of 82 square miles.

Assuming economic conditions remain unchanged and customers are distributed evenly across the District, projected lower income water demand is as shown in Table 4.5, calculated as 42% of residential demand.

Table 4.5 – Projected Lower Income Water Use in AF

Water Use Sector	2030	2035	2040	2045	2050
SF (Single Family Residential)	1,525	1,570	1,601	1,623	1,638
MF (Multi-Family Residential)	220	264	295	317	332

4.2.7 – Climate Change Considerations

Water Code Section 10630.

It is the intention of the Legislature, in enacting this part, to permit levels of water management planning commensurate with the numbers of customers served and the volume of water supplied, while accounting for impacts from climate change.

Water Code Section 10635(b)

Every urban water supplier shall include, as part of its urban water management plan, a drought risk assessment …(and) shall include each of the following …

(4) Considerations of the historical drought hydrology, plausible changes on projected supplies and demands under climate change conditions, anticipated regulatory changes, and other locally applicable criteria.

The District imports 100% of its water from Metropolitan Water District's Lake Skinner Water Treatment Plant in Temecula. MWD published its Climate Adaptation Master Plan for Water (CAMP4W) in April 2025. Climate change considerations impacting supply have been addressed as part of inter-agency coordination with EMWD on behalf of MWD.

Climate change may impact outdoor water demand. New construction is subject to San Diego County water conservation standards. The District is part of the Regional CropSWAP (Sustainable Water for Agricultural Production) Program which aims to alleviate the effects of challenging drought conditions and a declining local agricultural economy. Climate change considerations impacting supply reflect implementation of County standards and continued participation in CropSWAP. See Appendix F for more information on the CropSWAP Program.

4.3 – Distribution System Water Loss

Water Code Section 10631(d)(3)

(A) The distribution system water loss shall be quantified for each of the five years preceding the plan update, in accordance with rules adopted pursuant to Section 10608.34.

(B) The distribution system water loss quantification shall be reported in accordance with a worksheet approved or developed by the department through a public process. The water loss quantification worksheet shall be based on the water system balance methodology developed by the American Water Works Association.

(C) In the plan due July 1, 2021, and in each update thereafter, data shall be included to show whether the urban retail water supplier met the distribution loss standards enacted by the board pursuant to Section 10608.34.

The last five years of American Water Works Associations (AWWA) Water Audits are provided in Appendix E.

4.3.1 – Previous Five Years Distribution System Losses

Distribution system losses taken from the last five years of AWWA Water Audits are summarized in Table 4.6.

Table 4.6 – Five Years of Distribution System Losses

Water Audit Period	Supply (AF)	Consumption (AF)	Loss (AF)	% Loss
FY 2020-21	16,936.1	16,132.9	803.2	4.7%
FY 2021-22	16,237.4	14,990.5	1,246.9	7.7%
FY 2022-23	12,739.8	11,859.4	880.4	6.9%
FY 2023-24	11,270.3	10,238.5	1,031.8	9.2%
FY 2024-25	14,010.0	12,844.0	1,166.0	8.3%

The District was below the typical 10% water loss limit all five years.

4.3.2 – Progress Toward Meeting the Water Loss Performance Standard

The District's Water Loss Performance Standards were updated January 30, 2026, and include a Baseline Real Loss of 604.6 gallons per mile of pipe per day (GPMD) and an Apparent Loss Standard of 97.4 gallons per service connection per day (GPSCD).

Real Loss Calculation

Per the District's GIS, there 344.2 miles of pipe in the distribution system. Per the 2024-25 Water Audit, real loss was estimated at 1,101.74 AF. This is equivalent to 2,857 GPMD:

$$\left(\frac{1{,}101.74\ AF}{334.2\ mi \cdot year}\right)\left(\frac{43{,}560\ ft^2}{acre}\right)\left(\frac{7.481\ gal}{ft^3}\right)\left(\frac{year}{365\ days}\right) \cong 2{,}857\ GPMD$$

At 2,857 GPMD, the District's real loss exceeds the baseline loss of 604.6 GPMD. To address the baseline real loss deficiency, the District plans to initiate a leak detection pilot program to assess methods to reduce real loss.

Apparent Loss Calculation

Per the 2024-25 Water Audit, the District has 9,180 active connections and apparent loss was estimated at 64.061 AF. This is equivalent to 6.5 GPSCD:

$$\left(\frac{64.061\ AF}{9{,}180\ connections \cdot year}\right)\left(\frac{43{,}560\ ft^2}{acre}\right)\left(\frac{7.481\ gal}{ft^3}\right)\left(\frac{year}{365\ days}\right) \cong 6.2\ GPSCD$$

At 6.2 GPSCD, the District's apparent loss meets the apparent loss standard of 97.4 GPSCD.

4.4 – Submittal Tables

Electronic data and information related to the content of this chapter are included in the following WUE Tables.

- Submittal Table 4-1 Retail: Total Uses for Potable and Non-Potable Water - 2025 Actual | Water Code Section 10631(d)(1)
- Submittal Table 4-2 Retail: Total Uses of Potable, and Non-Potable Water - Projected | Water Code Section 10631(d)(1)
- Submittal Table 4-3 Retail: Inclusion in Water Use Projections | Water Code Section 10631 (a), 10631 (d)(4)(A), and 10631 (d)(4)(B)
- Submittal Table 4-5 Retail: Water Loss Audit Reporting | Water Code Section 10631(d)(3)(A)
- Submittal Table 4-6 Retail: Progress Towards 2028 Water Loss Standard | Water Code Section 10631(d)(3)(C)

Copies of the tables may be found in Appendix B.

Chapter 5 – SB X7-7 Baselines, Targets, and Reporting

This chapter confirms the District's compliance with Senate Bill X7-7 (SB X7-7) regarding achieving its historical water use efficiency baseline by the 2020 deadline.

5.1 – Reporting Requirements

> ***Water Code Section 10608.40***
>
> *Urban water retail suppliers shall report to the department on their progress in meeting their urban water use targets as part of their urban water management plans submitted pursuant to Section 10631.*
>
> ***Water Code Section 10608.12***
>
> *(af) "Urban retail water supplier" means a water supplier, either publicly or privately owned, that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre-feet of potable water annually at retail for municipal purposes.*

Per the District's 2020 UWMP, the target baseline for 2020 was calculated at 1,202 gallons per capita per day (GPCD) and the actual water use efficiency in 2020 was 585 GPCD. The District achieved its 2020 water use efficiency goal.

In 2025, the population was 23,299 and the water use was 12,355 AF. This is equivalent to a water use efficiency of 473 GPCD:

$$\left(\frac{12{,}355\ AF}{23{,}299\ persons \cdot 365\ days}\right)\left(\frac{43{,}560\ ft^2}{acre}\right)\left(\frac{7.481\ gallons}{ft^3}\right) \cong 473\ GPCD$$

The District has reduced its per capita water use since 2020 by nearly 24 percent. The continues to be compliant with the achieving the target baseline.

5.2 – Funding Eligibility

> ***Water Code Section 10608.56.***
>
> *(a) On and after July 1, 2016, an urban retail water supplier is not eligible for a water grant or loan awarded or administered by the state unless the supplier complies with this part.*

By virtue of complying with SB X7-7 and submitting this UWMP by the July 1, 2026, deadline, the District maintains its eligibility for state grants and loans.

5.3 – Nexus to State Water Board Urban Water-Use Objectives

23 CCR Section 966

(h) If a supplier's calculated objective-based total use is larger than its target-based total use, the supplier's urban water use objective shall be its Water Code section 10608.20 individual target less excluded demands as described in paragraph (3). If the supplier's section 10608.20 target is expressed in gallons per capita daily, the supplier shall multiply the target by its residential service area population for the reporting year and the number of days in the year.

23 CCR Section 966

(e) If any system owned and operated by a supplier is lacking the data needed to calculate the budgets described in subdivision (c)(1) through (4), that system shall be excluded from the overall objective calculation until the requisite data are obtained. The requisite data must be obtained no later than July 1, 2028, for use in the 2030 reporting year.

(f) For systems that do not meet the criteria to be considered an urban retail water supplier until after the effective date of this section, and for a system that hydraulically consolidates with a supplier, this section applies beginning five (5) years after the system meets the criteria to be considered a supplier or consolidates with a supplier.

This section is provided as a courtesy to make the public aware of pending water use efficiency standards. As part of implementation of the "Making Conservation a Way of Life" Regulation on Urban Water-Use Efficiency Standards, Objectives, and Performance Measures (23 CCR Section 965 et seq.), the State Board will develop regulations for Urban Water Use Objectives (UWUO) calculations to be included in the 2030 UWMP.

5.4 – Submittal Tables

Electronic data and information related to the content of this chapter are included in the following WUE Table.

- Submittal Table 5-1 Retail: SB X7-7 2020 Target Progress | Water Code Section 10608.40

A copy of this table may be found in Appendix B.

Chapter 6 – Normal-Year Water Supply Characterization

This chapter describes the existing and planned supplies of water available to the District.

6.1 – Water Supply Analysis Overview

California Water Code (Water Code) Section 10631(b)

Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier as described in subdivision (a) [in five-year increments to 20 years or as far as data is available]1, providing supporting and related information, including all of the following:

(1) A detailed discussion of anticipated supply availability under a normal water year, single dry year, and droughts lasting at least five years, as well as more frequent and severe periods of drought, as described in the drought risk assessment. For each source of water supply, consider any information pertinent to the reliability analysis conducted pursuant to Section 10635, including changes in supply due to climate change.

(2) When multiple sources of water supply are identified, a description of the management of each supply in correlation with the other identified supplies.

(3) For any planned sources of water supply, a description of the measures that are being undertaken to acquire and develop those water supplies.

Water Code Section 10631 (h)

... The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water-year types in accordance with subdivision (f). An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and (f).

The District is wholly reliant on imported water from MWD purchased through EMWD. No additional resources are planned at this time.

6.2 – Purchased or Imported Water

The District is wholly reliant on imported water sources that are delivered through MWD facilities and purchased through EMWD. The vast majority of water served to the District comes from the Skinner Water Treatment Plant.

The District has relied upon the water supply information provided by EMWD in preparing this plan and for the purposes of fulfilling the requirements of the Act with respect to inter-agency coordination.

A complete description of MWD supplies may be found in its 2025 UWMP (link).

A complete description of EMWD supplies may be found in its 2025 UWMP (link).

6.3 – Other Local Supplies

6.3.1 – Groundwater

Water Code Section 10631(b)(4)

If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information:

(A) The current version of any groundwater sustainability plan or alternative adopted pursuant to Part 2.74 (commencing with Section 10720), any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management for basins underlying the urban water supplier's service area.

(B) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For basins that a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For a basin that has not been adjudicated, information as to whether the department has identified the basin as a high- or medium-priority basin in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to coordinate with groundwater sustainability agencies or groundwater management agencies listed in subdivision (c) of Section 10723 to maintain or achieve sustainable groundwater conditions in accordance with a groundwater sustainability plan or alternative adopted pursuant to Part 2.74 (commencing with Section 10720).

(C) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(D) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

The District does not currently utilize local groundwater as an existing source of supply.

6.3.2 – Surface Water

The District does not currently utilize local surface water as an existing source of supply. Several small surface water bodies, most notably the San Luis Rey River, run through the District. While the river may see larger flows during storm events, water flow is minimal most of the year. River flows are insufficient for diversion for use as a water supply. The District has no plans to develop surface water within its service area as a water supply.

6.3.3 – Stormwater

The District does not currently utilize stormwater as an existing source of supply. The District has no plans to develop stormwater as a water supply within its service area.

6.3.4 – Recycled Water

The District does not own or operate any recycled water distribution facilities and does not currently utilize recycled water as an existing source of supply. The District has no plans to develop recycled as a water supply within its service area at this time.

6.4 – Wastewater and Recycled Water

Water Code Section 10633R

The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. The preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies that operate within the supplier's service area, and shall include all of the following:

(a) A description of the wastewater collection and treatment systems in the supplier's service area, including a quantification of the amount of wastewater collected and treated and the methods of wastewater disposal.

(b) A description of the quantity of treated wastewater that meets recycled water standards, is being discharged, and is otherwise available for use in a recycled water project.

(c) A description of the recycled water currently being used in the supplier's service area, including, but not limited to, the type, place, and quantity of use.

(d) A description and quantification of the potential uses of recycled water, including, but not limited to, agricultural irrigation, landscape irrigation, wildlife habitat enhancement, wetlands, industrial reuse, groundwater recharge, indirect potable reuse, and other appropriate uses, and a determination with regard to the technical and economic feasibility of serving those uses.

(e) The projected use of recycled water within the supplier's service area at the end of 5, 10, 15, and 20 years, and a description of the actual use of recycled water in comparison to uses previously projected pursuant to this subdivision.

(f) A description of actions, including financial incentives, which may be taken to encourage the use of recycled water, and the projected results of these actions in terms of acre-feet of recycled water used per year.

(g) A plan for optimizing the use of recycled water in the supplier's service area, including actions to facilitate the installation of dual distribution systems, to promote recirculating uses, to facilitate the increased use of treated wastewater that meets recycled water standards, and to overcome any obstacles to achieving that increased use.

Wastewater is collected by the District and discharged to the City of Oceanside for treatment. Recycled water is not available to the District at this time.

6.4.1 – Recycled Water Coordination

> ***Water Code Section 10633***
>
> *The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. The preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies that operate within the supplier's service area…*

Recycled water is not available to the District at this time.

6.4.2 – Wastewater Collection, Treatment, and Disposal

> ***Water Code Section 10633(a)***
>
> *A description of the wastewater collection and treatment systems in the supplier's service area, including a quantification of the amount of wastewater collected and treated and the methods of wastewater disposal.*

The District has a contract in place with the City of Oceanside in which the District owns 1.5 million gallons per day (MGD) of sewage treatment capacity in the City of Oceanside's San Luis Rey Water Reclamation Plant (SLRWRP). Per the 2016 Sewer System Management Plan (SSMP), the District's sewer service area includes 3,836 active connections mainly along the SR-76 corridor. The remainder of the service area is more rural and uses private septic tank systems. The District conveys the wastewater collected by its system to the SLRWRP via a wastewater line located along North River Road. In 2025, the District conveyed an average of 1.0 MGD to the Oceanside plant, which is equivalent to approximately 1,120 AFY.

6.4.3 – Wastewater Treatment and Discharge

No wastewater is treated or discharged within the service area.

6.4.4 – Recycled Water System Description

> ***Water Code Section 10633 (c)***
>
> *A description of the recycled water currently being used in the supplier's service area, including, but not limited to, the type, place, and quantity of use.*

The District has no recycled water system.

6.4.5 – Potential and Projected Recycled Water Uses

Water Code Section 10633

(b) A description of the quantity of treated wastewater that meets recycled water standards, is being discharged, and is otherwise available for use in a recycled water project.

(d) A description and quantification of the potential uses of recycled water, including, but not limited to, agricultural irrigation, landscape irrigation, wildlife habitat enhancement, wetlands, industrial reuse, groundwater recharge, indirect potable reuse, and other appropriate uses, and a determination with regard to the technical and economic feasibility of serving those uses.

(e) The projected use of recycled water within the supplier's service area at the end of 5, 10, 15, and 20 years, and a description of the actual use of recycled water in comparison to uses previously projected pursuant to this subdivision.

There are myriad potential recycled water uses within the service area including agricultural irrigation, landscape irrigation, and groundwater recharge. To date, irrigation customers have not been surveyed regarding their willingness to convert from potable water to recycled water; therefore, quantification of potential use would be speculative. Furthermore, no hydrogeological studies have been conducted concerning the feasibility of indirect potable reuse in the local alluvial groundwater aquifer.

There are no projected uses of recycled water within the service area.

6.4.6 – Actions to Encourage and Optimize Future Recycled Water Use

Water Code Section 10633

The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier... and shall include the following: (g) A plan for optimizing the use of recycled water in the supplier's service area, including actions to facilitate the installation of dual distribution systems, to promote recirculating uses, to facilitate the increased use of treated wastewater that meets recycled water standards, and to overcome any obstacles to achieving that increased use.

There are no projected uses of recycled water within the service area. Therefore, actions to encourage and optimize recycled water use are moot.

6.4.7 – Desalinated Water Opportunities

Water Code Section 10631(g)

Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply.

There are no opportunities to develop desalinated water within the service area.

6.4.8 – Water Exchanges and Transfers

Water Code Section 10631(c)

Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

Although the District relies entirely upon water purchased from the EMWD, it maintains emergency interconnections with neighboring agencies in order to improve reliability. The District has interconnections with the City of Oceanside at the City's Weese Water Treatment Plant and with the Fallbrook Public Utility District (FPUD). The District has used the interconnections with FPUD to purchase supply.

Regional exchanges and transfers being pursued by EMWD are documented in EMWD's UWMP.

6.5 – Supply From Storage

The District does not take water from surface storage or underground storage.

6.6 – Future Water Projects

Water Code Section 10631 (f)

Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use, as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in normal and single dry water years and for a period of drought lasting five consecutive water years. The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program.

Future water supply projects are described in the following sections.

6.6.1 – Recycled Water Project

The District is not pursuing recycled water as a source of supply at this time.

6.6.2 – Groundwater Desalter

In January 2016, the District completed a preliminary study (West Yost Associates, 2016) examining the feasibility of developing local San Luis Rey River basin groundwater resources for District use. The project would include a well field, and either the construction of a dedicated groundwater desalting plant or another appropriate form of treatment. The study examined a project developing up to 4,000 AFY of new treated water supply. The water to be treated originates as District-supplied imported water to the basin that percolates into the alluvial aquifer as a result of agricultural irrigation and return flows from septic systems. As such, the District classifies the project as an Imported Water Return Flow Reclamation Project.

The District is currently conducting a feasibility study based on the findings of the preliminary study to determine further action on the project. For purposes of this UWMP, the District has made no conclusions regarding implementation and has not yet incorporated the potential supply into its supply portfolio, pending the outcome of the feasibility study.

6.7 – Energy Use

Water Code Section 10631.2. (a)

In addition to the requirements of Section 10631, an urban water management plan shall include any of the following information that the urban water supplier can readily obtain:

(1) An estimate of the amount of energy used to extract or divert water supplies.

(2) An estimate of the amount of energy used to convey water supplies to the water treatment plants or distribution systems.

(3) An estimate of the amount of energy used to treat water supplies.

(4) An estimate of the amount of energy used to distribute water supplies through its distribution systems.

(5) An estimate of the amount of energy used for treated water supplies in comparison to the amount used for nontreated water supplies.

(6) An estimate of the amount of energy used to place water into or withdraw from storage.

(7) Any other energy-related information the urban water supplier deems appropriate.

Water energy intensity is the total amount of energy used per AF to power the water management processes occurring within the District's operational control. The District has selected to report its energy intensity using the total utility approach option as outlined in the Guidebook. Energy used in EMWD's water supply process or in the transmission to the District from EMWD is not included in this analysis. Energy usage for each of the 45 water distribution facilities is provided by the associated electricity meter and reported in kilowatt-hours (kWh).

This analysis focuses on energy intensity for calendar year 2025. The volume of water supplied during this period is 12,355 AF. Total energy usage for this period is 3,568,716 kWh. This is equivalent to an energy intensity of 886 kWh per million gallons:

$$\left(\frac{3{,}568{,}716\ kWh}{12{,}355\ AF}\right)\left(\frac{AF}{43{,}560\ ft^3}\right)\left(\frac{ft^3}{7.481\ gal}\right)\left(\frac{10^6\ gal}{MG}\right) \cong 886\ kWh\ per\ MG$$

The District has high confidence in its energy intensity data, as all water supply data and energy use data are metered.

6.8 – Submittal Tables

Electronic data and information related to the content of this chapter are included in the following WUE Tables.

- Submittal Table 6-2 Retail: Wastewater Collected Within Service Area in 2025 | Water Code Section 10633(a)
- Submittal Table 6-3 Retail: Wastewater Treatment and End Uses Within UWMP Service Area in 2025 | Water Code Section 10633(a)
- Submittal Table 6-4 Retail: Recycled Water Direct Beneficial Uses Within Service Area | Water Code Section 10633 (c)(d)
- Submittal Table 6-5 Retail: 2020 UWMP Recycled Water Use Projection Compared to 2025 Actual | Water Code Section 10633
- Submittal Table 6-6 Retail: Methods to Encourage Future Recycled Water Use | Water Code Section 10633 (f)
- Submittal Table 6-7 Retail: Expected Future Water Supply Projects or Programs | Water Code Section 10631 (f)
- Submittal Table 6-8 Retail: Water Supplies — 2025 Actual | Water Code Section 10631 (b)
- Submittal Table 6-9 Retail: Water Supplies — Projected | Water Code Section 10631 (b)
- Table O-1B: Recommended Energy Reporting - Single Delivery Product - Total Utility Approach

Copies of these tables may be found in Appendix B.

Chapter 7 – Water Service Reliability and Drought Risk Assessment

7.1 – Constraints on Water Sources Considerations

Water Code Section 10631 (b)(1)

A detailed discussion of anticipated supply availability under a normal water year, single dry year, and droughts lasting at least five years, as well as more frequent and severe periods of drought, as described in the drought risk assessment. For each source of water supply, consider any information pertinent to the reliability analysis conducted pursuant to Section 10635, including changes in supply due to climate change.

Water Code Section 10634

The plan shall include information, to the extent practicable, relating to the quality of existing sources of water available to the supplier over the same five-year increments as described in subdivision (a) of Section 10631, and the manner in which water quality affects water management strategies and supply reliability.

Water Code Section 10635 (b)(2)

A determination of the reliability of each source of supply under a variety of water shortage conditions. This may include a determination that a particular source of water supply is fully reliable under most, if not all, conditions.

Water Code Section 10635 (b)(4)

Considerations of the historical drought hydrology, plausible changes on projected supplies and demands under climate change conditions, anticipated regulatory changes, and other locally applicable criteria.

As part of inter-agency coordination, EMWD has confirmed sufficient supply to meet the range of demands presented in this chapter.

The supply from EMWD is very consistent in quantity and quality and has sufficient capacity to meet peak demands without any delivery constraints. The District meets or exceeds all state and federal water quality standards for drinking water. The District does not anticipate any shortage or impact to the availability of supply. The EMWD 2025 UWMP Section 7 provides additional information on supply reliability.

7.2 – Water Service Reliability Assessment

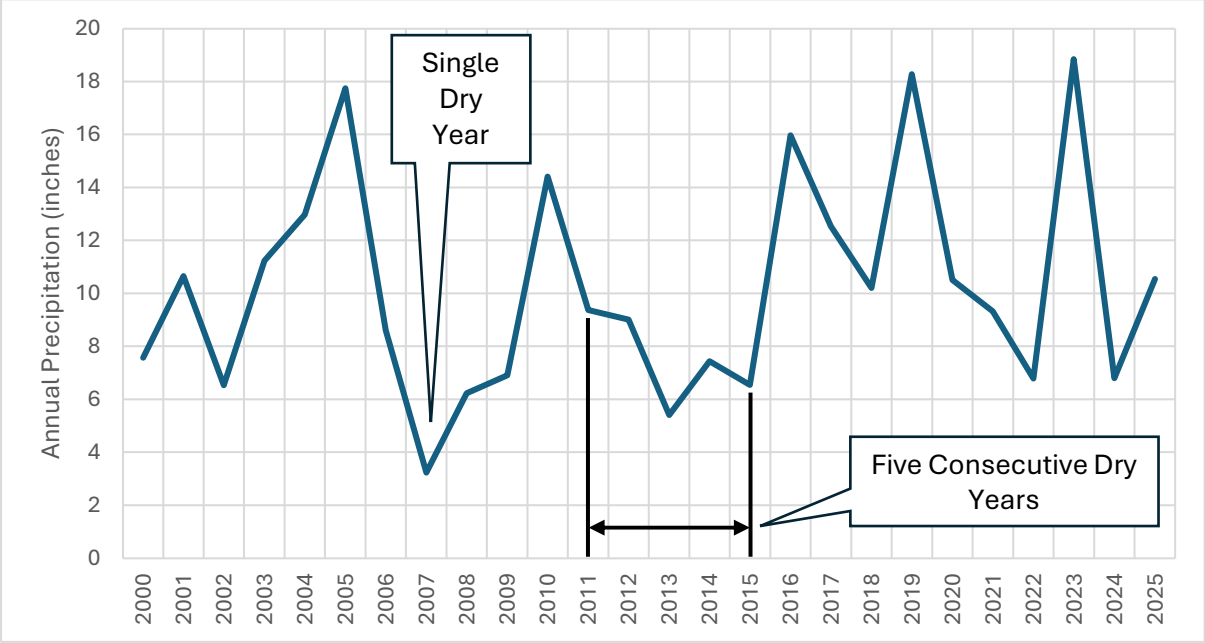
Water Code Section 10635(a)

Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the long-term total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and a drought lasting five consecutive water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

2025 is considered the normal year.

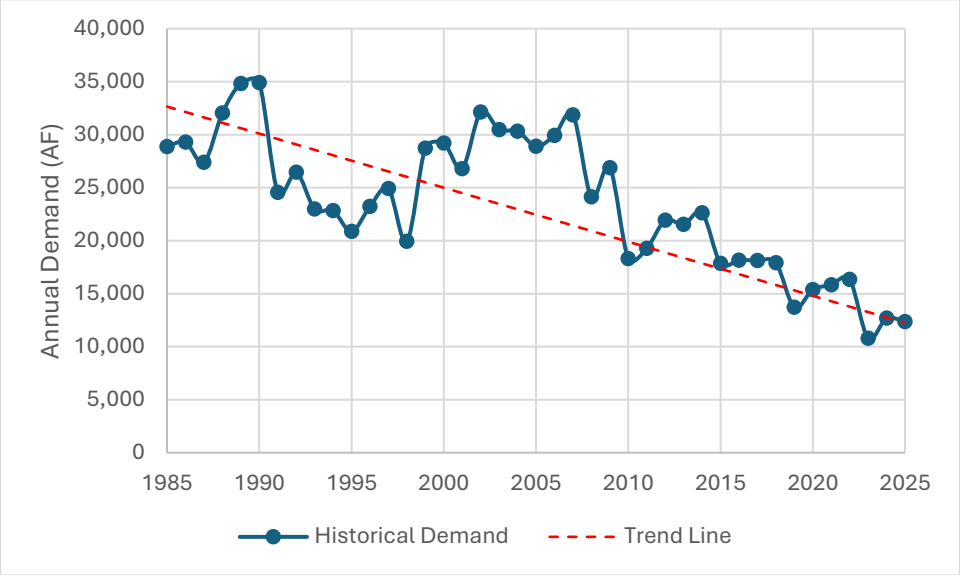
Based on historical precipitation records from CIMIS Weather Station 150 in Miramar, 2007 is identified as the single dry year and 2011-2015 are identified as the five consecutive dry years, as shown in Figure 7.1.

Figure 7.1 – Historical Annual Precipitation



Based on historical demand records, the District has experienced a steady reduction in demand, as shown in Figure 7.2.

Figure 7.2 – Historical Demand



The demand reduction is quantified as the red dashed trend line, which generally represents the running average demand.

7.2.1 – Single Dry Year Evaluation

In 2007 (single driest year), demand varied from the trend line by a factor of 1.47. This variance was due to the large volume of agricultural demand which is sensitive to the impact of weather. In recent years, agricultural demand has decreased due to implementation of the CropSWAP Program (see Appendix F) and local economic pressure on growers. As a result, response of agricultural demand to drought is less sensitive as shown in Figure 7.2 between 2010 and 2025. Therefore, projected single dry years will be assumed to increase by a factor of 1.3 times the normal demand, which is more in line with current volatility.

7.2.2 – Five Consecutive Dry Years Evaluation

From 2011 to 2015, demand varied from the trend line shown in Figure 7.2 by the factors shown in Table 7.1. Projected five consecutive dry years will be assumed to vary by these factors, accordingly.

Table 7.1 – Five Consecutive Dry Years Factors

Year	Factor
2011	0.99
2012	1.16
2013	1.17
2014	1.27
2015	1.03

7.3 – Supply and Demand Comparison

> ***Water Code Section 10635(a)***
>
> *Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the long-term total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and a drought lasting five consecutive water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.*

The following sections provide a projected comparison of supply and demand under normal year, single dry year, and five consecutive dry years conditions.

Demands are taken from Table 4.3 (Projected Water Use) and scaled as described in §7.2.

Supply is sufficient to meet all demand conditions, as described in §7.1.

7.3.1 – Normal Year

A comparison of projected supply and demand under normal year conditions is provided in Table 7.2.

Table 7.2 – Normal Year Supply and Demand Comparison in AF

Normal Year	2030	2035	2040	2045	2050
Supply	12,850	12,715	12,501	12,232	11,932
Use	12,850	12,715	12,501	12,232	11,932
Surplus	0	0	0	0	0

There is sufficient supply to meet projected normal year demands.

7.3.2 – Single Dry Year

A comparison of projected supply and demand under single dry year conditions is provided in Table 7.3.

Table 7.3 – Single Dry Year Supply and Demand Comparison in AF

Single Dry Year	2030	2035	2040	2045	2050
Supply	16,705	16,530	16,251	15,902	15,512
Use	16,705	16,530	16,251	15,902	15,512
Surplus	0	0	0	0	0

There is sufficient supply to meet projected single dry year demands.

7.3.3 – Five Consecutive Dry Years

A comparison of projected supply and demand under five consecutive dry years conditions is provided in Table 7.4.

Table 7.4 – Five Consecutive Dry Years Supply and Demand Comparison in AF

Five Consecutive Dry Years		2030	2035	2040	2045	2050
First Year	Supply	12,722	12,588	12,376	12,110	11,813
	Use	12,722	12,588	12,376	12,110	11,813
	Surplus	0	0	0	0	0
Second Year	Supply	14,906	14,749	14,501	14,189	13,841
	Use	14,906	14,749	14,501	14,189	13,841
	Surplus	0	0	0	0	0
Third Year	Supply	15,035	14,877	14,626	14,311	13,960
	Use	15,035	14,877	14,626	14,311	13,960
	Surplus	0	0	0	0	0
Fourth Year	Supply	16,320	16,148	15,876	15,535	15,154
	Use	16,320	16,148	15,876	15,535	15,154
	Surplus	0	0	0	0	0
Fifth Year	Supply	13,236	13,096	12,876	12,599	12,290
	Use	13,236	13,096	12,876	12,599	12,290
	Surplus	0	0	0	0	0

There is sufficient supply to meet projected five consecutive dry years demands.

7.4 – Description of Management Tools and Options

Water Code Section 10620(f)

An urban water supplier shall describe in the plan water management tools and options used by that entity that will maximize resources and minimize the need to import water from other regions.

The District is entirely dependent on imported water supply. The District has implemented a robust water conservation program to minimize impact on regional supply.

The District maintains an interconnection with Fallbrook Public Utilities District (FPUD) and has historically purchased supply from FPUD via the interconnection. The District and FPUD do not have a formal supply agreement.

7.5 – Drought Risk Assessment

Water Code 10612

"Drought Risk Assessment" means a method that examines water shortage risks based on the driest five-year historic sequence for the agency's water supply, as described in subdivision (b) of Section 10635.

Water Code Section 10635(b)

Every urban water supplier shall include, as part of its urban water management plan, a drought risk assessment for its water service to its customers as part of information considered in developing the demand management measures and water supply projects and programs to be included in the urban water management plan. The urban water supplier may conduct an interim update or updates to this drought risk assessment within the five-year cycle of its urban water management plan update. The drought risk assessment shall include each of the following:

(1) A description of the data, methodology, and basis for one or more supply shortage conditions that are necessary to conduct a drought risk assessment for a drought period that lasts five consecutive water years, starting from the year following when the assessment is conducted.

(2) A determination of the reliability of each source of supply under a variety of water shortage conditions. This may include a determination that a particular source of water supply is fully reliable under most, if not all, conditions.

(3) A comparison of the total water supply sources available to the water supplier with the total projected water use for the drought period.

(4) Considerations of the historical drought hydrology, plausible changes on projected supplies and demands under climate change conditions, anticipated regulatory changes, and other locally applicable criteria.

In the event of an immediate five year drought, a comparison of supply and demand is provided in Table 7.5.

Table 7.5 – Drought Risk Assessment

Next Five Consecutive Years		Comparison
2026	Supply	12,329
	Use	12,329
	Surplus	0
2027	Supply	14,561
	Use	14,561
	Surplus	0
2028	Supply	14,803
	Use	14,803
	Surplus	0
2029	Supply	16,194
	Use	16,194
	Surplus	0
2030	Supply	13,236
	Use	13,236
	Surplus	0

Water use is estimated as the projected demand for 2026 through 2030 scaled by factors provided in Table 7.1 which represent response to the five year drought from 2011 to 2015. Note that demands have decreased since the drought of 2011-2015, due in part to water conservation and implementation of the CropSWAP Program which addresses climate change impacts on agricultural water use. As a result, the District is in a better position to cope with the impacts of a multiple year drought.

Supply is sufficient to meet all demand conditions, as described in §7.1.

7.6 – Data, Methods, and Basis for Water Shortage Conditions

The District relies on EMWD and DWR as data sources for water shortage conditions. During inter-agency coordination with EMWD, the District was informed that sufficient supply was anticipated to be available under all demand conditions. For additional context regarding regional supply, EMWD referred the District to MWD's Water Supply Allocation Plan (WSAP) which serves as the basis for the Water Shortage Contingency Plan (WSCP) under separate cover.

7.7 – Individual Water Source Reliability

The District is wholly reliant on imported water sources that are delivered through MWD facilities but purchased through EMWD. These sources represent a diverse supply portfolio which are anticipated to be available under all demand conditions.

7.8 – Total Water Supply and Use Comparison

Supply from EMWD is considered very reliable, and during inter-agency coordination EMWD confirmed that no shortages are anticipated given the range of projected demands in this chapter. Nonetheless, a supply shortage may still occur and that eventuality is discussed in detail in the WSCP (see Appendix N).

7.9 – Submittal Tables

Electronic data and information related to the content of this chapter are included in the following WUE Tables.

- OPTIONAL Submittal Table 7-1 Retail: Basis of Water Year Data (Reliability Assessment)
- Submittal Table 7-2 Retail: Normal Year Supply and Demand Use Comparison | Water Code Section 10635 (a)
- Submittal Table 7-3 Retail: Single Dry Year Supply and Demand Comparison | Water Code Section 10635(a)
- Submittal Table 7-4 Retail: Five Consecutive Dry Years Supply and Demand Comparison | Water Code Section 10635(a)
- Submittal Table 7-5 Retail: Five-Year Drought Risk Assessment Tables to address | Water Code Section 10635(b)(3)

Copies of these tables may be found in Appendix B.

Chapter 8 – Water Shortage Contingency Plan

8.1 – WSCP Availability

The Water Shortage Contingency Plan (WSCP) is presented under a separate cover.

8.2 – Submittal Tables

Electronic data and information related to the content of this chapter are included in the following WUE Tables.

- Submittal Table 8-1: Cross-reference for Standard vs Supplier Shortage Levels Water Code Section 10632(a)(3)(B)
- Submittal Table 8-2 Retail: Supply Augmentation and Other Actions | Water Code Section 10632(a)(4)(A),(C) and (E)
- Submittal Table 8-3 Retail: Demand Reduction Actions | Water Code Section 10632(a)(4)(B) and (E)

Copies of these tables may be found in Appendix B.

Chapter 9 – Demand Management Measures

Water Code Section 10631

(e) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1)(A) For an urban retail water supplier, as defined in Section 10608.12, a narrative description that addresses the nature and extent of each water demand management measure implemented over the past five years. The narrative shall describe the water demand management measure that the supplier plans to implement to achieve its water use targets pursuant to Section 10608.20.

(1)(B) The narrative pursuant to this paragraph shall include descriptions of the following water demand management measures:

(i) Water waste prevention ordinances.

(ii) Metering.

(iii) Conservation pricing.

(iv) Public education and outreach.

(v) Programs to assess and manage distribution system real loss.

(vi) Water conservation program coordination and staffing support.

(vii) Other demand management measures that have a significant impact on water use as measured in gallons per capita per day, including innovative measures, if implemented.

Water conservation is an available method to reduce water demands, thereby reducing water supply needs. This chapter presents a description of the District's water conservation program and water Demand Management Measures (DMMs).

9.1 – Implementation Over the Past Five Years

9.1.1 – Implementation to Achieve Water-Use Targets

Water Code Section 10631

(e)(1)(A) For an urban retail water supplier, as defined in Section 10608.12, a narrative description that addresses the nature and extent of each water demand management measure implemented over the past five years. The narrative shall describe the water demand management measure that the supplier plans to implement to achieve its water use targets pursuant to Section 10608.20.

The District has already achieved its water use targets and is committed to continuing its current water conservation program in coordination with EMWD and MWD.

9.2 – Required Demand Management Measures

Water conservation DMMs and the District's compliance status are described in the following sections.

9.2.1 – Water-Waste Prevention Ordinance

Ordinance 16-10 declares the prevention of water waste, unreasonable water use, or unreasonable method of water use. It also declares that water be conserved for the public welfare. See Appendix G.

DMM Status. This DMM is on track.

9.2.2 – Metering

> ***Water Code Section 526***
>
> *(a) Notwithstanding any other provisions of law, an urban water supplier that, on or after January 1, 2004, receives water from the federal Central Valley Project under a water service contract or subcontract… shall do both of the following:*
>
> *(1) On or before January 1, 2013, install water meters on all service connections to residential and nonagricultural commercial buildings… located within its service area.*
>
> ***Water Code Section 527***
>
> *(a) An urban water supplier that is not subject to Section 526 shall do both the following:*
>
> *(1) Install water meters on all municipal and industrial service connections located within its service area on or before January 1, 2025.*

The District is fully metered.

DMM Status. This DMM is on track.

9.2.3 – Conservation Pricing

Ordinance No. 23-04 adopts 2023 Rate Study. The ordinance and rate study are provided in Appendix H. The rate study includes a tier rate structure to promote conservation pricing.

DMM Status. This DMM is on track.

9.2.4 – Public Education and Outreach

The District prepares monthly newsletters and posts them to the District website for public viewing. The District's website also includes conservation information on their water use efficiency management page (https://www.rainbowmwd.com/water-use-efficiency-management). Programs currently available via the site are summarized below:

- Turf Replacement Rebates
    - Landscape Upgrades Made Easier
    - Stacked Turf Replacement
    - California Native Plant Rebate
    - Residential Turf Rebate: Transform your lawn with turf removal, irrigation upgrades, and rainwater retention.
    - Commercial Turf Replacement with SoCal Water$mart
    - MWD rebate for commercial and public agency turf replacement.
    - Personalized Help to Replace Your Lawn
    - Capture More Rain and Rebates
- Landscape Workshops
    - Design Your Sustainable Garden
    - Irrigation & Controller Basics: Smart Watering
    - Irrigation System Overview – Understand how each component works together to deliver water efficiently.
    - CA Friendly® & Native Plant Landscape Training
    - Transforming Lawns: A Sustainable Approach
    - Garden Design Seminar
    - Rain to Roots: Water for Your Garden
- Fix a Leak Week
    - Best Practices and Water Use Efficiency Resources
    - Flow Monitor Devices to Help Identify Leaks
- Flume Water Monitoring System Rebate Program

The District collaborates with EMWD on wholesale conservation programs including the following:

- Residential Water Consultation
- Climate Ready Landscape Academy

- WaterWise Landscape Toolbox
- Inland Empire Landscape Guidebook
- EMWD's Demonstration Garden
- Landscapes for Living: Transform Your Yard and Save Water
- Landscapes for Business and Beyond

The District collaborates with MWD on wholesale conservation programs including the following:

- Commercial and Residential Landscape Surveys from MWD
    - Commercial Surveys
    - Residential Surveys
    - Grower Surveys from Mission Resource Conservation District
- Water Use Survey
    - Commercial Surveys
    - Residential Surveys

DMM Status. This DMM is on track.

9.2.5 – Programs to Assess and Manage Distribution System Real Loss

The District conducts annual Water Audits to quantify real and apparent losses.

The District intends to initiate a pilot study focusing on water loss reduction program in the coming years.

DMM Status. This DMM is in the planning stages.

9.2.6 – Water Conservation Program Coordination and Staffing Support

The District's Customer and Meter Services Supervisor coordinates water conservation practices and programs and establishes an annual program budget based on available funding and resources. The District also hires part-time staff as needed to aid in water conservation program implementation activities.

The contact information for water conservation coordination is:

- CustomerService@rainbowmwd.com.

DMM Status. This DMM is on track.

9.2.7 – Other Demand Management Measures

CropSWAP

The Regional CropSWAP (Sustainable Water for Agricultural Production) Program was formed through collaboration between Regional Partners, including Rancho California Water District, Fallbrook Public Utilities District, Rainbow Municipal Water District, Valley Center Municipal Water District, the City of Escondido and the City of Oceanside. With a focus on enhancing efficiency for agricultural water users in western Riverside and northern San Diego Counties, the Program offers financial assistance for both transitioning away from high-water-use crops and adopting agricultural best management practices (BMPs). Through implementation of the Regional Program, the partnering agencies aim to foster sustainable agricultural water use, support local farmers, and contribute to the long-term resilience of the agricultural communities in the region.

For additional information on the CropSWAP Program, see Appendix F.

Wholesale Rebate Programs

The District collaborates with EMWD on wholesale rebate programs including the following:

- SoCal Water$mart Residential Program Rebates
    - High Efficiency Clothes Washers
    - Premium High Efficiency Toilets (1.06 Gallons per Flush or Less)
    - Weather-Based Irrigation Controllers
    - Rotating Sprinkler Nozzles (Min Qty = 30)
    - Turf Replacement Program*
    - Soil Moisture Sensor System
    - Rain Barrels (Max Qty = 2)
    - Cistern (200 to 500 Gallon Capacity)
    - Cistern (501 to 999 Gallon Capacity)
    - Cistern (1,000+ Gallon Capacity)
- SoCal Water$mart Commercial Program Rebates
    - Indoor Rebates
        - High-efficiency toilets and urinals
        - Irrigation controllers and sprinkler nozzles
        - Food service equipment
        - Clothes washers
    - Outdoor Rebates

- Commercial properties and common areas in townhomes, condominiums, mobile home parks, and apartment complexes
- Turf Replacement Program: Replace high-maintenance grass with drought-tolerant landscaping to lower water and maintenance costs.
- On-Site Retrofit Program: Incentives are provided for converting potable irrigation or industrial water systems to recycled water use—$195 per acre-foot for five years of estimated water use (up to actual retrofit cost).

Chapter 10 – Adoption, Submittal, and Implementation

This chapter documents compliance with plan adoption, submittal, and implementation requirements.

10.1 – Notice of Plan Preparation

> ***Water Code Section 10621***
>
> *(b) Every urban water supplier required to prepare a plan shall … at least 60 days prior to the public hearing on the plan … notify any city or county within which the supplier provides water supplies that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan.*

The following entities were notified of the District's intent to update the UWMP at least 60 days prior to the public hearing:

- San Diego County
- City of Oceanside
- Eastern Municipal Water District
- Fallbrook Public Utility District

Copies of the notifications are provided in Appendix I.

10.2 – Notice of Public Hearing

Water Code Section 10642

…Prior to adopting either [the plan or water shortage contingency plan], the urban water supplier shall make both the plan and the water shortage contingency plan available for public inspection and shall hold a public hearing or hearings thereon. Prior to any of these hearings, notice of the time and place of the hearing shall be published within the jurisdiction of the publicly owned water supplier pursuant to Section 6066 of the Government Code [see below]. The urban water supplier shall provide notice of the time and place of a hearing to any city or county within which the supplier provides water supplies Notices by a local public agency pursuant to this section shall be provided pursuant to Chapter 17.5 (commencing with Section 7290) of Division 7 of Title 1 of the Government Code. A privately owned water supplier shall provide an equivalent notice within its service area.

Government Code Section 6066

Publication of notice pursuant to this section shall be once a week for two successive weeks. Two publications in a newspaper published once a week or oftener, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice commences upon the first day of publication and terminates at the end of the fourteenth day, including therein the first day.

Notifications of public hearing were published in the Valley News Newspaper on May 7, 2026, and May 14, 2026.

Copies of the notifications are provided in Appendix J.

10.3 – Public Hearing and Adoption

Water Code Section 10642

> *Each urban water supplier shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of both the plan and the water shortage contingency plan. Prior to adopting either, the urban water supplier shall make both the plan and the water shortage contingency plan available for public inspection and shall hold a public hearing or hearings thereon.... After the hearing or hearings, the plan or water shortage contingency plan shall be adopted as prepared or as modified after the hearing or hearings.*

Government Code Section 7291

> *...every local public agency... serving a substantial number of non-English-Speaking people, shall employ a sufficient number of qualified bilingual persons in public contact positions or as interpreters to assist those in such positions, to ensure provision of information and services in the language of the non-English-speaking person.*

The Draft 2025 UWMP and Draft 2025 WSCP were posted electronically on the District's website on May 7, 2026, and a hardcopy was maintained and made available for public inspection at the District's Headquarters.

A public hearing was held on May 26, 2026, at a regular meeting of the RMWD Board of Directors. Following the public hearing, the Draft 2025 UWMP and Draft 2025 WSCP were adopted as amended.

The resolutions of adoption are provided in Appendix K.

10.4 – Plan Submittal

Water Code Section 10621

(e) Each urban water supplier shall update and submit its 2025 plan to the department by July 1, 2026…

Water Code Section 10635

(c) The urban water supplier shall provide that portion of its urban water management plan prepared pursuant to this article to any city or county within which it provides water supplies no later than 60 days after the submission of its urban water management plan.

Water Code Section 10644

(a)(1) An urban water supplier shall submit to the department, the California State Library, and any city or county within which the supplier provides water supplies a copy of its plan no later than 30 days after adoption.

See sections below for details on compliance with plan submittal requirements.

10.4.1 – Electronic Data Submittal

Water Code Section 10644 (a)(2)

The plan, or amendments to the plan, submitted to the department … shall be submitted electronically and shall include any standardized forms, tables, or displays specified by the department.

The 2025 UWMP, the 2025 WSCP, and supporting documents were submitted electronically to DWR on June XX, 2026, via the Water Use Efficiency portal. Confirmation of submittal is provided in Appendix L.

10.4.2 – Submittal to Cities, Counties, and the California State Library

Copies of 2025 UWMP and the 2025 WSCP were issued to San Diego County, the City of Oceanside, and the State Library on June XX, 2026. Confirmation of transmittal is provided in Appendix M.

10.5 – Public Availability

Water Code Section 10645

(a) Not later than 30 days after filing a copy of its plan with the department, the urban water supplier and the department shall make the plan available for public review during normal business hours.

(b) Not later than 30 days after filing a copy of its water shortage contingency plan with the department, the urban water supplier and the department shall make the plan available for public review during normal business hours.

The 2025 UWMP and the 2025 WSCP are available for public review on the District's website at https://www.rainbowmwd.com/ and via the DWR Water Use Efficiency Data portal at https://wuedata.water.ca.gov/.

10.6 – Plan Implementation

Water Code Section 10643

An urban water supplier shall implement its plan adopted pursuant to this chapter in accordance with the schedule set forth in its plan.

The District is committed to implementation of the 2025 UWMP.

10.7 – Amending an Adopted Plan

Water Code Section 10621

(d) The amendments to, or changes in, the plan shall be adopted and filed in the manner set forth in Article 3 (commencing with Section 10640).

Water Code Section 10644

(a)(1) Copies of amendments or changes to the plans shall be submitted to the department, the California State Library, and any city or county within which the supplier provides water supplies within 30 days after adoption.

In the event the 2025 UWMP or 2025 WSCP are amended, the procedures delineated above will govern.

10.8 – Submitting Revised Water Shortage Contingency Plan

> ***Water Code Section 10644 (b)***
>
> *If an urban water supplier revises its water shortage contingency plan, the supplier shall submit to the department a copy of its water shortage contingency plan prepared…no later than 30 days after adoption, in accordance with protocols for submission and using electronic reporting tools developed by the department.*

In the event the 2025 WSCP is revised, the procedures delineated above will govern.

10.9 – DWR Review of Submitted Plans

To assist DWR in the review process, a completed checklist addressing Water Code requirements is provided in Appendix C. In the event DWR needs to contact the District during the review process, the UWMP preparer registered via the WUE portal will respond to any inquiries.

10.10 – Submittal Tables

Electronic data and information related to the content of this chapter are included in the following WUE Table.

- Submittal Table 10-1 Retail: Notification to Cities and Counties | Water Code Section 10621(b) and 10642

A copy of this table may be found in Appendix B.

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Appendix B – Water Use Efficiency Tables

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Appendix D – SB X7-7 Calculations

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Appendix I – Notices of Plan Preparation

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Appendix N – Water Shortage Contingency Plan

Appendix A – Urban Water Management Planning Act

Appendix A
California Water Code—Urban Water Management Planning

This material is for informational purposes only and is not to be used in place of official California Water Code.

This appendix presents updated sections of California Water Code (Water Code) as of the publication of this Guidebook and as compiled by California Department of Water Resources (DWR) staff. The selection here focuses on the portions of Water Code directly relevant to preparation of an Urban Water Management Plan (UWMP), and sections of Water Code that are contextually relevant to urban water suppliers and DWR.

Water Code published here also concerns the Urban Water Management Planning Act, the Water Conservation Act of 2009 (SB X7-7), which covers sustainable water use and demand reduction, and more. Further legislative information is available on the California Legislative Information website.

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Water Conservation Act of 2009 (SB X7-7)

This section contains information extracted from Water Code Division 6, *Conservation, Development, and Utilization of State Water Resources*, Part 2.55, *Sustainable Water Use And Demand Reduction*. Click on any section header below to read Water Code directly at the California Legislative Information website.

Chapter 1. General Declarations and Policy, Sections 10608–10608.8

Section 10608.

The Legislature finds and declares all of the following:

(a) Water is a public resource that the California Constitution protects against waste and unreasonable use.

(b) Growing population, climate change, and the need to protect and grow California's economy while protecting and restoring our fish and wildlife habitats make it essential that the state manage its water resources as efficiently as possible.

(c) Diverse regional water supply portfolios will increase water supply reliability and reduce dependence on the Delta.

(d) Reduced water use through conservation provides significant energy and environmental benefits, and can help protect water quality, improve streamflows, and reduce greenhouse gas emissions.

(e) The success of state and local water conservation programs to increase efficiency of water use is best determined on the basis of measurable outcomes related to water use or efficiency.

(f) Improvements in technology and management practices offer the potential for increasing water efficiency in California over time, providing an essential water management tool to meet the need for water for urban, agricultural, and environmental uses.

(g) The Governor has called for a 20 percent per capita reduction in urban water use statewide by 2020.

(h) The factors used to formulate water use efficiency targets can vary significantly from location to location based on factors including weather, patterns of urban and suburban development, and past efforts to enhance water use efficiency.

(i) Per capita water use is a valid measure of a water provider's efforts to reduce urban water use within its service area. However, per capita water use is less

useful for measuring relative water use efficiency between different water providers. Differences in weather, historical patterns of urban and suburban development, and density of housing in a particular location need to be considered when assessing per capita water use as a measure of efficiency.

Section 10608.4.

It is the intent of the Legislature, by the enactment of this part, to do all of the following:

(a) Require all water suppliers to increase the efficiency of use of this essential resource.

(b) Establish a framework to meet the state targets for urban water conservation identified in this part and called for by the Governor.

(c) Measure increased efficiency of urban water use on a per capita basis.

(d) Establish a method or methods for urban retail water suppliers to determine targets for achieving increased water use efficiency by the year 2020, in accordance with the Governor's goal of a 20- percent reduction.

(e) Establish consistent water use efficiency planning and implementation standards for urban water suppliers and agricultural water suppliers.

(f) Promote urban water conservation standards that are consistent with the California Urban Water Conservation Council's adopted best management practices and the requirements for demand management in Section 10631.

(g) Establish standards that recognize and provide credit to water suppliers that made substantial capital investments in urban water conservation since the drought of the early 1990s.

(h) Recognize and account for the investment of urban retail water suppliers in providing recycled water for beneficial uses.

(i) Require implementation of specified efficient water management practices for agricultural water suppliers.

(k) Support the economic productivity of California's agricultural, commercial, and industrial sectors.

(l) Advance regional water resources management.

Section 10608.8.

(a)

(1) Water use efficiency measures adopted and implemented pursuant to this part or Part 2.8 (commencing with Section 10800) are water conservation measures subject to the protections provided under Section 1011.

(2) Because an urban agency is not required to meet its urban water use target until 2020 pursuant to subdivision (b) of Section 10608.24, an urban retail water supplier's failure to meet those targets shall not establish a violation of law for purposes of any state administrative or judicial proceeding prior to January 1, 2021. Nothing in this paragraph limits the use of data reported to the department or the board in litigation or an administrative proceeding. This paragraph shall become inoperative on January 1, 2021.

(3) To the extent feasible, the department and the board shall provide for the use of water conservation reports required under this part to meet the requirements of Section 1011 for water conservation reporting.

(b) This part does not limit or otherwise affect the application of Chapter 3.5 commencing with Section 11340), Chapter 4 (commencing with Section 11370), Chapter 4.5 (commencing with Section 11400), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) This part does not require a reduction in the total water used in the agricultural or urban sectors, because other factors, including, but not limited to, changes in agricultural economics or population growth may have greater effects on water use. This part does not limit the economic productivity of California's agricultural, commercial, or industrial sectors.

(d) The requirements of this part do not apply to an agricultural water supplier that is a party to the Quantification Settlement Agreement, as defined in subdivision (a) of Section 1 of Chapter 617 of the Statutes of 2002, during the period within which the Quantification Settlement Agreement remains in effect. After the expiration of the Quantification Settlement Agreement, to the extent conservation water projects implemented as part of the Quantification Settlement Agreement remain in effect, the conserved water created as part of those projects shall be credited against the obligations of the agricultural water supplier pursuant to this part.

Chapter 2. Definitions, Section 10608.12

Section 10608.12.

Unless the context otherwise requires, the following definitions govern the construction of this part:

(a) "Affordable housing" has the same meaning as defined in Section 34191.30 of the Health and Safety Code.

(b) "Agricultural water supplier" means a water supplier, either publicly or privately owned, providing water to 10,000 or more irrigated acres, excluding recycled water. "Agricultural water supplier" includes a supplier or contractor

for water, regardless of the basis of right, that distributes or sells water for ultimate resale to customers. "Agricultural water supplier" does not include the department.

(c) "Base daily per capita water use" means any of the following:

(1) The urban retail water supplier's estimate of its average gross water use, reported in gallons per capita per day and calculated over a continuous 10-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(2) For an urban retail water supplier that meets at least 10 percent of its 2008 measured retail water demand through recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier, the urban retail water supplier may extend the calculation described in paragraph (1) up to an additional five years to a maximum of a continuous 15-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(3) For the purposes of Section 10608.22, the urban retail water supplier's estimate of its average gross water use, reported in gallons per capita per day and calculated over a continuous five-year period ending no earlier than December 31, 2007, and no later than December 31, 2010.

(d) "Baseline commercial, industrial, and institutional water use" means an urban retail water supplier's base daily per capita water use for commercial, industrial, and institutional users.

(e) "CII water use" means water used by commercial water users, industrial water users, institutional water users, and large landscape water users.

(f) "Commercial water user" means a water user that provides or distributes a product or service.

(g) "Common area" means that portion of a common interest development or of a property owned or managed by a homeowners' association or a community service organization or similar entity that is not assigned or allocated to the exclusive use of the occupants of an individual dwelling unit within the property.

(h) "Common interest development" has the same meaning as in Section 4100 of the Civil Code.

(i) "Community service organization or similar entity" has the same meaning as in Section 4110 of the Civil Code.

(j) "Community space" means an area designated by a property owner or a governmental agency to accommodate human foot traffic for civic, ceremonial, or other community events or social gatherings.

(k) "Compliance daily per capita water use" means the gross water use during the final year of the reporting period, reported in gallons per capita per day.

(l) "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

(m) "Functional turf" means a ground cover surface of turf located in a recreational use area or community space. Turf enclosed by fencing or other barriers to permanently preclude human access for recreation or assembly is not functional turf.

(n) "Gross water use" means the total volume of water, whether treated or untreated, entering the distribution system of an urban retail water supplier, excluding all of the following:

(1) Recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier.

(2) The net volume of water that the urban retail water supplier places into long-term storage.

(3) The volume of water the urban retail water supplier conveys for use by another urban water supplier.

(4) The volume of water delivered for agricultural use, except as otherwise provided in subdivision (f) of Section 10608.24.

(o) "Homeowners' association" means an "association" as defined in Section 4080 of the Civil Code.

(p) "Industrial water user" means a water user that is primarily a manufacturer or processor of materials as defined by the North American Industry Classification System code sectors 31 to 33, inclusive, or an entity that is a water user primarily engaged in research and development.

(q) "Institutional water user" means a water user dedicated to public service. This type of user includes, among other users, higher education institutions, schools, courts, churches, hospitals, government facilities, and nonprofit research institutions.

(r) "Interim urban water use target" means the midpoint between the urban retail water supplier's base daily per capita water use and the urban retail water supplier's urban water use target for 2020.

(s) "Large landscape" means a nonresidential landscape as described in the performance measures for CII water use adopted pursuant to Section 10609.10.

(t) "Locally cost effective" means that the present value of the local benefits of implementing an agricultural efficiency water management practice is greater

than or equal to the present value of the local cost of implementing that measure.

(u) "Nonfunctional turf" means any turf that is not functional turf, and includes turf located within street rights-of-way and parking lots.

(v) "Performance measures" means actions to be taken by urban retail water suppliers that will result in increased water use efficiency by CII water users. Performance measures may include, but are not limited to, educating CII water users on best management practices, conducting water use audits, and preparing water management plans. Performance measures do not include process water.

(w) "Potable reuse" means direct potable reuse, indirect potable reuse for groundwater recharge, and reservoir water augmentation as those terms are defined in Section 13561.

(x) "Potable water" means water that is suitable for human consumption.

(y) "Process water" means water used by industrial water users for producing a product or product content or water used for research and development. Process water includes, but is not limited to, continuous manufacturing processes, and water used for testing, cleaning, and maintaining equipment. Water used to cool machinery or buildings used in the manufacturing process or necessary to maintain product quality or chemical characteristics for product manufacturing or control rooms, data centers, laboratories, clean rooms, and other industrial facility units that are integral to the manufacturing or research and development process is process water. Water used in the manufacturing process that is necessary for complying with local, state, and federal health and safety laws, and is not incidental water, is process water. Process water does not mean incidental water uses.

(z) "Public water system" has the same meaning as defined in Section 116275 of the Health and Safety Code.

(aa) "Recreational use area" means an area designated by a property owner or a governmental agency to accommodate human foot traffic for recreation, including, but not limited to, sports fields, golf courses, playgrounds, picnic grounds, or pet exercise areas. This recreation may be either formal or informal.

(ab) "Recycled water" means recycled water, as defined in subdivision (n) of Section 13050.

(ac) "Regional water resources management" means sources of supply resulting from watershed-based planning for sustainable local water reliability or any of the following alternative sources of water:

(1) The capture and reuse of stormwater or rainwater.

(2) The use of recycled water.

(3) The desalination of brackish groundwater.

(4) The conjunctive use of surface water and groundwater in a manner that is consistent with the safe yield of the groundwater basin.

(ad) "Reporting period" means the years for which an urban retail water supplier reports compliance with the urban water use targets.

(ae) "Turf" has the same meaning as defined in Section 491 of Title 23 of the California Code of Regulations.

(af) "Urban retail water supplier" means a water supplier, either publicly or privately owned, that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre-feet of potable water annually at retail for municipal purposes.

(ag) "Urban water supplier" has the same meaning as defined in Section 10617.

(ah) "Urban water use objective" means an estimate of aggregate efficient water use for the previous year based on adopted water use efficiency standards and local service area characteristics for that year, as described in Section 10609.20.

(ai) "Urban water use target" means the urban retail water supplier's targeted future daily per capita water use.

(aj) "Urban wholesale water supplier" means a water supplier, either publicly or privately owned, that provides more than 3,000 acre-feet of water annually at wholesale for potable municipal purposes.

Chapter 2.5. Nonfunctional Turf

Section 10608.14.

(a) The use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities is prohibited as of the following dates:

(1) All properties owned by the Department of General Services, beginning January 1, 2027.

(2) All properties owned by local governments, local or regional public agencies, and public water systems, except those specified in paragraph (5), beginning January 1, 2027.

(3) All other institutional properties and all commercial and industrial properties, beginning January 1, 2028.

(4) All common areas of properties of homeowners' associations, common interest developments, and community service organizations or similar entities, beginning January 1, 2029.

(5) All properties owned by local governments, local public agencies, and public water systems in a disadvantaged community, beginning January 1, 2031, or the date upon which a state funding source is made available to fund conversion of nonfunctional turf on these properties to climate-appropriate landscapes, whichever is later.

(b) Notwithstanding subdivision (a), the use of potable water is not prohibited by this section to the extent necessary to ensure the health of trees and other perennial nonturf plantings, or to the extent necessary to address an immediate health and safety need.

(c) The board may, upon a showing of good cause for reasons including economic hardship, critical business need, and potential impacts to human health or safety, postpone a compliance deadline in subdivision (a) by up to three years for certain persons, institutions, and businesses, and may create a form to be used for compliance certification to the board by property owners.

(d) Public water systems shall, by no later than January 1, 2027, revise their regulations, ordinances, or policies governing water service to include the requirements of subdivisions (a) and (b), as revised by the board pursuant to subdivision (c), and shall communicate the requirements to their customers on or before that date.

(e)

(1) An owner of commercial, industrial, or institutional property with more than 5,000 square feet of irrigated area other than a cemetery shall certify to the board, commencing June 30, 2030, and every three years thereafter through 2039, that their property is in compliance with the requirements of this chapter.

(2) An owner of a property with more than 5,000 square feet of irrigated common area that is a homeowners' association, common interest development, or community service organization or similar entity shall certify to the board, commencing June 30, 2031, and every three years thereafter through 2040, that their property is in compliance with the requirements of this chapter.

(f) Noncompliance by a person or entity with this chapter or regulations adopted thereunder shall be subject to civil liability and penalties set forth in Section 1846, or to civil liability and penalties imposed by an urban retail water supplier pursuant to a locally adopted ordinance or policy.

(g)

(1) A public water system, city, county, or city and county may enforce the provisions of this chapter.

(2) To avoid duplication of enforcement, any entity identified in paragraph (1) that is not a retail public water system shall notify the retail public water system 30 days prior to enforcement of the provisions of this chapter against a property served by such system.

(3) Nothing in paragraph (2) shall preclude enforcement by any entity identified in paragraph (1) once adequate notice is given.

(h) The department shall, when using funds appropriated for water conservation for turf replacement, prioritize financial assistance for nonfunctional turf replacement to public water systems serving disadvantaged communities and to owners of affordable housing.

(i) The department shall utilize the saveourwater.com internet website and outreach campaign to provide information and resources on converting nonfunctional turf to native vegetation.

(j) The Governor's Office of Business and Economic Development shall support small and minority-owned businesses that provide services that advance compliance with this chapter.

Chapter 3. Urban Retail Water Suppliers, Sections 10608.16–10608.44

Section 10608.16.

(a) The state shall achieve a 20-percent reduction in urban per capita water use in California on or before December 31, 2020.

(1) The state shall make incremental progress towards the state target specified in subdivision (a) by reducing urban per capita water use by at least 10 percent on or before December 31, 2015.

Section 10608.20.

(a)

(1) Each urban retail water supplier shall develop urban water use targets and an interim urban water use target by July 1, 2011. Urban retail water suppliers may elect to determine and report progress toward achieving these targets on an individual or regional basis, as provided in subdivision (a) of Section 10608.28, and may determine the targets on a fiscal year or calendar year basis.

(2) It is the intent of the Legislature that the urban water use targets described in paragraph (1) cumulatively result in a 20-percent reduction from the baseline daily per capita water use by December 31, 2020.

(b) An urban retail water supplier shall adopt one of the following methods for determining its urban water use target pursuant to subdivision (a):

(1) Eighty percent of the urban retail water supplier's baseline per capita daily water use.

(2) The per capita daily water use that is estimated using the sum of the following performance standards:

(A) For indoor residential water use, 55 gallons per capita daily water use as a provisional standard. Upon completion of the department's 2017 report to the Legislature pursuant to Section 10608.42, this standard may be adjusted by the Legislature by statute.

(B) For landscape irrigated through dedicated or residential meters or connections, water efficiency equivalent to the standards of the Model Water Efficient Landscape Ordinance set forth in Chapter 2.7 (commencing with Section 490) of Division 2 of Title 23 of the California Code of Regulations, as in effect the later of the year of the landscape's installation or 1992. An urban retail water supplier using the approach specified in this subparagraph shall use satellite imagery, site visits, or other best available technology to develop an accurate estimate of landscaped areas.

(C) For commercial, industrial, and institutional uses, a 10- percent reduction in water use from the baseline commercial, industrial, and institutional water use by 2020.

(3) Ninety-five percent of the applicable state hydrologic region target, as set forth in the state's draft 20x2020 Water Conservation Plan (dated April 30, 2009). If the service area of an urban water supplier includes more than one hydrologic region, the supplier shall apportion its service area to each region based on population or area.

(4) A method that shall be identified and developed by the department, through a public process, and reported to the Legislature no later than December 31, 2010. The method developed by the department shall identify per capita targets that cumulatively result in a statewide 20-percent reduction in urban daily per capita water use by December 31, 2020. In developing urban daily per capita water use targets, the department shall do all of the following:

(A) Consider climatic differences within the state.

(B) Consider population density differences within the state.

(C) Provide flexibility to communities and regions in meeting the targets.

(D) Consider different levels of per capita water use according to plant water needs in different regions.

(E) Consider different levels of commercial, industrial, and institutional water use in different regions of the state.

(F) Avoid placing an undue hardship on communities that have implemented conservation measures or taken actions to keep per capita water use low.

(c) If the department adopts a regulation pursuant to paragraph (4) of subdivision (b) that results in a requirement that an urban retail water supplier achieve a reduction in daily per capita water use that is greater than 20 percent by December 31, 2020, an urban retail water supplier that adopted the method described in paragraph (4) of subdivision (b) may limit its urban water use target to a reduction of not more than 20 percent by December 31, 2020, by adopting the method described in paragraph (1) of subdivision (b).

(d) The department shall update the method described in paragraph (4) of subdivision (b) and report to the Legislature by December 31, 2014. An urban retail water supplier that adopted the method described in paragraph (4) of subdivision (b) may adopt a new urban daily per capita water use target pursuant to this updated method.

(e) An urban retail water supplier shall include in its urban water management plan due in 2010 pursuant to Part 2.6 (commencing with Section 10610) the baseline daily per capita water use, urban water use target, interim urban water use target, and compliance daily per capita water use, along with the bases for determining those estimates, including references to supporting data.

(f) When calculating per capita values for the purposes of this chapter, an urban retail water supplier shall determine population using federal, state, and local population reports and projections.

(g) An urban retail water supplier may update its 2020 urban water use target in its 2015 urban water management plan required pursuant to Part 2.6 (commencing with Section 10610).

(h)

(1) The department, through a public process and in consultation with the California Urban Water Conservation Council, shall develop technical methodologies and criteria for the consistent implementation of this part, including, but not limited to, both of the following:

(A) Methodologies for calculating base daily per capita water use, baseline commercial, industrial, and institutional water use, compliance daily per capita water use, gross water use, service area

population, indoor residential water use, and landscaped area water use.

(B) Criteria for adjustments pursuant to subdivisions (d) and (e) of Section 10608.24.

(2) The department shall post the methodologies and criteria developed pursuant to this subdivision on its internet website, and make written copies available, by October 1, 2010. An urban retail water supplier shall use the methods developed by the department in compliance with this part.

(h)

(1) The department shall adopt regulations for implementation of the provisions relating to process water in accordance with Section 10608.12, subdivision (e) of Section 10608.24, and subdivision (d) of Section 10608.26.

(2) The initial adoption of a regulation authorized by this subdivision is deemed to address an emergency, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted for that purpose from the requirements of subdivision (b) of Section 11346.1 of the Government Code. After the initial adoption of an emergency regulation pursuant to this subdivision, the department shall not request approval from the Office of Administrative Law to readopt the regulation as an emergency regulation pursuant to Section 11346.1 of the Government Code.

(j)

(1) An urban retail water supplier is granted an extension to July 1, 2011, for adoption of an urban water management plan pursuant to Part 2.6 (commencing with Section 10610) due in 2010 to allow the use of technical methodologies developed by the department pursuant to paragraph (4) of subdivision (b) and subdivision (h). An urban retail water supplier that adopts an urban water management plan due in 2010 that does not use the methodologies developed by the department pursuant to subdivision (h) shall amend the plan by July 1, 2011, to comply with this part.

(2) An urban wholesale water supplier whose urban water management plan prepared pursuant to Part 2.6 (commencing with Section 10610) was due and not submitted in 2010 is granted an extension to July 1, 2011, to permit coordination between an urban wholesale water supplier and urban retail water suppliers.

Section 10608.22.

Notwithstanding the method adopted by an urban retail water supplier pursuant to Section 10608.20, an urban retail water supplier's per capita daily water use reduction shall be no less than 5 percent of base daily per capita water use as defined in paragraph (3) of subdivision (c) of Section 10608.12. This section does not apply to an urban retail water supplier with a base daily per capita water use at or below 100 gallons per capita per day.

Section 10608.24.

(a) Each urban retail water supplier shall meet its interim urban water use target by December 31, 2015.

(b) Each urban retail water supplier shall meet its urban water use target by December 31, 2020.

(c) An urban retail water supplier's compliance daily per capita water use shall be the measure of progress toward achievement of its urban water use target.

(d)

(1) When determining compliance daily per capita water use, an urban retail water supplier may consider the following factors:

(A) Differences in evapotranspiration and rainfall in the baseline period compared to the compliance reporting period.

(B) Substantial changes to commercial or industrial water use resulting from increased business output and economic development that have occurred during the reporting period.

(C) Substantial changes to institutional water use resulting from fire suppression services or other extraordinary events, or from new or expanded operations, that have occurred during the reporting period.

(2) If the urban retail water supplier elects to adjust its estimate of compliance daily per capita water use due to one or more of the factors described in paragraph (1), it shall provide the basis for, and data supporting, the adjustment in the report required by Section 10608.40.

(e) When developing the urban water use target pursuant to Section 10608.20, an urban retail water supplier that has a substantial percentage of industrial water use in its service area may exclude process water from the calculation of gross water use to avoid a disproportionate burden on another customer sector.

(f)

(1) An urban retail water supplier that includes agricultural water use in an urban water management plan pursuant to Part 2.6 (commencing with Section 10610) may include the agricultural water use in determining

gross water use. An urban retail water supplier that includes agricultural water use in determining gross water use and develops its urban water use target pursuant to paragraph (2) of subdivision (b) of Section 10608.20 shall use a water efficient standard for agricultural irrigation of 100 percent of reference evapotranspiration multiplied by the crop coefficient for irrigated acres.

(2) An urban retail water supplier, that is also an agricultural water supplier, is not subject to the requirements of Chapter 4 (commencing with Section 10608.48), if the agricultural water use is incorporated into its urban water use target pursuant to paragraph (1).

Section 10608.26.

(a) In complying with this part, an urban retail water supplier shall conduct at least one public hearing to accomplish all of the following:

(1) Allow community input regarding the urban retail water supplier's implementation plan for complying with this part.

(2) Consider the economic impacts of the urban retail water supplier's implementation plan for complying with this part.

(3) Adopt a method, pursuant to subdivision (b) of Section 10608.20, for determining its urban water use target.

(b) In complying with this part, an urban retail water supplier may meet its urban water use target through efficiency improvements in any combination among its customer sectors. An urban retail water supplier shall avoid placing a disproportionate burden on any customer sector.

(c) For an urban retail water supplier that supplies water to a United States Department of Defense military installation, the urban retail water supplier's implementation plan for complying with this part shall consider the conservation of that military installation under federal Executive Order 13514.

(d)

(1) Any ordinance or resolution adopted by an urban retail water supplier after the effective date of this section shall not require existing customers as of the effective date of this section, to undertake changes in product formulation, operations, or equipment that would reduce process water use, but may provide technical assistance and financial incentives to those customers to implement efficiency measures for process water. This section shall not limit an ordinance or resolution adopted pursuant to a declaration of drought emergency by an urban retail water supplier.

(2) This part shall not be construed or enforced so as to interfere with the requirements of Chapter 4 (commencing with Section 113980) to Chapter 13 (commencing with Section 114380), inclusive, of Part 7 of

Division 104 of the Health and Safety Code, or any requirement or standard for the protection of public health, public safety, or worker safety established by federal, state, or local government or recommended by recognized standard setting organizations or trade associations.

Section 10608.28.

(a) An urban retail water supplier may meet its urban water use target within its retail service area, or through mutual agreement, by any of the following:

(1) Through an urban wholesale water supplier.

(2) Through a regional agency authorized to plan and implement water conservation, including, but not limited to, an agency established under the Bay Area Water Supply and Conservation Agency Act (Division 31 (commencing with Section 81300)).

(3) Through a regional water management group as defined in Section 10537.

(4) By an integrated regional water management funding area.

(5) By hydrologic region.

(6) Through other appropriate geographic scales for which computation methods have been developed by the department.

(b) A regional water management group, with the written consent of its member agencies, may undertake any or all planning, reporting, and implementation functions under this chapter for the member agencies that consent to those activities. Any data or reports shall provide information both for the regional water management group and separately for each consenting urban retail water supplier and urban wholesale water supplier.

Section 10608.32.

All costs incurred pursuant to this part by a water utility regulated by the Public Utilities Commission may be recoverable in rates subject to review and approval by the Public Utilities Commission, and may be recorded in a memorandum account and reviewed for reasonableness by the Public Utilities Commission.

Section 10608.34.

(a)

(1) On or before January 1, 2017, the department shall adopt rules for all of the following:

(A) The conduct of standardized water loss audits by urban retail water suppliers in accordance with the method adopted by the American Water Works Association in the third edition of Water Audits and Loss

Control Programs, Manual M36 and in the Free Water Audit Software, version 5.0.

(B) The process for validating a water loss audit report prior to submitting the report to the department. For the purposes of this section, "validating" is a process whereby an urban retail water supplier uses a technical expert to confirm the basis of all data entries in the urban retail water supplier's water loss audit report and to appropriately characterize the quality of the reported data. The validation process shall follow the principles and terminology laid out by the American Water Works Association in the third edition of Water Audits and Loss Control Programs, Manual M36 and in the Free Water Audit Software, version 5.0. A validated water loss audit report shall include the name and technical qualifications of the person engaged for validation.

(C) The technical qualifications required of a person to engage in validation, as described in subparagraph (B).

(D) The certification requirements for a person selected by an urban retail water supplier to provide validation of its own water loss audit report.

(E) The method of submitting a water loss audit report to the department.

(2) The department shall update rules adopted pursuant to paragraph (1) no later than six months after the release of subsequent editions of the American Water Works Association's Water Audits and Loss Control Programs, Manual M36. Except as provided by the department, until the department adopts updated rules pursuant to this paragraph, an urban retail water supplier may rely upon a subsequent edition of the American Water Works Association's Water Audits and Loss Control Programs, Manual M36 or the Free Water Audit Software.

(b)

(1) On or before October 1 of each year until October 1, 2023, each urban retail water supplier reporting on a calendar year basis shall submit a completed and validated water loss audit report for the previous calendar year or the previous fiscal year as prescribed by the department pursuant to subdivision (a).

(2) On or before January 1 of each year until January 1, 2024, each urban retail water supplier reporting on a fiscal year basis shall submit a completed and validated water loss audit report for the previous fiscal year as prescribed by the department pursuant to subdivision (a).

(3) On or before January 1, 2024, and on or before January 1 of each year thereafter, each urban retail water supplier shall submit a completed and

validated water loss audit report for the previous calendar year or previous fiscal year as part of the report submitted to the department pursuant to subdivision (a) of Section 10609.24 and as prescribed by the department pursuant to subdivision (a).

(4) Water loss audit reports submitted on or before October 1, 2017, may be completed and validated with assistance as described in subdivision (c).

(c) Using funds available for the 2016–17 fiscal year, the board shall contribute up to four hundred thousand dollars ($400,000) towards procuring water loss audit report validation assistance for urban retail water suppliers.

(d) Each water loss audit report submitted to the department shall be accompanied by information, in a form specified by the department, identifying steps taken in the preceding year to increase the validity of data entered into the final audit, reduce the volume of apparent losses, and reduce the volume of real losses.

(e) At least one of the following employees of an urban retail water supplier shall attest to each water loss audit report submitted to the department:

(1) The chief financial officer.

(2) The chief engineer.

(3) The general manager.

(f) The department shall deem incomplete and return to the urban retail water supplier any final water loss audit report found by the department to be incomplete, not validated, unattested, or incongruent with known characteristics of water system operations. A water supplier shall resubmit a completed water loss audit report within 90 days of an audit being returned by the department.

(g) The department shall post all validated water loss audit reports on its internet website in a manner that allows for comparisons across water suppliers. The department shall make the validated water loss audit reports available for public viewing in a timely manner after their receipt.

(h) Using available funds, the department shall provide technical assistance to guide urban retail water suppliers' water loss detection programs, including, but not limited to, metering techniques, pressure management techniques, condition-based assessment techniques for transmission and distribution pipelines, and utilization of portable and permanent water loss detection devices.

(i) No earlier than January 1, 2019, and no later than July 1, 2020, the board shall adopt rules requiring urban retail water suppliers to meet performance standards for the volume of water losses. In adopting these rules, the board shall employ full life-cycle cost accounting to evaluate the costs of meeting the performance standards. The board may consider establishing a minimum

allowable water loss threshold that, if reached and maintained by an urban water supplier, would exempt the urban water supplier from further water loss reduction requirements.

Section 10608.35.

(a) The department, in coordination with the board, shall conduct necessary studies and investigations and make a recommendation to the Legislature, by January 1, 2020, on the feasibility of developing and enacting water loss reporting requirements for urban wholesale water suppliers.

(b) The studies and investigations shall include an evaluation of the suitability of applying the processes and requirements of Section 10608.34 to urban wholesale water suppliers.

(c) In conducting necessary studies and investigations and developing its recommendation, the department shall solicit broad public participation from stakeholders and other interested persons.

Section 10608.36.

Urban wholesale water suppliers shall include in the urban water management plans required pursuant to Part 2.6 (commencing with Section 10610) an assessment of their present and proposed future measures, programs, and policies to help achieve the water use reductions required by this part.

Section 10608.40.

Urban water retail suppliers shall report to the department on their progress in meeting their urban water use targets as part of their urban water management plans submitted pursuant to Section 10631. The data shall be reported using a standardized form developed pursuant to Section 10608.52.

Section 10608.42.

(a) The department shall review the 2015 urban water management plans and report to the Legislature by July 1, 2017, on progress towards achieving a 20-percent reduction in urban water use by December 31, 2020. The report shall include recommendations on changes to water efficiency standards or urban water use targets to achieve the 20- percent reduction and to reflect updated efficiency information and technology changes.

(b) A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

Section 10608.43.

The department, in conjunction with the California Urban Water Conservation Council, by April 1, 2010, shall convene a representative task force consisting of academic experts, urban retail water suppliers, environmental organizations, commercial water users, industrial water users, and institutional water users to develop alternative best management practices for commercial, industrial, and institutional users and an assessment of the potential statewide water use efficiency improvement in the commercial, industrial, and institutional sectors that would result from implementation of these best management practices. The taskforce, in conjunction with the department, shall submit a report to the Legislature by April 1, 2012, that shall include a review of multiple sectors within commercial, industrial, and institutional users and that shall recommend water use efficiency standards for commercial, industrial, and institutional users among various sectors of water use. The report shall include, but not be limited to, the following:

(a) Appropriate metrics for evaluating commercial, industrial, and institutional water use.

(b) Evaluation of water demands for manufacturing processes, goods, and cooling.

(c) Evaluation of public infrastructure necessary for delivery of recycled water to the commercial, industrial, and institutional sectors.

(d) Evaluation of institutional and economic barriers to increased recycled water use within the commercial, industrial, and institutional sectors.

(e) Identification of technical feasibility and cost of the best management practices to achieve more efficient water use statewide in the commercial, industrial, and institutional sectors that is consistent with the public interest and reflects past investments in water use efficiency.

Section 10608.44.

Each state agency shall reduce water use at facilities it operates to support urban retail water suppliers in meeting the target identified in Section 10608.16.

Chapter 5. Sustainable Water Management, Section 10608.50

Section 10608.50.

(a) The department, in consultation with the board, shall promote implementation of regional water resources management practices through increased incentives and removal of barriers consistent with state and federal law. Potential changes may include, but are not limited to, all of the following:

(1) Revisions to the requirements for urban and agricultural water management plans.

(2) Revisions to the requirements for integrated regional water management plans.

(3) Revisions to the eligibility for state water management grants and loans.

(4) Revisions to state or local permitting requirements that increase water supply opportunities, but do not weaken water quality protection under state and federal law.

(5) Increased funding for research, feasibility studies, and project construction.

(6) Expanding technical and educational support for local land use and water management agencies.

(b) No later than January 1, 2011, and updated as part of the California Water Plan, the department, in consultation with the board, and with public input, shall propose new statewide targets, or review and update existing statewide targets, for regional water resources management practices, including, but not limited to, recycled water, brackish groundwater desalination, and infiltration and direct use of urban stormwater runoff.

Chapter 6. Standardized Data Collection, Section 10608.52

Section 10608.52.

(a) The department, in consultation with the board, the California Bay-Delta Authority or its successor agency, the State Department of Public Health, and the Public Utilities Commission, shall develop a single standardized water use reporting form to meet the water use information needs of each agency, including the needs of urban water suppliers that elect to determine and report progress toward achieving targets on a regional basis as provided in subdivision (a) of Section 10608.28.

(b) At a minimum, the form shall be developed to accommodate information sufficient to assess an urban water supplier's compliance with conservation targets pursuant to Section 10608.24 and an agricultural water supplier's compliance with implementation of efficient water management practices pursuant to subdivision (a) of Section 10608.48. The form shall accommodate reporting by urban water suppliers on an individual or regional basis as provided in subdivision (a) of Section 10608.28.

Chapter 7. Funding Provisions, Sections 10608.56–10608.60

Section 10608.56.

(a) On and after July 1, 2016, an urban retail water supplier is not eligible for a water grant or loan awarded or administered by the state unless the supplier complies with this part.

(b) On and after July 1, 2013, an agricultural water supplier is not eligible for a water grant or loan awarded or administered by the state unless the supplier complies with this part.

(c) Notwithstanding subdivision (a), the department shall determine that an urban retail water supplier is eligible for a water grant or loan even though the supplier has not met the per capita reductions required pursuant to Section 10608.24, if the urban retail water supplier has submitted to the department for approval a schedule, financing plan, and budget, to be included in the grant or loan agreement, for achieving the per capita reductions. The supplier may request grant or loan funds to achieve the per capita reductions to the extent the request is consistent with the eligibility requirements applicable to the water funds.

(d) Notwithstanding subdivision (b), the department shall determine that an agricultural water supplier is eligible for a water grant or loan even though the supplier is not implementing all of the efficient water management practices described in Section 10608.48, if the agricultural water supplier has submitted to the department for approval a schedule, financing plan, and budget, to be included in the grant or loan agreement, for implementation of the efficient water management practices. The supplier may request grant or loan funds to implement the efficient water management practices to the extent the request is consistent with the eligibility requirements applicable to the water funds.

(e) Notwithstanding subdivision (a), the department shall determine that an urban retail water supplier is eligible for a water grant or loan even though the supplier has not met the per capita reductions required pursuant to Section 10608.24, if the urban retail water supplier has submitted to the department for approval documentation demonstrating that its entire service area qualifies as a disadvantaged community.

(f) The department shall not deny eligibility to an urban retail water supplier or agricultural water supplier in compliance with the requirements of this part and Part 2.8 (commencing with Section 10800), that is participating in a multiagency water project, or an integrated regional water management plan, developed pursuant to Section 75026 of the Public Resources Code, solely on the basis that one or more of the agencies participating in the project or plan

is not implementing all of the requirements of this part or Part 2.8 (commencing with Section 10800).

Section 10608.60.

(a) It is the intent of the Legislature that funds made available by Section 75026 of the Public Resources Code should be expended, consistent with Division 43 (commencing with Section 75001) of the Public Resources Code and upon appropriation by the Legislature, for grants to implement this part. In the allocation of funding, it is the intent of the Legislature that the department give consideration to disadvantaged communities to assist in implementing the requirements of this part.

(b) It is the intent of the Legislature that funds made available by Section 75041 of the Public Resources Code, should be expended, consistent with Division 43 (commencing with Section 75001) of the Public Resources Code and upon appropriation by the Legislature, for direct expenditures to implement this part.

Chapter 9. Urban Water Use Objectives and Water Use Reporting, Sections 10609–10609.38

Section 10609.

(a) The Legislature finds and declares that this chapter establishes a method to estimate the aggregate amount of water that would have been delivered the previous year by an urban retail water supplier if all that water had been used efficiently. This estimated aggregate water use is the urban retail water supplier's urban water use objective. The method is based on water use efficiency standards and local service area characteristics for that year. By comparing the amount of water actually used in the previous year with the urban water use objective, local urban water suppliers will be in a better position to help eliminate unnecessary use of water; that is, water used in excess of that needed to accomplish the intended beneficial use.

(b) The Legislature further finds and declares all of the following:

(1) This chapter establishes standards and practices for the following water uses:

(A) Indoor residential use.

(B) Outdoor residential use.

(C) CII water use.

(D) Water losses.

(E) Other unique local uses and situations that can have a material effect on an urban water supplier's total water use.

(2) This chapter further does all of the following:

(A) Establishes a method to calculate each urban water use objective.

(B) Considers recycled water quality in establishing efficient irrigation standards.

(C) Requires the department to provide or otherwise identify data regarding the unique local conditions to support the calculation of an urban water use objective.

(D) Provides for the use of alternative sources of data if alternative sources are shown to be as accurate as, or more accurate than, the data provided by the department.

(E) Requires annual reporting of the previous year's water use with the urban water use objective.

(F) Provides a bonus incentive for the amount of potable recycled water used the previous year when comparing the previous year's water use with the urban water use objective, of up to 10 percent of the urban water use objective.

(3) This chapter requires the department and the board to solicit broad public participation from stakeholders and other interested persons in the development of the standards and the adoption of regulations pursuant to this chapter.

(4) This chapter preserves the Legislature's authority over long- term water use efficiency target setting and ensures appropriate legislative oversight of the implementation of this chapter by doing all of the following:

(A) Requiring the Legislative Analyst to conduct a review of the implementation of this chapter, including compliance with the adopted standards and regulations, accuracy of the data, use of alternate data, and other issues the Legislative Analyst deems appropriate.

(B) Stating legislative intent that the director of the department and the chairperson of the board appear before the appropriate Senate and Assembly policy committees to report on progress in implementing this chapter.

(C) Providing one-time-only authority to the department and board to adopt water use efficiency standards, except as explicitly provided in this chapter. Authorization to update the standards shall require separate legislation.

(c) It is the intent of the Legislature that the following principles apply to the development and implementation of long-term standards and urban water use objectives:

(1) Local urban retail water suppliers should have primary responsibility for meeting standards-based water use targets, and they shall retain the flexibility to develop their water supply portfolios, design and implement water conservation strategies, educate their customers, and enforce their rules.

(2) Long-term standards and urban water use objectives should advance the state's goals to mitigate and adapt to climate change.

(3) Long-term standards and urban water use objectives should acknowledge the shade, air quality, and heat-island reduction benefits provided to communities by trees through the support of water-efficient irrigation practices that keep trees healthy.

(4) The state should identify opportunities for streamlined reporting, eliminate redundant data submissions, and incentivize open access to data collected by urban and agricultural water suppliers.

Section 10609.2.

(a) The board, in coordination with the department, shall adopt long-term standards for the efficient use of water pursuant to this chapter on or before June 30, 2022.

(b) Standards shall be adopted for all of the following:

(1) Outdoor residential water use.

(2) Outdoor irrigation of landscape areas with dedicated irrigation meters in connection with CII water use.

(3) A volume for water loss.

(c) When adopting the standards under this section, the board shall consider the policies of this chapter and the proposed efficiency standards' effects on local wastewater management, developed and natural parklands, and urban tree health. The standards and potential effects shall be identified by May 30, 2022. The board shall allow for public comment on potential effects identified by the board under this subdivision.

(d) The long-term standards shall be set at a level designed so that the water use objectives, together with other demands excluded from the long-term standards such as CII indoor water use and CII outdoor water use not connected to a dedicated landscape meter, would exceed the statewide conservation targets required pursuant to Chapter 3 (commencing with Section 10608.16).

(e) The board, in coordination with the department, shall adopt by regulation variances recommended by the department pursuant to Section 10609.14 and guidelines and methodologies pertaining to the calculation of an urban retail water supplier's urban water use objective recommended by the department pursuant to Section 10609.16.

Section 10609.4.

(a)

(1) Until January 1, 2025, the standard for indoor residential water use shall be 55 gallons per capita daily.

(2) Beginning January 1, 2025, and until January 1, 2030, the standard for indoor residential water use shall be 47 gallons per capita daily.

(3) Beginning January 1, 2030, the standard for indoor residential water use shall be 42 gallons per capita daily.

(b)

(1) The department, in coordination with the board, shall conduct necessary studies and investigations to assess and quantify the economic benefits and impacts of the 2030 indoor residential use standard on water, wastewater, and recycled water systems and shall include saturation end-use studies. The studies and investigations shall build on the standards and potential effects identified pursuant to subdivision (c) of Section 10609.2 and shall also consider, and as appropriate incorporate, other regional and statewide studies that quantify the impacts on water, wastewater, and recycled water systems, and evaluate the long-term effects of telework. To facilitate these studies and investigations, the board may request necessary and relevant information from wastewater agencies, including monthly influent flow, actions taken to reassess treatment processes, and the impact of the implementation of this chapter on wastewater operations, maintenance, and capital investment. The department, in coordination with the board, shall summarize the findings of these studies and investigations in a report to the Legislature on or before October 1, 2028. The report shall be submitted in compliance with Section 9795 of the Government Code.

(2) If the department, in coordination with the board, determines that the 2030 indoor residential use standard is likely to unduly impact affordability of water and wastewater services, the department and the board may jointly recommend to the Legislature an alternate date on which the 2030 indoor residential use standard shall take effect. This determination shall be made using at least two years of data reflecting application of the 2025 indoor residential use standard.

(3) Based upon the studies and investigations conducted pursuant to paragraph (1), the department shall consider whether to recommend, for adoption by the board, additional variances to accommodate unique challenges related to residential indoor water use pursuant to Section 10609.2. Variance options may include, but are not limited to, stranded assets, impacts on disadvantaged communities, impacts to environmental flows, or adverse impacts to wastewater or recycled water operations.

(4) The studies, investigations, and report described in paragraph (1) shall include timely and inclusive collaboration with, and input from, a broad group of stakeholders, including, but not limited to, environmental groups, experts in indoor plumbing, water, wastewater, and recycled water agencies.

(c) An urban retail water supplier shall not be subject to enforcement pursuant to this chapter solely for failing to meet the indoor residential use standard.

Section 10609.6.

(a)

(1) The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, standards for outdoor residential use for adoption by the board in accordance with this chapter.

(2)

(A) The standards shall incorporate the principles of the model water efficient landscape ordinance adopted by the department pursuant to the Water Conservation in Landscaping Act (Article 10.8 (commencing with Section 65591) of Chapter 3 of Division 1 of Title 7 of the Government Code).

(B) The standards shall apply to irrigable lands.

(C) The standards shall include provisions for swimming pools, spas, and other water features. Ornamental water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, shall be analyzed separately from swimming pools and spas.

(b) The department shall, by January 1, 2021, provide each urban retail water supplier with data regarding the area of residential irrigable lands in a manner that can reasonably be applied to the standards adopted pursuant to this section.

(c) The department shall not recommend standards pursuant to this section until it has conducted pilot projects or studies, or some combination of the two, to ensure that the data provided to local agencies are reasonably accurate for the

data's intended uses, taking into consideration California's diverse landscapes and community characteristics.

Section 10609.8.

(a) The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, standards for outdoor irrigation of landscape areas with dedicated irrigation meters or other means of calculating outdoor irrigation use in connection with CII water use for adoption by the board in accordance with this chapter.

(b) The standards shall incorporate the principles of the model water efficient landscape ordinance adopted by the department pursuant to the Water Conservation in Landscaping Act (Article 10.8 (commencing with Section 65591) of Chapter 3 of Division 1 of Title 7 of the Government Code).

(c) The standards shall include an exclusion for water for commercial agricultural use meeting the definition of subdivision (b) of Section 51201 of the Government Code.

Section 10609.9.

For purposes of Sections 10609.6 and 10609.8, "principles of the model water efficient landscape ordinance" means those provisions of the model water efficient landscape ordinance applicable to the establishment or determination of the amount of water necessary to efficiently irrigate both new and existing landscapes. These provisions include, but are not limited to, all of the following:

(a) Evapotranspiration adjustment factors, as applicable.

(b) Landscape area.

(c) Maximum applied water allowance.

(d) Reference evapotranspiration.

(e) Special landscape areas, including provisions governing evapotranspiration adjustment factors for different types of water used for irrigating the landscape.

Section 10609.10.

(a) The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, performance measures for CII water use for adoption by the board in accordance with this chapter.

(b) Prior to recommending performance measures for CII water use, the department shall solicit broad public participation from stakeholders and other interested persons relating to all of the following:

(1) Recommendations for a CII water use classification system for California that address significant uses of water.

(2) Recommendations for setting minimum size thresholds for converting mixed CII meters to dedicated irrigation meters, and evaluation of, and recommendations for, technologies that could be used in lieu of requiring dedicated irrigation meters.

(3) Recommendations for CII water use best management practices, which may include, but are not limited to, water audits and water management plans for those CII customers that exceed a recommended size, volume of water use, or other threshold.

(c) Recommendations of appropriate performance measures for CII water use shall be consistent with the October 21, 2013, report to the Legislature by the Commercial, Industrial, and Institutional Task Force entitled "Water Use Best Management Practices," including the technical and financial feasibility recommendations provided in that report, and shall support the economic productivity of California's commercial, industrial, and institutional sectors.

(d)

(1) The board, in coordination with the department, shall adopt performance measures for CII water use on or before June 30, 2022.

(2) Each urban retail water supplier shall implement the performance measures adopted by the board pursuant to paragraph (1).

Section 10609.12.

The standards for water loss for urban retail water suppliers shall be the standards adopted by the board pursuant to subdivision (i) of Section 10608.34.

Section 10609.14.

(a) The department, in coordination with the board, shall conduct necessary studies and investigations and, no later than October 1, 2021, recommend for adoption by the board in accordance with this chapter appropriate variances for unique uses that can have a material effect on an urban retail water supplier's urban water use objective.

(b) Appropriate variances may include, but are not limited to, allowances for the following:

(1) Significant use of evaporative coolers.

(2) Significant populations of horses and other livestock.

(3) Significant fluctuations in seasonal populations.

(4) Significant landscaped areas irrigated with recycled water having high levels of total dissolved solids.

(5) Significant use of water for soil compaction and dust control.

(6) Significant use of water to supplement ponds and lakes to sustain wildlife.

(7) Significant use of water to irrigate vegetation for fire protection.

(8) Significant use of water for commercial or noncommercial agricultural use.

(d) The department, in recommending variances for adoption by the board, shall also recommend a threshold of significance for each recommended variance.

(e) Before including any specific variance in calculating an urban retail water supplier's water use objective, the urban retail water supplier shall request and receive approval by the board for the inclusion of that variance.

(f) The board shall post on its Internet Web site all of the following:

(1) A list of all urban retail water suppliers with approved variances.

(2) The specific variance or variances approved for each urban retail water supplier.

(3) The data supporting approval of each variance.

Section 10609.15.

To help streamline water data reporting, the department and the board shall do all of the following:

(a) Identify urban water reporting requirements shared by both agencies, and post on each agency's Internet Web site how the data is used for planning, regulatory, or other purposes.

(b) Analyze opportunities for more efficient publication of urban water reporting requirements within each agency, and analyze how each agency can integrate various data sets in a publicly accessible location, identify priority actions, and implement priority actions identified in the analysis.

(c) Make appropriate data pertaining to the urban water reporting requirements that are collected by either agency available to the public according to the principles and requirements of the Open and Transparent Water Data Act (Part 4.9 (commencing with Section 12400)).

Section 10609.16.

The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, guidelines and methodologies for the board to adopt that identify how an urban retail water supplier calculates its urban water use objective. The guidelines and methodologies shall address, as necessary, all of the following:

(a) Determining the irrigable lands within the urban retail water supplier's service area.

(b) Updating and revising methodologies described pursuant to subparagraph (A) of paragraph (1) of subdivision (h) of Section 10608.20, as appropriate, including methodologies for calculating the population in an urban retail water supplier's service area.

(c) Using landscape area data provided by the department or alternative data.

(d) Incorporating precipitation data and climate data into estimates of an urban retail water supplier's outdoor irrigation budget for its urban water use objective.

(e) Estimating changes in outdoor landscape area and population, and calculating the urban water use objective, for years when updated landscape imagery is not available from the department.

(f) Determining acceptable levels of accuracy for the supporting data, the urban water use objective, and compliance with the urban water use objective.

Section 10609.18.

The department and the board shall solicit broad public participation from stakeholders and other interested persons in the development of the standards and the adoption of regulations pursuant to this chapter. The board shall hold at least one public meeting before taking any action on any standard or variance recommended by the department.

Section 10609.20.

(a) Each urban retail water supplier shall calculate its urban water use objective no later than January 1, 2024, and by January 1 every year thereafter.

(b) The calculation shall be based on the urban retail water supplier's water use conditions for the previous calendar or fiscal year.

(c) Each urban water supplier's urban water use objective shall be composed of the sum of the following:

(1) Aggregate estimated efficient indoor residential water use.

(2) Aggregate estimated efficient outdoor residential water use.

(3) Aggregate estimated efficient outdoor irrigation of landscape areas with dedicated irrigation meters or equivalent technology in connection with CII water use.

(4) Aggregate estimated efficient water losses.

(5) Aggregate estimated water use in accordance with variances, as appropriate.

(d)

(1) An urban retail water supplier that delivers water from a groundwater basin, reservoir, or other source that is augmented by potable reuse water may adjust its urban water use objective by a bonus incentive calculated pursuant to this subdivision.

(2) The water use objective bonus incentive shall be the volume of its potable reuse delivered to residential water users and to landscape areas with dedicated irrigation meters in connection with CII water use, on an acre-foot basis.

(3) The bonus incentive pursuant to paragraph (1) shall be limited in accordance with one of the following:

(A) The bonus incentive shall not exceed 15 percent of the urban water supplier's water use objective for any potable reuse water produced at an existing facility.

(B) The bonus incentive shall not exceed 10 percent of the urban water supplier's water use objective for any potable reuse water produced at any facility that is not an existing facility.

(4) For purposes of this subdivision, "existing facility" means a facility that meets all of the following:

(A) The facility has a certified environmental impact report, mitigated negative declaration, or negative declaration on or before January 1, 2019.

(B) The facility begins producing and delivering potable reuse water on or before January 1, 2022.

(C) The facility uses microfiltration and reverse osmosis technologies to produce the potable reuse water.

(e)

(1) The calculation of the urban water use objective shall be made using landscape area and other data provided by the department and pursuant to the standards, guidelines, and methodologies adopted by the board. The department shall provide data to the urban water supplier at a level of detail sufficient to allow the urban water supplier to verify its accuracy at the parcel level.

(2) Notwithstanding paragraph (1), an urban retail water supplier may use alternative data in calculating the urban water use objective if the supplier demonstrates to the department that the alternative data are equivalent, or superior, in quality and accuracy to the data provided by the department. The department may provide technical assistance to an

urban retail water supplier in evaluating whether the alternative data are appropriate for use in calculating the supplier's urban water use objective.

Section 10609.21.

(a) For purposes of Section 10609.20, and notwithstanding paragraph (4) of subdivision (d) of Section 10609.20, "existing facility" also includes the North City Project, phase one of the Pure Water San Diego Program, for which an environmental impact report was certified on April 10, 2018.

(b) This section shall become operative on January 1, 2019.

Section 10609.22.

(a) An urban retail water supplier shall calculate its actual urban water use no later than January 1, 2024, and by January 1 every year thereafter.

(b) The calculation shall be based on the urban retail water supplier's water use for the previous calendar or fiscal year.

(c) Each urban water supplier's urban water use shall be composed of the sum of the following:

(1) Aggregate residential water use.

(2) Aggregate outdoor irrigation of landscape areas with dedicated irrigation meters in connection with CII water use.

(3) Aggregate water losses.

Section 10609.24.

(a) An urban retail water supplier shall submit a report to the department no later than January 1, 2024, and by January 1 every year thereafter. The report shall include all of the following:

(1) The urban water use objective calculated pursuant to Section 10609.20 along with relevant supporting data.

(2) The actual urban water use calculated pursuant to Section 10609.22 along with relevant supporting data.

(3) Documentation of the implementation of the performance measures for CII water use.

(4) A description of the progress made towards meeting the urban water use objective.

(5) The validated water loss audit report conducted pursuant to Section 10608.34.

(b) The department shall post the reports and information on its internet website.

(c) The board may issue an information order or conservation order to, or impose civil liability on, an entity or individual for failure to submit a report required by this section.

Section 10609.25.

As part of the first report submitted to the department by an urban retail water supplier no later than January 1, 2024, pursuant to subdivision (a) of Section 10609.24, each urban retail water supplier shall provide a narrative that describes the water demand management measures that the supplier plans to implement to achieve its urban water use objective by January 1, 2027.

Section 10609.26.

(a)

(1) On and after January 1, 2024, the board may issue informational orders pertaining to water production, water use, and water conservation to an urban retail water supplier that does not meet its urban water use objective required by this chapter. Informational orders are intended to obtain information on supplier activities, water production, and conservation efforts in order to identify technical assistance needs and assist urban water suppliers in meeting their urban water use objectives.

(2) In determining whether to issue an informational order, the board shall consider the degree to which the urban retail water supplier is not meeting its urban water use objective, information provided in the report required by Section 10609.24, and actions the urban retail water supplier has implemented or will implement in order to help meet the urban water use objective.

(3) The board shall share information received pursuant to this subdivision with the department.

(4) An urban water supplier may request technical assistance from the department. The technical assistance may, to the extent available, include guidance documents, tools, and data.

(b) On and after January 1, 2025, the board may issue a written notice to an urban retail water supplier that does not meet its urban water use objective required by this chapter. The written notice may warn the urban retail water supplier that it is not meeting its urban water use objective described in Section 10609.20 and is not making adequate progress in meeting the urban water use objective, and may request that the urban retail water supplier address areas of concern in its next annual report required by Section 10609.24. In deciding whether to issue a written notice, the board may consider whether the urban retail water supplier has received an informational order, the degree to which the urban retail water supplier is not

meeting its urban water use objective, information provided in the report required by Section 10609.24, and actions the urban retail water supplier has implemented or will implement in order to help meet its urban water use objective.

(1) On and after January 1, 2026, the board may issue a conservation order to an urban retail water supplier that does not meet its urban water use objective. A conservation order may consist of, but is not limited to, referral to the department for technical assistance, requirements for education and outreach, requirements for local enforcement, and other efforts to assist urban retail water suppliers in meeting their urban water use objective.

(2) In issuing a conservation order, the board shall identify specific deficiencies in an urban retail water supplier's progress towards meeting its urban water use objective, and identify specific actions to address the deficiencies.

(3) The board may request that the department provide an urban retail water supplier with technical assistance to support the urban retail water supplier's actions to remedy the deficiencies.

(c) A conservation order issued in accordance with this chapter may include requiring actions intended to increase water-use efficiency, but shall not curtail or otherwise limit the exercise of a water right, nor shall it require the imposition of civil liability pursuant to Section 377.

Section 10609.27.

Notwithstanding Section 10609.26, the board shall not issue an information order, written notice, or conservation order pursuant to Section 10609.26 if both of the following conditions are met:

(a) The board determines that the urban retail water supplier is not meeting its urban water use objective solely because the volume of water loss exceeds the urban retail water supplier's standard for water loss.

(b) Pursuant to Section 10608.34, the board is taking enforcement action against the urban retail water supplier for not meeting the performance standards for the volume of water losses.

Section 10609.28.

The board may issue a regulation or informational order requiring a wholesale water supplier, an urban retail water supplier, or a distributor of a public water supply, as that term is used in Section 350, to provide a monthly report relating to water production, water use, or water conservation.

Section 10609.30.

On or before January 10, 2024, the Legislative Analyst shall provide to the appropriate policy committees of both houses of the Legislature and the public a report evaluating the implementation of the water use efficiency standards and water use reporting pursuant to this chapter. The board and the department shall provide the Legislative Analyst with the available data to complete this report.

(a) The report shall describe all of the following:

(1) The rate at which urban retail water users are complying with the standards, and factors that might facilitate or impede their compliance.

(2) The accuracy of the data and estimates being used to calculate urban water use objectives.

(3) Indications of the economic impacts, if any, of the implementation of this chapter on urban water suppliers and urban water users, including CII water users.

(4) The frequency of use of the bonus incentive, the volume of water associated with the bonus incentive, value to urban water suppliers of the bonus incentive, and any implications of the use of the bonus incentive on water use efficiency.

(5) The early indications of how implementing this chapter might impact the efficiency of statewide urban water use.

6) Recommendations, if any, for improving statewide urban water use efficiency and the standards and practices described in this chapter.

(7) Any other issues the Legislative Analyst deems appropriate.

Section 10609.32.

It is the intent of the Legislature that the chairperson of the board and the director of the department appear before the appropriate policy committees of both houses of the Legislature on or around January 1, 2026, and report on the implementation of the water use efficiency standards and water use reporting pursuant to this chapter. It is the intent of the Legislature that the topics to be covered include all of the following:

(a) The rate at which urban retail water suppliers are complying with the standards, and factors that might facilitate or impede their compliance.

(b) What enforcement actions have been taken, if any.

(c) The accuracy of the data and estimates being used to calculate urban water use objectives.

(d) Indications of the economic impacts, if any, of the implementation of this chapter on urban water suppliers and urban water users, including CII water users.

(e) The frequency of use of the bonus incentive, the volume of water associated with the bonus incentive, value to urban water suppliers of the bonus incentive, and any implications of the use of the bonus incentive on water use efficiency.

(f) An assessment of how implementing this chapter is affecting the efficiency of statewide urban water use.

Section 10609.34.

Notwithstanding Section 15300.2 of Title 14 of the California Code of Regulations, an action of the board taken under this chapter shall be deemed to be a Class 8 action, within the meaning of Section 15308 of Title 14 of the California Code of Regulations, provided that the action does not involve relaxation of existing water conservation or water use standards.

Section 10609.36.

(a) Nothing in this chapter shall be construed to determine or alter water rights. Sections 1010 and 1011 apply to water conserved through implementation of this chapter.

(b) Nothing in this chapter shall be construed to authorize the board to update or revise water use efficiency standards authorized by this chapter except as explicitly provided in this chapter. Authorization to update the standards beyond that explicitly provided in this chapter shall require separate legislation.

(c) Nothing in this chapter shall be construed to limit or otherwise affect the use of recycled water as seawater barriers for groundwater salinity management.

Section 10609.38.

The board may waive the requirements of this chapter for a period of up to five years for any urban retail water supplier whose water deliveries are significantly affected by changes in water use as a result of damage from a disaster such as an earthquake or fire. In establishing the period of a waiver, the board shall take into consideration the breadth of the damage and the time necessary for the damaged areas to recover from the disaster.

Urban Water Management Planning Act

This section contains information extracted from Water Code Division 6, *Conservation, Development, and Utilization of State Water Resources*, Part 2.6, *Urban Water Management Planning*. Click on any section header below to read Water Code directly at the California Legislative Information website.

Chapter 1. General Declaration and Policy, Sections 10610–10610.4

Section 10610.

This part shall be known and may be cited as the "Urban Water Management Planning Act."

Section 10610.2.

(a) The Legislature finds and declares all of the following:

(1) The waters of the state are a limited and renewable resource subject to ever-increasing demands.

(2) The conservation and efficient use of urban water supplies are of statewide concern; however, the planning for that use and the implementation of those plans can best be accomplished at the local level.

(3) A long-term, reliable supply of water is essential to protect the productivity of California's businesses and economic climate, and increasing long-term water conservation among Californians, improving water use efficiency within the state's communities and agricultural production, and strengthening local and regional drought planning are critical to California's resilience to drought and climate change.

(4) As part of its long-range planning activities, every urban water supplier should make every effort to ensure the appropriate level of reliability in its water service sufficient to meet the needs of its various categories of customers during normal, dry, and multiple dry water years now and into the foreseeable future, and every urban water supplier should collaborate closely with local land-use authorities to ensure water demand forecasts are consistent with current land-use planning.

(5) Public health issues have been raised over a number of contaminants that have been identified in certain local and imported water supplies.

(6) Implementing effective water management strategies, including groundwater storage projects and recycled water projects, may require

specific water quality and salinity targets for meeting groundwater basins water quality objectives and promoting beneficial use of recycled water.

(7) Water quality regulations are becoming an increasingly important factor in water agencies' selection of raw water sources, treatment alternatives, and modifications to existing treatment facilities.

(8) Changes in drinking water quality standards may also impact the usefulness of water supplies and may ultimately impact supply reliability.

(9) The quality of source supplies can have a significant impact on water management strategies and supply reliability.

(b) This part is intended to provide assistance to water agencies in carrying out their long-term resource planning responsibilities to ensure adequate water supplies to meet existing and future demands for water.

Section 10610.4.

The Legislature finds and declares that it is the policy of the state as follows:

(a) The management of urban water demands and efficient use of water shall be actively pursued to protect both the people of the state and their water resources.

(b) The management of urban water demands and efficient use of urban water supplies shall be a guiding criterion in public decisions.

(c) Urban water suppliers shall be required to develop water management plans to achieve the efficient use of available supplies and strengthen local drought planning.

Chapter 2. Definitions, Sections 10611–10618

Section 10611.

Unless the context otherwise requires, the definitions of this chapter govern the construction of this part.

Section 10611.3.

"Customer" means a purchaser of water from a water supplier who uses the water for municipal purposes, including residential, commercial, governmental, and industrial uses.

Section 10611.5.

"Demand management" means those water conservation measures, programs, and incentives that prevent the waste of water and promote the reasonable and efficient use and reuse of available supplies.

Section 10612.

"Drought risk assessment" means a method that examines water shortage risks based on the driest five-year historic sequence for the agency's water supply, as described in subdivision (b) of Section 10635.

Section 10613.

"Efficient use" means those management measures that result in the most effective use of water so as to prevent its waste or unreasonable use or unreasonable method of use.

Section 10614.

"Person" means any individual, firm, association, organization, partnership, business, trust, corporation, company, public agency, or any agency of such an entity.

Section 10615.

"Plan" means an urban water management plan prepared pursuant to this part. A plan shall describe and evaluate sources of supply, reasonable and practical efficient uses, reclamation and demand management activities. The components of the plan may vary according to an individual community or area's characteristics and its capabilities to efficiently use and conserve water. The plan shall address measures for residential, commercial, governmental, and industrial water demand management as set forth in Article 2 (commencing with Section 10630) of Chapter 3. In addition, a strategy and time schedule for implementation shall be included in the plan.

Section 10616.

"Public agency" means any board, commission, county, city and county, city, regional agency, district, or other public entity.

Section 10616.5.

"Recycled water" means the reclamation and reuse of wastewater for beneficial use.

Section 10617.

"Urban water supplier" means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers. This part applies only to water supplied from public water systems subject to Chapter 4 (commencing with Section 116275) of Part 12 of Division 104 of the Health and Safety Code.

Section 10617.5.

"Water shortage contingency plan" means a document that incorporates the provisions detailed in subdivision (a) of Section 10632 and is subsequently adopted by an urban water supplier pursuant to this article.

Section 10618.

"Water supply and demand assessment" means a method that looks at current year and one or more dry year supplies and demands for determining water shortage risks, as described in Section 10632.1.

Chapter 3. Urban Water Management Plans

Article 1. General Provisions, Sections 10620–10621

Section 10620.

(a) Every urban water supplier shall prepare and adopt an urban water management plan in the manner set forth in Article 3 (commencing with Section 10640).

(b) Every person that becomes an urban water supplier shall adopt an urban water management plan within one year after it has become an urban water supplier.

(c) An urban water supplier indirectly providing water shall not include planning elements in its water management plan as provided in Article 2 (commencing with Section 10630) that would be applicable to urban water suppliers or public agencies directly providing water, or to their customers, without the consent of those suppliers or public agencies.

(d)

(1) An urban water supplier may satisfy the requirements of this part by participation in areawide, regional, watershed, or basinwide urban water

management planning where those plans will reduce preparation costs and contribute to the achievement of conservation, efficient water use, and improved local drought resilience.

(2) Notwithstanding paragraph (1), each urban water supplier shall develop its own water shortage contingency plan, but an urban water supplier may incorporate, collaborate, and otherwise share information with other urban water suppliers or other governing entities participating in an areawide, regional, watershed, or basinwide urban water management plan, an agricultural management plan, or groundwater sustainability plan development.

(3) Each urban water supplier shall coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.

(e) The urban water supplier may prepare the plan with its own staff, by contract, or in cooperation with other governmental agencies.

(f) An urban water supplier shall describe in the plan water management tools and options used by that entity that will maximize resources and minimize the need to import water from other regions.

Section 10621.

(a) Each urban water supplier shall update its plan at least once every five years on or before July 1, in years ending in six and one, incorporating updated and new information from the five years preceding each update.

(b) Every urban water supplier required to prepare a plan pursuant to this part shall, at least 60 days before the public hearing on the plan required by Section 10642, notify any city or county within which the supplier provides water supplies that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan. The urban water supplier may consult with, and obtain comments from, any city or county that receives notice pursuant to this subdivision.

(c) An urban water supplier regulated by the Public Utilities Commission shall include its most recent plan and water shortage contingency plan as part of the supplier's general rate case filings.

(d) The amendments to, or changes in, the plan shall be adopted and filed in the manner set forth in Article 3 (commencing with Section 10640).

(e) Each urban water supplier shall update and submit its 2015 plan to the department by July 1, 2016.

(f) Each urban water supplier shall update and submit its 2020 plan to the department by July 1, 2021.

Article 2. Contents of Plans, Sections 10630–10634

Section 10630.

It is the intention of the Legislature, in enacting this part, to permit levels of water management planning commensurate with the numbers of customers served and the volume of water supplied, while accounting for impacts from climate change.

Section 10630.5.

Each plan shall include a simple lay description of how much water the agency has on a reliable basis, how much it needs for the foreseeable future, what the agency's strategy is for meeting its water needs, the challenges facing the agency, and any other information necessary to provide a general understanding of the agency's plan.

Section 10631.

A plan shall be adopted in accordance with this chapter that shall do all of the following:

(a) Describe the service area of the supplier, including current and projected population, climate, and other social, economic, and demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available. The description shall include the current and projected land uses within the existing or anticipated service area affecting the supplier's water management planning. Urban water suppliers shall coordinate with local or regional land use authorities to determine the most appropriate land use information, including, where appropriate, land use information obtained from local or regional land use authorities, as developed pursuant to Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of Title 7 of the Government Code.

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision (a), providing supporting and related information, including all of the following:

(1) A detailed discussion of anticipated supply availability under a normal water year, single dry year, and droughts lasting at least five years, as well as more frequent and severe periods of drought, as described in the

drought risk assessment. For each source of water supply, consider any information pertinent to the reliability analysis conducted pursuant to Section 10635, including changes in supply due to climate change.

(2) When multiple sources of water supply are identified, a description of the management of each supply in correlation with the other identified supplies.

(3) For any planned sources of water supply, a description of the measures that are being undertaken to acquire and develop those water supplies.

(4) If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information:

(A) The current version of any groundwater sustainability plan or alternative adopted pursuant to Part 2.74 (commencing with Section 10720), any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management for basins underlying the urban water supplier's service area.

(B) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater.

(C) For basins that a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For a basin that has not been adjudicated, information as to whether the department has identified the basin as a high- or medium-priority basin in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to coordinate with groundwater sustainability agencies or groundwater management agencies listed in subdivision (c) of Section 10723 to maintain or achieve sustainable groundwater conditions in accordance with a groundwater sustainability plan or alternative adopted pursuant to Part 2.74 (commencing with Section 10720).

(D) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(E) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water

supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(c) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

(d)

(1) For an urban retail water supplier, quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, based upon information developed pursuant to subdivision (a), identifying the uses among water use sectors, including, but not necessarily limited to, all of the following:

(A) Single-family residential.

(B) Multifamily.

(C) Commercial.

(D) Industrial.

(E) Institutional and governmental.

(F) Landscape.

(G) Sales to other agencies.

(H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof.

(I) Agricultural.

(J) Distribution system water loss.

(2) The water use projections shall be in the same five-year increments described in subdivision (a).

(3)

(A) The distribution system water loss shall be quantified for each of the five years preceding the plan update, in accordance with rules adopted pursuant to Section 10608.34.

(B) The distribution system water loss quantification shall be reported in accordance with a worksheet approved or developed by the department through a public process. The water loss quantification worksheet shall be based on the water system balance methodology developed by the American Water Works Association.

(C) In the plan due July 1, 2021, and in each update thereafter, data shall be included to show whether the urban retail water supplier met

the distribution loss standards enacted by the board pursuant to Section 10608.34.

(4)

(A) Water use projections, where available, shall display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use plans identified by the urban water supplier, as applicable to the service area.

(B) To the extent that an urban water supplier reports the information described in subparagraph (A), an urban water supplier shall do both of the following:

(i) Provide citations of the various codes, standards, ordinances, or transportation and land use plans utilized in making the projections.

(ii) Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or transportation and land use plans. Water use projections that do not account for these water savings shall be noted of that fact.

(e) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1)

(A) For an urban retail water supplier, as defined in Section 10608.12, a narrative description that addresses the nature and extent of each water demand management measure implemented over the past five years. The narrative shall describe the water demand management measures that the supplier plans to implement to achieve its water use targets pursuant to Section 10608.20.

(B) The narrative pursuant to this paragraph shall include descriptions of the following water demand management measures:

(i) Water waste prevention ordinances.

(ii) Metering.

(iii) Conservation pricing.

(iv) Public education and outreach.

(v) Programs to assess and manage distribution system real loss.

(vi) Water conservation program coordination and staffing support.

(vii) Other demand management measures that have a significant impact on water use as measured in gallons per capita per day, including innovative measures, if implemented.

(2) For an urban wholesale water supplier, as defined in Section 10608.12, a narrative description of the items in clauses (ii), (iv), (vi), and (vii) of subparagraph (B) of paragraph (1), and a narrative description of its distribution system asset management and wholesale supplier assistance programs.

(f) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use, as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in normal and single-dry water years and for a period of drought lasting five consecutive water years. The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program.

(g) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply.

(h) An urban water supplier that relies upon a wholesale agency for a source of water shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five- year increments, and during various water-year types in accordance with subdivision (f). An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and (f).

Section 10631.1.

(a) The water use projections required by Section 10631 shall include projected water use for single-family and multifamily residential housing needed for lower income households, as defined in Section 50079.5 of the Health and Safety Code, as identified in the housing element of any city, county, or city and county in the service area of the supplier.

(b) It is the intent of the Legislature that the identification of projected water use for single-family and multifamily residential housing for lower income households will assist a supplier in complying with the requirement under

Section 65589.7 of the Government Code to grant a priority for the provision of service to housing units affordable to lower income households.

Section 10631.2.

(a) In addition to the requirements of Section 10631, an urban water management plan shall include any of the following information that the urban water supplier can readily obtain:

(1) An estimate of the amount of energy used to extract or divert water supplies.

(2) An estimate of the amount of energy used to convey water supplies to the water treatment plants or distribution systems.

(3) An estimate of the amount of energy used to treat water supplies.

(4) An estimate of the amount of energy used to distribute water supplies through its distribution systems.

(5) An estimate of the amount of energy used for treated water supplies in comparison to the amount used for nontreated water supplies.

(6) An estimate of the amount of energy used to place water into or withdraw from storage.

(7) Any other energy-related information the urban water supplier deems appropriate.

(b) The department shall include in its guidance for the preparation of urban water management plans a methodology for the voluntary calculation or estimation of the energy intensity of urban water systems. The department may consider studies and calculations conducted by the Public Utilities Commission in developing the methodology.

(c) The Legislature finds and declares that energy use is only one factor in water supply planning and shall not be considered independently of other factors.

Section 10632.

(a) Every urban water supplier shall prepare and adopt a water shortage contingency plan as part of its urban water management plan that consists of each of the following elements:

(1) The analysis of water supply reliability conducted pursuant to Section 10635.

(2) The procedures used in conducting an annual water supply and demand assessment that include, at a minimum, both of the following:

(A) The written decision making process that an urban water supplier will use each year to determine its water supply reliability.

(B) The key data inputs and assessment methodology used to evaluate the urban water supplier's water supply reliability for the current year and one dry year, including all of the following:

(i) Current year unconstrained demand, considering weather, growth, and other influencing factors, such as policies to manage current supplies to meet demand objectives in future years, as applicable.

(ii) Current year available supply, considering hydrological and regulatory conditions in the current year and one dry year. The annual supply and demand assessment may consider more than one dry year solely at the discretion of the urban water supplier.

(iii) Existing infrastructure capabilities and plausible constraints.

(iv) A defined set of locally applicable evaluation criteria that are consistently relied upon for each annual water supply and demand assessment.

(v) A description and quantification of each source of water supply.

(3)

(A) Six standard water shortage levels corresponding to progressive ranges of up to 10, 20, 30, 40, and 50 percent shortages and greater than 50 percent shortage. Urban water suppliers shall define these shortage levels based on the suppliers' water supply conditions, including percentage reductions in water supply, changes in groundwater levels, changes in surface elevation or level of subsidence, or other changes in hydrological or other local conditions indicative of the water supply available for use. Shortage levels shall also apply to catastrophic interruption of water supplies, including, but not limited to, a regional power outage, an earthquake, and other potential emergency events.

(B) An urban water supplier with an existing water shortage contingency plan that uses different water shortage levels may comply with the requirement in subparagraph (A) by developing and including a cross- reference relating its existing categories to the six standard water shortage levels.

(4) Shortage response actions that align with the defined shortage levels and include, at a minimum, all of the following:

(A) Locally appropriate supply augmentation actions.

(B) Locally appropriate demand reduction actions to adequately respond to shortages.

(C) Locally appropriate operational changes.

(D) Additional, mandatory prohibitions against specific water use practices that are in addition to state- mandated prohibitions and appropriate to the local conditions.

(E) For each action, an estimate of the extent to which the gap between supplies and demand will be reduced by implementation of the action.

(5) Communication protocols and procedures to inform customers, the public, interested parties, and local, regional, and state governments, regarding, at a minimum, all of the following:

(A) Any current or predicted shortages as determined by the annual water supply and demand assessment described pursuant to Section 10632.1.

(B) Any shortage response actions triggered or anticipated to be triggered by the annual water supply and demand assessment described pursuant to Section 10632.1.

(C) Any other relevant communications.

(6) For an urban retail water supplier, customer compliance, enforcement, appeal, and exemption procedures for triggered shortage response actions as determined pursuant to Section 10632.2.

(7)

(A) A description of the legal authorities that empower the urban water supplier to implement and enforce its shortage response actions specified in paragraph (4) that may include, but are not limited to, statutory authorities, ordinances, resolutions, and contract provisions.

(B) A statement that an urban water supplier shall declare a water shortage emergency in accordance with Chapter 3 (commencing with Section 350) of Division 1.

(C) A statement that an urban water supplier shall coordinate with any city or county within which it provides water supply services for the possible proclamation of a local emergency, as defined in Section 8558 of the Government Code.

(8) A description of the financial consequences of, and responses for, drought conditions, including, but not limited to, all of the following:

(A) A description of potential revenue reductions and expense increases associated with activated shortage response actions described in paragraph (4).

(B) A description of mitigation actions needed to address revenue reductions and expense increases associated with activated shortage response actions described in paragraph (4).

(C) A description of the cost of compliance with Chapter 3.3 (commencing with Section 365) of Division 1.

(9) For an urban retail water supplier, monitoring and reporting requirements and procedures that ensure appropriate data is collected, tracked, and analyzed for purposes of monitoring customer compliance and to meet state reporting requirements.

(10) Reevaluation and improvement procedures for systematically monitoring and evaluating the functionality of the water shortage contingency plan in order to ensure shortage risk tolerance is adequate and appropriate water shortage mitigation strategies are implemented as needed.

(b) For purposes of developing the water shortage contingency plan pursuant to subdivision (a), an urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.

(c) The urban water supplier shall make available the water shortage contingency plan prepared pursuant to this article to its customers and any city or county within which it provides water supplies no later than 30 days after adoption of the water shortage contingency plan.

Section 10632.1.

An urban water supplier shall conduct an annual water supply and demand assessment pursuant to subdivision (a) of Section 10632 and, on or before July 1 of each year, submit an annual water shortage assessment report to the department with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the supplier's water shortage contingency plan. An urban water supplier that relies on imported water from the State Water Project or the Bureau of Reclamation shall submit its annual water supply and demand assessment within 14 days of receiving its final allocations, or by July 1 of each year, whichever is later.

Section 10632.2.

An urban water supplier shall follow, where feasible and appropriate, the prescribed procedures and implement determined shortage response actions in its water shortage contingency plan, as identified in subdivision (a) of Section 10632, or reasonable alternative actions, provided that descriptions of the alternative actions are submitted with the annual water shortage assessment report pursuant to Section 10632.1. Nothing in this section prohibits an urban water supplier from

taking actions not specified in its water shortage contingency plan, if needed, without having to formally amend its urban water management plan or water shortage contingency plan.

Section 10632.3.

It is the intent of the Legislature that, upon proclamation by the Governor of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions, the board defer to implementation of locally adopted water shortage contingency plans to the extent practicable.

Section 10632.5.

(a) In addition to the requirements of paragraph (3) of subdivision of Section 10632, beginning January 1, 2020, the plan shall include a seismic risk assessment and mitigation plan to assess the vulnerability of each of the various facilities of a water system and mitigate those vulnerabilities.

(b) An urban water supplier shall update the seismic risk assessment and mitigation plan when updating its urban water management plan as required by Section 10621.

(c) An urban water supplier may comply with this section by submitting, pursuant to Section 10644, a copy of the most recent adopted local hazard mitigation plan or multihazard mitigation plan under the federal Disaster Mitigation Act of 2000 (Public Law 106- 390) if the local hazard mitigation plan or multihazard mitigation plan addresses seismic risk.

Section 10633.

The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. The preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies that operate within the supplier's service area, and shall include all of the following:

(a) A description of the wastewater collection and treatment systems in the supplier's service area, including a quantification of the amount of wastewater collected and treated and the methods of wastewater disposal.

(b) A description of the quantity of treated wastewater that meets recycled water standards, is being discharged, and is otherwise available for use in a recycled water project.

(c) A description of the recycled water currently being used in the supplier's service area, including, but not limited to, the type, place, and quantity of use.

(d) A description and quantification of the potential uses of recycled water, including, but not limited to, agricultural irrigation, landscape irrigation, wildlife habitat enhancement, wetlands, industrial reuse, groundwater recharge, indirect potable reuse, and other appropriate uses, and a determination with regard to the technical and economic feasibility of serving those uses.

(e) The projected use of recycled water within the supplier's service area at the end of 5, 10, 15, and 20 years, and a description of the actual use of recycled water in comparison to uses previously projected pursuant to this subdivision.

(f) A description of actions, including financial incentives, which may be taken to encourage the use of recycled water, and the projected results of these actions in terms of acre-feet of recycled water used per year.

(g) A plan for optimizing the use of recycled water in the supplier's service area, including actions to facilitate the installation of dual distribution systems, to promote recirculating uses, to facilitate the increased use of treated wastewater that meets recycled water standards, and to overcome any obstacles to achieving that increased use.

Section 10634.

The plan shall include information, to the extent practicable, relating to the quality of existing sources of water available to the supplier over the same five-year increments as described in subdivision (a) of Section 10631, and the manner in which water quality affects water management strategies and supply reliability.

Article 2.5. Water Service Reliability, Section 10635

Section 10635.

(a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the long-term total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and a drought lasting five consecutive water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

(b) Every urban water supplier shall include, as part of its urban water management plan, a drought risk assessment for its water service to its customers as part of information considered in developing the demand management measures and water supply projects and programs to be included

in the urban water management plan. The urban water supplier may conduct an interim update or updates to this drought risk assessment within the five-year cycle of its urban water management plan update. The drought risk assessment shall include each of the following:

(1) A description of the data, methodology, and basis for one or more supply shortage conditions that are necessary to conduct a drought risk assessment for a drought period that lasts five consecutive water years, starting from the year following when the assessment is conducted.

(2) A determination of the reliability of each source of supply under a variety of water shortage conditions. This may include a determination that a particular source of water supply is fully reliable under most, if not all, conditions.

(3) A comparison of the total water supply sources available to the water supplier with the total projected water use for the drought period.

(4) Considerations of the historical drought hydrology, plausible changes on projected supplies and demands under climate change conditions, anticipated regulatory changes, and other locally applicable criteria.

(c) The urban water supplier shall provide that portion of its urban water management plan prepared pursuant to this article to any city or county within which it provides water supplies no later than 60 days after the submission of its urban water management plan.

(d) Nothing in this article is intended to create a right or entitlement to water service or any specific level of water service.

(e) Nothing in this article is intended to change existing law concerning an urban water supplier's obligation to provide water service to its existing customers or to any potential future customers.

Article 3. Adoption and Implementation of Plans, Sections 10640–10645

Section 10640.

(a) Every urban water supplier required to prepare a plan pursuant to this part shall prepare its plan pursuant to Article 2 (commencing with Section 10630). The supplier shall likewise periodically review the plan as required by Section 10621, and any amendments or changes required as a result of that review shall be adopted pursuant to this article.

(b) Every urban water supplier required to prepare a water shortage contingency plan shall prepare a water shortage contingency plan pursuant to Section 10632. The supplier shall likewise periodically review the water shortage contingency plan as required by paragraph (10) of subdivision (a) of

Section 10632 and any amendments or changes required as a result of that review shall be adopted pursuant to this article.

Section 10641.

An urban water supplier required to prepare a plan or a water shortage contingency plan may consult with, and obtain comments from, any public agency or state agency or any person who has special expertise with respect to water demand management methods and techniques.

Section 10642.

Each urban water supplier shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of both the plan and the water shortage contingency plan. Prior to adopting either, the urban water supplier shall make both the plan and the water shortage contingency plan available for public inspection and shall hold a public hearing or hearings thereon. Prior to any of these hearings, notice of the time and place of the hearing shall be published within the jurisdiction of the publicly owned water supplier pursuant to Section 6066 of the Government Code. The urban water supplier shall provide notice of the time and place of a hearing to any city or county within which the supplier provides water supplies. Notices by a local public agency pursuant to this section shall be provided pursuant to Chapter 17.5 (commencing with Section 7290) of Division 7 of Title 1 of the Government Code. A privately owned water supplier shall provide an equivalent notice within its service area. After the hearing or hearings, the plan or water shortage contingency plan shall be adopted as prepared or as modified after the hearing or hearings.

Section 10643.

An urban water supplier shall implement its plan adopted pursuant to this chapter in accordance with the schedule set forth in its plan.

Section 10644.

(a)

(1) An urban water supplier shall submit to the department, the California State Library, and any city or county within which the supplier provides water supplies a copy of its plan no later than 30 days after adoption. Copies of amendments or changes to the plans shall be submitted to the department, the California State Library, and any city or county within which the supplier provides water supplies within 30 days after adoption.

(2) The plan, or amendments to the plan, submitted to the department pursuant to paragraph (1) shall be submitted electronically and shall

include any standardized forms, tables, or displays specified by the department.

(b) If an urban water supplier revises its water shortage contingency plan, the supplier shall submit to the department a copy of its water shortage contingency plan prepared pursuant to subdivision (a) of Section 10632 no later than 30 days after adoption, in accordance with protocols for submission and using electronic reporting tools developed by the department.

(c)

(1)

(A) Notwithstanding Section 10231.5 of the Government Code, the department shall prepare and submit to the Legislature, on or before July 1, in the years ending in seven and two, a report summarizing the status of the plans and water shortage contingency plans adopted pursuant to this part. The report prepared by the department shall identify the exemplary elements of the individual plans and water shortage contingency plans. The department shall provide a copy of the report to each urban water supplier that has submitted its plan and water shortage contingency plan to the department. The department shall also prepare reports and provide data for any legislative hearings designed to consider the effectiveness of plans and water shortage contingency plans submitted pursuant to this part.

(B) The department shall prepare and submit to the board, on or before September 30 of each year, a report summarizing the submitted water supply and demand assessment results along with appropriate reported water shortage conditions and the regional and statewide analysis of water supply conditions developed by the department. As part of the report, the department shall provide a summary and, as appropriate, urban water supplier specific information regarding various shortage response actions implemented as a result of annual supplier-specific water supply and demand assessments performed pursuant to Section 10632.1.

(C) The department shall submit the report to the Legislature for the 2015 plans by July 1, 2017, and the report to the Legislature for the 2020 plans and water shortage contingency plans by July 1, 2022.

(2) A report to be submitted pursuant to subparagraph (A) of paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.

(d) The department shall make available to the public the standard the department will use to identify exemplary water demand management measures.

Section 10645.

(a) Not later than 30 days after filing a copy of its plan with the department, the urban water supplier and the department shall make the plan available for public review during normal business hours.

(b) Not later than 30 days after filing a copy of its water shortage contingency plan with the department, the urban water supplier and the department shall make the plan available for public review during normal business hours.

Chapter 4. Miscellaneous Provisions, Sections 10650–10657

Section 10650.

Any actions or proceedings, other than actions by the board, to attack, review, set aside, void, or annul the acts or decisions of an urban water supplier on the grounds of noncompliance with this part shall be commenced as follows:

(a) An action or proceeding alleging failure to adopt a plan or a water shortage contingency plan shall be commenced within 18 months after that adoption is required by this part.

(b) Any action or proceeding alleging that a plan or water shortage contingency plan, or action taken pursuant to either, does not comply with this part shall be commenced within 90 days after filing of the plan or water shortage contingency plan or an amendment to either pursuant to Section 10644 or the taking of that action.

Section 10651.

In any action or proceeding to attack, review, set aside, void, or annul a plan or a water shortage contingency plan, or an action taken pursuant to either by an urban water supplier on the grounds of noncompliance with this part, the inquiry shall extend only to whether there was a prejudicial abuse of discretion. Abuse of discretion is established if the supplier has not proceeded in a manner required by law or if the action by the water supplier is not supported by substantial evidence.

Section 10652.

The California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) does not apply to the preparation and adoption of plans pursuant to this part or to the implementation of actions taken pursuant to Section 10632. Nothing in this part shall be interpreted as exempting from the California Environmental Quality Act any project that would significantly affect water supplies for fish and wildlife, or any project for implementation of the

plan, other than projects implementing Section 10632, or any project for expanded or additional water supplies.

Section 10653.

The adoption of a plan shall satisfy any requirements of state law, regulation, or order, including those of the board and the Public Utilities Commission, for the preparation of water management plans, water shortage contingency plans, or conservation plans; provided, that if the board or the Public Utilities Commission requires additional information concerning water conservation, drought response measures, or financial conditions to implement its existing authority, nothing in this part shall be deemed to limit the board or the commission in obtaining that information. The requirements of this part shall be satisfied by any urban water demand management plan that complies with analogous federal laws or regulations after the effective date of this part, and which substantially meets the requirements of this part, or by any existing urban water management plan which includes the contents of a plan required under this part.

Section 10654.

An urban water supplier may recover in its rates the costs incurred in preparing its urban water management plan, its drought risk assessment, its water supply and demand assessment, and its water shortage contingency plan and implementing the reasonable water conservation measures included in either of the plans.

Section 10655.

If any provision of this part or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of this part which can be given effect without the invalid provision or application thereof, and to this end the provisions of this part are severable.

Section 10656.

An urban water supplier is not eligible for a water grant or loan awarded or administered by the state unless the urban water supplier complies with this part.

Section 10657.

The department may adopt regulations regarding the definitions of water, water use, and reporting periods, and may adopt any other regulations deemed necessary or desirable to implement this part. In developing regulations pursuant to this section, the department shall solicit broad public participation from stakeholders and other interested persons.

Appendix B – Water Use Efficiency Tables

Submittal Table 2-1 Retail: Public Water Systems

Submittal Table 2-2: Plan Identification

Submittal Table 2-3: Supplier Identification

Submittal Table 2-4 Retail: Water Supplier Information Exchange, Water Code Section 10631(h)

Submittal Table 3-1 Retail: Population - Current and Projected, Water Code Section 10631(a)

Submittal Table 4-1 Retail: Total Uses for Potable and Non-Potable Water — Actual, Water Code Section 10631(d)(1)

Submittal Table 4-2 Retail: Total Uses for Potable, and Non-Potable Water — Projected, Water Code Section 10631(d)(1)

Submittal Table 4-3 Retail: Inclusion in Water Use Projections, Water Code Section 10631 (a), 10631 (d)(4)(A), and 10631 (d)(4)(B)

Submittal Table 4-5 Retail: Water Loss Audit Reporting, Water Code Section 10631(d)(3)(A)

Submittal Table 4-6 Retail: Progress Towards 2028 Water Loss Standard, Water Code Section 10631(d)(3)(C)

Submittal Table 5-1 Retail: SB X7-7 2020 Target Progress, Water Code Section 10608.40

Submittal Table 6-2 Retail: Wastewater Collected Within Service Area, Water Code Section 10633(a)

Submittal Table 6-3 Retail: Wastewater Treatment and Outcomes Within UWMP Service Area, Water Code Section 10633(b)

Submittal Table 6-4 Retail: Recycled Water Direct Beneficial Uses Within Service Area, Water Code Section 10633 (c),(d),(e)

Submittal Table 6-5 Retail: 2020 UWMP Recycled Water Use Projection Compared to 2025 Actual, Water Code Section 10633(e)

Submittal Table 6-6 Retail: Methods to Encourage Future Recycled Water Use, Water Code Section 10633(f)

Submittal Table 6-7 Retail: Expected Future Water Supply Projects or Programs, Water Code Section 10631(f)

Submittal Table 6-8 Retail: Water Supplies — Actual, Water Code Section 10631(b)

Submittal Table 6-9 Retail: Water Supplies — Projected, Water Code Section 10631 (b)

Optional Submittal Table O-1B: Recommended Energy Reporting - Single Delivery Product - Total Utility Approach

Optional Submittal Table 7-1 Retail: Basis of Water Year Data (Reliability Assessment)

Submittal Table 7-2 Retail: Normal Year Supply and Use Comparison, Water Code Section 10635 (a)

Submittal Table 7-3 Retail: Single Dry Year Supply and Use Comparison, Water Code Section 10635(a)

Submittal Table 7-4 Retail: Multiple Dry Years Supply and Use Comparison, Water Code Section 10635(a)

Submittal Table 7-5 Retail: Five-Year Drought Risk Assessment, Water Code Section 10635(b)(3)

Submittal Table 8-1: Cross-reference for Standard vs Supplier Shortage Levels, Water Code Section 10632(a)(3)(B)

Submittal Table 8-3 Retail: Demand Reduction Actions, Water Code Section 10632(a)(4)(B),(D), and (E)

Submittal Table 10-1 Retail: Notification to Cities and Counties, Water Code Section 10621(b) and 10642

Submittal Table 2-1 Retail: Public Water Systems			
Public Water System Number	Public Water System Name	Number of Municipal Connections 2025	Volume of Water Supplied 2025 (AF)
Add additional rows as needed			
3710016	Rainbow MWD	9,180	12,355
	Total	9,180	12,355
DWR NOTES: **Units of measure (AF, CCF, MG)** must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.			
NOTES:			

Submittal Table 2-2: Plan Identification		
Select One	**Type of Plan**	**Name of Regional Alliance or RUWMP** (Drop Down List)
☑	**Individual UWMP**	
	If Water Supplier is also a member of a SB X7-7 Regional Alliance, select name from the drop-down.	
☐	**Regional Urban Water Management Plan (RUWMP)**	
	If Supplier selected RUWMP, select name from the drop-down.	
NOTES:		

Submittal Table 2-3: Supplier Identification	
Type of Supplier (select one or both)	
☐	Supplier is a wholesale supplier
☑	Supplier is a retail supplier
Fiscal or Calendar Year (select one)	
☑	UWMP Tables are in calendar years
☐	UWMP Tables are in fiscal years
If using fiscal years provide month and date that the fiscal year begins (mm/dd)	
Units of measure used in UWMP (Select from the drop down list).	
Unit	AF
DWR NOTES: **Units of measure (AF, CCF, MG)** must remain consistent throughout the UWMP as reported in Submittal Table 2-3.	
NOTES:	

Submittal Table 2-4 Retail: Water Supplier Information Exchange Water Code Section 10631(h)
The retail Supplier has informed the following wholesale supplier(s) of projected water use.
Wholesale Water Supplier Name
Add additional rows as needed
Eastern Municipal Water District
NOTES:

Submittal Table 3-1 Retail: Population - Current and Projected Water Code Section 10631(a)						
Population Served	2025	2030	2035	2040	2045	2050(opt)
	23,299	24,262	24,970	25,474	25,827	26,071
NOTES: Population projection provided by SANDAG and augmented with anticipated development.						

Submittal Table 4-1 Retail: Total Uses for Potable and Non-Potable Water — Actual Water Code Section 10631(d)(1)			
Use Type	Additional Description (as needed)	2025 Actual Water Use	
Drop down list May select each use multiple times These are the only use types that will be recognized by the WUEdata online submittal tool		**Potable or Non-Potable** (OPTIONAL) Drop down list	Volume (AF)
Add additional rows as needed			
Agricultural	AD (Domestic Agriculture)	Potable	3,313
Agricultural	AG (Agriculture)	Potable	3,648
Commercial	CM (Commercial)	Potable	715
Other (optional)	CN (Construction)	Potable	66
Institutional/Governmental	IS (Institutional)	Potable	57
Multi-Family	MF (Multi-Family Residential)	Potable	385
Single Family	SF (Single Family Residential)	Potable	3,473
Distribution System Water Loss	Calculated losses	Potable	698
		Subtotal Potable	12,355
		Subtotal Non-Potable	0
		Total	12,355
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.			
NOTES:			

Submittal Table 4-2 Retail: Total Uses for Potable, and Non-Potable Water — Projected
Water Code Section 10631(d)(1)

Use Type	Additional Description (as needed)	Projected Water Use (Report To the Extent that Records are Available)					
Drop down list May select each use multiple times These are the only Use Types that will be recognized by the WUEdata online submittal tool		**Potable or Non-Potable** (OPTIONAL) Drop down list	**2030 (AF)**	**2035 (AF)**	**2040 (AF)**	**2045 (AF)**	**2050 opt (AF)**
Add additional rows as needed.							
Agricultural	AD (Domestic Agriculture)	Potable	3,109	2,954	2,806	2,666	2,533
Agricultural	AG (Agriculture)	Potable	3,526	3,350	3,183	3,024	2,873
Commercial	CM (Commercial)	Potable	844	949	1,024	1,076	1,112
Other (optional)	CN (Construction)	Potable	100	100	100	100	100
Institutional/Governmental	IS (Institutional)	Potable	55	55	55	55	55
Multi-Family	MF (Multi-Family Residential)	Potable	523	628	703	755	791
Single Family	SF (Single Family Residential)	Potable	3,632	3,737	3,812	3,864	3,900
Distribution System Water Loss	Calculated losses	Potable	1,061	942	818	692	568
		Subtotal Potable	12,850	12,715	12,501	12,232	11,932
		Subtotal Non-Potable	0	0	0	0	0
		Total	12,850	12,715	12,501	12,232	11,932

DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.

NOTES:

Submittal Table 4-3 Retail: Inclusion in Water Use Projections
Water Code Section 10631 (a), 10631 (d)(4)(A), and 10631 (d)(4)(B)

Are Future Water Savings Included in Projections? **Drop down list (y/n)**	Yes
If "Yes" to above, **state the section or page number**, in the cell to the right, where citations of the codes, ordinances, or otherwise are utilized in demand projections are found. ***Optional*** Suppliers may complete Optional Submittal Table 4-4 R to quantify the expected savings.	§4.2.5
Are Lower Income Residential Demands Included In Projections? **Drop down list (y/n)**	Yes
Optional If the method for accounting Lower Income Residential Demands has been included, provide page number where this accounting can be found.	§4.2.6
DWR NOTES: Additional guidance is provided in Appendix K.	
NOTES:	

Submittal Table 4-5 Retail: Water Loss Audit Reporting Water Code Section 10631(d)(3)(A)		
Public Water System ID # Reported in Table 2-1 R	Reporting Period	Submitted to DWR Water Loss Audit Program (yes/no)
Report submittal status for all five years for each Public Water System as available. Add rows as needed		
	FY 2020-21	Yes
	FY 2021-22	Yes
	FY 2022-23	Yes
	FY 2023-24	Yes
	FY 2024-25	Yes
DWR NOTES: Suppliers will provide a link to the WUEdata submittals of their Water Loss Audit Reports.		
NOTES:		

Submittal Table 4-6 Retail: Progress Towards 2028 Water Loss Standard
Water Code Section 10631(d)(3)(C)

Public Water System ID # Reported in Submittal Table 2-1 R	Did the Water Board Calculate a Water Loss Standard for this Public Water System? (y/n) If no, Supplier will not complete this row.	Real Water Loss					Apparent Water Loss				
		State Water Board Standard		Most Recent AWWA Water Loss Audit			State Water Board Standard		Most Recent AWWA Water Loss Audit		
		2028 Real Water Loss Standard per Unit per day	Units for Real Water Loss Drop down list	Number of Units (Connections or Miles corresponding with units selected)	Volume of Total Real Loss (from AWWA Water Loss Audit) (AF)	Real Water Loss Per Unit per Day	2028 Apparent Water Loss Standard per Unit per Day	Units for Apparent Water Loss	Number of Connections	Volume of Total Apparent Loss (from AWWA Water Loss Audit) (AF)	Apparent Water Loss Per Unit per Day
Add additional rows as needed.											
CA3710016	Yes	604.6	Gallons per Mile per Day (GPMD)	344.2	1101.74	2,857.6	97.4	Gallons per Service Connection per Day (GPSCD)	9180	64.061	6.2

Water Board's Calculated Water Loss Standards

DWR NOTES: Units of measure (AF, CCF, MG) for Water Loss **MUST** remain consistent with units reported in Submittal Table 2-3. The units reported in Submittal Table 2-3 are used in this table's calculations.

NOTES:

Submittal Table 5-1 Retail: SB X7-7 2020 Target Progress **Water Code Section 10608.40**						
☐	**Check the box if the Supplier was not an Urban Water Supplier during or before the 2020 UWMP reporting cycle. Proceed to the next table.**					
Was Supplier part of a merger or consolidation since 2020?	Regional Alliance Target or Individual Target? Drop down list	2020 Target	Actual 2020 GPCD	Did Supplier Achieve Targeted Reduction for 2020?	**Only for suppliers that did not meet the Target in 2020** **See DWR NOTES below.**	
					Actual 2025 GPCD (From SB X7-7 Compliance Form)	Did Supplier meet the 2020 Target in 2025?
No	Individual Target	1202	585	Yes	473	Yes
DWR NOTES: **Suppliers calculating a 2025 GPCD** will need to complete and submit SB X 7-7 Compliance Tables to verify the use of SB X7-7 Methodologies. **Suppliers that were part of a merger or consolidation since 2020** see Chapter 5 and Appendix P for guidance. NA=Not Applicable						
NOTES:						

Submittal Table 6-2 Retail: Wastewater Collected Within Service Area **Water Code Section 10633(a)**				
☐	Check the box if there is no wastewater collection system. Proceed to the next table.			
	Percentage of 2025 service area served by wastewater collection system (OPTIONAL)			
	Percentage of 2025 service area population served by wastewater collection system (OPTIONAL)			
Wastewater Collection			**Recipient of Collected Wastewater**	
Name of Wastewater Collection Agency	Wastewater Volume Metered or Estimated? OPTIONAL **Drop Down List**	Volume of Wastewater Collected from UWMP Service Area 2025 (AF)	Name of Wastewater Treatment Plant (WWTP) and Place ID Number **Drop down list**	Is WWTP Located Within UWMP Area? **Drop Down List**
Add additional rows as needed				
RMWD	Metered	1,120	San Luis Rey Water Reclamation Facility - Recycled Water and Pure Water, Place ID 255386	No
Total Wastewater Received from UWMP Service Area in 2025:		1,120		
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3. **Additional Guidance**: See Appendix M, Section M.21 for detailed guidance on this table.				
NOTES: Assume average flow of 1.0 MGD for the year.				

Submittal Table 6-3 Retail: Wastewater Treatment and Outcomes Within UWMP Service Area
Water Code Section 10633(b)

☑ **Check the box if no wastewater is treated or disposed of within the UWMP service area.**
Proceed to the next table.

Wastewater Treatment Plant Name and Place ID Number **Drop down list**	Does This Plant Treat Wastewater Generated Outside the UWMP Service Area? (OPTIONAL) **Drop down list**	2025 Volume of Wastewater Received from UWMP Service Area (As Reported in Submittal Table 6-2 R) (AF)	Total 2025 Volume of Water Treated (AF)	2025 Outcomes of Treated Wastewater										
				Water Recycled Within UWMP Service Area (enter data as applicable)		**Water Recycled Outside of UWMP Service Area** (enter data as applicable)		**Effluent Discharge that is not a Permitted Recycled Water Use** (enter data as applicable)		**Required Discharge for Instream Flow** (enter data as applicable)		**Delivered to Another Entity for Additional Treatment** (enter data as applicable)		
				Treatment Level **Drop down list**	Volume (AF)	Treatment Level **Drop down list**	Volume (AF)	Treatment Level **Drop down list**	Volume (AF)	Treatment Level **Drop down list**	Volume (AF)	Treatment Level **Drop down list**	Volume (AF)	Name of other entity
Add additional rows as needed														
Total		0	-		0		0		0		0		0	

DWR NOTES:
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.
IPR: Indirect Potable Reuse would have the treatment level of its end use requirement in the Level of Treatment drop-down.
Additional Guidance: See Appendix M, Section M.21 for detailed guidance on this table.

NOTES:

Submittal Table 6-4 Retail: Recycled Water Direct Beneficial Uses Within Service Area
Water Code Section 10633 (c),(d),(e)

☑ Check box if recycled water is not used and is not planned for use within the service area of the supplier. The supplier will only complete the column on "Potential Recycled Water Use" and submit an accompanying narrative on the feasibility of that potential recycled water use.

Name(s) of Facility/ies Producing (Treating) the Recycled Water (OPTIONAL) :	
Name of Supplier Operating the Recycled Water Distribution System (OPTIONAL) :	
Volume of Supplemental Water Added in 2025 (OPTIONAL) :	
Source of 2025 Supplemental Water (OPTIONAL) :	

Use Type **Drop down list**	**Potable or Non-Potable** (after treatment if treated) (OPTIONAL) Drop down list	Additional Information (as needed)	2025 (AF)	2030 (AF)	2035 (AF)	2040 (AF)	2045 (AF)	2050 (AF)	**Potential Recycled Water Use**	
									Volume	Narrative page number (OPTIONAL)
Add additional rows as needed										
Subtotal Potable			0	0	0	0	0	0	0	
Subtotal Non-Potable			0	0	0	0	0	0	0	
Total			0	0	0	0	0	0	0	0

DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.
Additional Guidance: See Appendix M, Section M.21 for detailed guidance on this table.
Potential recycled water use: a description of the feasibility of these uses must be included in the narrative.
Multiple Producers: If you have multiple recycled water producers, submit a separate table for each.

NOTES:

Submittal Table 6-5 Retail: 2020 UWMP Recycled Water Use Projection Compared to 2025 Actual Water Code Section 10633(e)		
☑	Check the box if recycled water was not used in 2025 nor previously projected for use in 2020. Proceed to the next table.	
Use Type Drop Down list	2020 Projection for 2025 (AF)	2025 Actual Use (AF)
Add additional rows as needed		
Total	0	0
DWR NOTES: **Units of measure (AF, CCF, MG)** must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure reported in Submittal Table 2-3 **Additional Guidance:** See Appendix M, Section M.21 for detailed guidance on this table.		
NOTES:		

Submittal Table 6-6 Retail: Methods to Encourage Future Recycled Water Use Water Code Section 10633(f)			
☑	Check the box if the Supplier does not plan to expand recycled water use in the future. Supplier will not complete the table below but will provide narrative explanation.		
	Provide page location of narrative in the UWMP		
Name of Action	Description	Planned Implementation Year	Expected Increase in Recycled Water Use (AF)
Add additional rows as needed			
		Total (AF)	0
		Unit Conversion to AF	0
DWR NOTES: **Units of measure** (AF, CCF, MG) MUST remain consistent with units reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3. **The unit conversion to Acre Feet** addresses the Water Code's requirement that this value be provided in acre-feet.			
NOTES:			

Submittal Table 6-7 Retail: Expected Future Water Supply Projects or Programs **Water Code Section 10631(f)**							
☑	Check the box if there are no expected future water supply projects or programs that provide a quantifiable increase to the agency's water supply. Proceed to the next table.						
☐	Check the box if some or all of the supplier's future water supply projects or programs are not compatible with this table and are described in a narrative format.						
	Provide page location of narrative in the UWMP						
Name of Future Projects or Programs	Joint Project with other suppliers?		Additional Description (as needed)	**Potable or Non-Potable** (after treatment if treated) (OPTIONAL) Drop Down list	Planned Implementation Year	Planned for Use in Year Type **Drop Down List**	Expected Increase in Water Supply to Supplier (This may be a range) (AF)
	Drop Down List (yes/no)	If Yes, Supplier Name					
Add additional rows as needed							
DWR NOTES: **Units of measure (AF, CCF, MG)** must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure reported in Submittal Table 2-3.							
NOTES:							

Submittal Table 6-8 Retail: Water Supplies — Actual **Water Code Section 10631(b)**				
Water Supply		**2025**		
Drop down list May use each category multiple times. These are the only water supply categories that will be recognized by the WUEdata online submittal tool	Additional Description (as needed)	**Potable or Non-Potable** (after treatment if treated) (OPTIONAL) Drop Down list	Actual Volume (AF)	Total Entitlement (OPTIONAL) See 'DWR Notes' below (AF)
Add additional rows as needed				
Purchased or Imported Water	Eastern MWD	Potable	12,355	
		Subtotal Potable	12,355	0
		Subtotal Non-Potable	0	0
		Total	12,355	0
DWR NOTES: **Units of measure (AF, CCF, MG)** must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3. **Total Entitlement:** e.g. Water Right, Groundwater Allocation, Contracted Amount.				
NOTES:				

Submittal Table 6-9 Retail: Water Supplies — Projected
Water Code Section 10631 (b)

Water Supply			Projected Water Supply (Report to the Extent Practicable)									
			2030		2035		2040		2045		2050 (opt)	
Drop down list May use each category multiple times. These are the only water supply categories that will be recognized by the WUEdata online submittal tool	Additional Detail on Water Supply	**Potable or Non-Potable** (after treatment if treated) (OPTIONAL) Drop Down list	Reasonably Available Volume (AF)	Total Entitlement (OPTIONAL) See 'DWR Notes' below (AF)	Reasonably Available Volume (AF)	Total Entitlement (OPTIONAL) See 'DWR Notes' below (AF)	Reasonably Available Volume (AF)	Total Entitlement (OPTIONAL) See 'DWR Notes' below (AF)	Reasonably Available Volume (AF)	Total Entitlement (OPTIONAL) See 'DWR Notes' below (AF)	Reasonably Available Volume (AF)	Total Entitlement (OPTIONAL) See 'DWR Notes' below (AF)
Add additional rows as needed												
Purchased or Imported Water	EMWD	Potable	18,431		17,903		17,361		16,812		16,271	
Subtotal Potable			18,431	0	17,903	0	17,361	0	16,812	0	16,271	0
Subtotal Non-Potable			0	0	0	0	0	0	0	0	0	0
Total			18,431	0	17,903	0	17,361	0	16,812	0	16,271	0

DWR NOTES:
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.
Total Entitlement: e.g. Water Right, Groundwater Allocation, Contracted Amount.
NOTES: Supply availability is equal to projected single dry year demand.

Optional **Submittal Table O-1B: Recommended Energy Reporting - SINGLE DELIVERY PRODUCT - TOTAL UTILITY APPROACH**

Water Delivery Product drop down list (If delivering more than one type of product recommend using Table O-1C)	Retail Potable Deliveries	**Only for Water Delivery Products Under the Urban Water Supplier's Operational Control**		
Start Date of Reporting Period	1/1/2025	**Sum of All Water Management Processes**	**Non-Consequential Hydropower**	
End Date of Reporting Period	12/31/2025			
Is upstream embedded energy in the values reported?	No			
Units of Measure for Water	AF	**Total Utility** See DWR NOTES	**Hydropower**	**Net Utility**
Volume of Water Entering Process		12,355		12,355
Energy Consumed (kWh)		3,568,716		3,568,716
Energy Intensity (kWh/vol. converted to MG)		886	-	886

DWR NOTES:
Total Utility: The volume of water entered in the "Total Utility" column should equal the volume of water entering the distribution system (excluding recycled water); in most cases, this is the total volume calculated in UWMP Table 4-1: 2025 Actual Total Uses for Potable and Non-Potable Water. Note if recycled water is included in your Submittal Table 4-1, you must exclude it from your volume in this table.

Quantity of Self-Generated Renewable Energy

0 kWh

Data Quality (Estimate, Metered Data, Combination of Estimates and Metered Data)

Metered Data

Data Quality Narrative:

All water supply data and energy use data are metered.

Narrative:

The District tracks supply on a daily basis and receives monthly invoices for each facility. Energy intensity is considered total energy use divided by total supplyfor 2025.

NOTES:

Optional Submittal Table 7-1 Retail: Basis of Water Year Data (Reliability Assessment)			
Year Type	**Base Year** If not using a calendar year, type in the last year of the fiscal, water year, or range of years, for example, water year 2024-2025, use 2025	**Available Supplies if Year Type Repeats**	
		☐ Check the box if quantification of available supplies is not compatible with this table and is provided elsewhere in the UWMP. **Location:** [insert location from UWMP]	
		Quantification of available supplies is provided in this table as either volume only, percent only, or both.	
		Volume Available (AF)	**% of Average Supply**
Average Year	2025	12,355	100%
Single-Dry Year	2007	31,865	100%
Consecutive Dry Years 1st Year	2011	19,276	100%
Consecutive Dry Years 2nd Year	2012	21,918	100%
Consecutive Dry Years 3rd Year	2013	21,526	100%
Consecutive Dry Years 4th Year	2014	22,625	100%
Consecutive Dry Years 5th Year	2015	17,868	100%

DWR NOTES: Supplier may use multiple versions of Submittal Table 7-1 R if different water sources have different base years and the supplier chooses to report the base years for each water source separately. If a Supplier uses multiple versions of Submittal Table 7-1 R, in the "Note" section of each submittal table, state that multiple versions of Submittal Table 7-1 R are being used and identify the particular water source that is being reported in each submittal table.
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table reports the units of measure reported in Submittal Table 2-3.

NOTES:

Submittal Table 7-2 Retail: Normal Year Supply and Use Comparison Water Code Section 10635 (a)					
	2030 (AF)	**2035 (AF)**	**2040 (AF)**	**2045 (AF)**	**2050 (AF)**
Supply totals (autofill from Submittal Table 6-9 R)	12,850	12,715	12,501	12,232	11,932
Use totals (autofill from Submittal Table 4-2 R)	12,850	12,715	12,501	12,232	11,932
Surplus/(shortfall)	0	0	0	0	0
OPTIONAL Planned WSCP Actions					
WSCP - supply augmentation benefit					
WSCP - use reduction savings benefit					
Revised Surplus/(shortfall)					
DWR NOTES : Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.					
NOTES:					

Submittal Table 7-3 Retail: Single Dry Year Supply and Use Comparison Water Code Section 10635(a)					
	2030 (AF)	**2035 (AF)**	**2040 (AF)**	**2045 (AF)**	**2050 (AF)**
Supply totals	16,705	16,530	16,251	15,902	15,512
Use totals	16,705	16,530	16,251	15,902	15,512
Surplus/(shortfall)	0	0	0	0	0
OPTIONAL Planned WSCP Actions					
WSCP - supply augmentation benefit					
WSCP - use reduction savings benefit					
Revised Surplus/(shortfall)					
DWR NOTES : Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.					
NOTES Single dry year demand is estimated as the projected average demand times a factor 1.3.					

Submittal Table 7-4 Retail: Multiple Dry Years Supply and Use Comparison Water Code Section 10635(a)						
		2030 (AF)	2035 (AF)	2040 (AF)	2045 (AF)	2050 (AF)
First year	Supply totals	12,722	12,588	12,376	12,110	11,813
	Use totals	12,722	12,588	12,376	12,110	11,813
	Surplus/(shortfall)	0	0	0	0	0
	OPTIONAL Planned WSCP Actions					
	WSCP - supply augmentation benefit					
	WSCP - use reduction savings benefit					
	Revised Surplus/(shortfall)					
Second year	Supply totals	14,906	14,749	14,501	14,189	13,841
	Use totals	14,906	14,749	14,501	14,189	13,841
	Surplus/(shortfall)	0	0	0	0	0
	OPTIONAL WSCP Actions					
	WSCP - supply augmentation benefit					
	WSCP - use reduction savings benefit					
	Revised Surplus/(shortfall)					
Third year	Supply totals	15,035	14,877	14,626	14,311	13,960
	Use totals	15,035	14,877	14,626	14,311	13,960
	Surplus/(shortfall)	0	0	0	0	0
	OPTIONAL Planned WSCP Actions					
	WSCP - supply augmentation benefit					
	WSCP - use reduction savings benefit					
	Revised Surplus/(shortfall)					
Fourth year	Supply totals	16,320	16,148	15,876	15,535	15,154
	Use totals	16,320	16,148	15,876	15,535	15,154
	Surplus/(shortfall)	0	0	0	0	0
	OPTIONAL Planned WSCP Actions					
	WSCP - supply augmentation benefit					
	WSCP - use reduction savings benefit					
	Revised Surplus/(shortfall)					
Fifth year	Supply totals	13,236	13,096	12,876	12,599	12,290
	Use totals	13,236	13,096	12,876	12,599	12,290
	Surplus/(shortfall)	0	0	0	0	0
	OPTIONAL Planned WSCP Actions					
	WSCP - supply augmentation benefit					
	WSCP - use reduction savings benefit					
	Revised Surplus/(shortfall)					

DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.

NOTES: Five consecutive dry years demand is estimated as the projected average demand times factors of 0.99, 1.16, 1.17, 1.27, and 1.03, accordingly.

Submittal Table 7-5 Retail: Five-Year Drought Risk Assessment Water Code Section 10635(b)(3)	
2026	**Total**
Total Water Use (AF)	12,329
Total Supplies (AF)	12,329
Surplus/Shortfall w/o WSCP Action	0
OPTIONAL Planned WSCP Actions (use reduction and supply augmentation)	
WSCP - supply augmentation benefit (AF)	
WSCP - use reduction savings benefit (AF)	
Revised Surplus/(shortfall)	
2027	**Total**
Total Water Use (AF)	14,561
Total Supplies (AF)	14,561
Surplus/Shortfall w/o WSCP Action	0
OPTIONAL Planned WSCP Actions (use reduction and supply augmentation)	
WSCP - supply augmentation benefit (AF)	
WSCP - use reduction savings benefit (AF)	
Revised Surplus/(shortfall)	
2028	**Total**
Total Water Use (AF)	14,803
Total Supplies (AF)	14,803
Surplus/Shortfall w/o WSCP Action	0
OPTIONAL Planned WSCP Actions (use reduction and supply augmentation)	
WSCP - supply augmentation benefit (AF)	
WSCP - use reduction savings benefit (AF)	
Revised Surplus/(shortfall)	
2029	**Total**
Total Water Use (AF)	16,194
Total Supplies (AF)	16,194
Surplus/Shortfall w/o WSCP Action	0
OPTIONAL Planned WSCP Actions (use reduction and supply augmentation)	
WSCP - supply augmentation benefit (AF)	
WSCP - use reduction savings benefit (AF)	
Revised Surplus/(shortfall)	
2030	**Total**
Total Water Use (AF)	13,236
Total Supplies (AF)	13,236
Surplus/Shortfall w/o WSCP Action	0
OPTIONAL Planned WSCP Actions (use reduction and supply augmentation)	
WSCP - supply augmentation benefit (AF)	
WSCP - use reduction savings benefit (AF)	
Revised Surplus/(shortfall)	
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.	
NOTES: Based on the historical record, the most severe 5-year drought occurred between 2011 and 2015. Water use is estamated as the projected demand for 2026 through 2030 increased by the variation from normal for years 2011 through 2015.	

Submittal Table 8-1: Cross-reference for Standard vs Supplier Shortage Levels **Water Code Section 10632(a)(3)(B)**			
☐	Check the box if the Supplier uses the Standard six levels of water shortage. Proceed to the next table.		
Standard Shortage Levels	**Percent Shortage Range**	**Suppliers Shortage Levels**	**Percent Shortage Range**
1	Up to 10%	Up to 90% of WSA	96.7% to 100% of unconstrainted demand
2	Up to 20%	Up to 80% of WSA	93.3% to 96.7% of unconstrained demand
3	Up to 30%	Up to 70% of WSA	90% to 93.3% to of unconstrained demand
4	Up to 40%	Up to 60% of WSA	86.7% to 90% of unconstrained demand
5	Up to 50%	Up to 50% of WSA	83.3% to 86.7% of unconstrained demand
6	>50%	Less than 50% of WSA	Less than 83.3% of unconstrained demand
NOTES: Impact to RMWD is the maximum retail adjustment per Table 1 (Shortage Allocation Index) of the MWD 2014 Water Supply Allocation Plan (WSAP).			

Submittal Table 8-3 Retail: Demand Reduction Actions **Water Code Section 10632(a)(4)(B),(D), and (E)**					
	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions **Drop down list** These are the only categories that will be accepted by the WUEdata online submittal tool. Select those that apply.	How much is this going to reduce the shortage gap?		Additional Explanation or Reference (OPTIONAL)	Penalty, Charge, or Other Enforcement? **For Retail Suppliers Only** Drop Down List
		Volume or Percentage Drop down	Shortage Gap Reduction Value (May be a range) (AF)		
Add additional rows as needed					
1 through 5	Offer Water Use Surveys	Volume	124	In coordination with EMWD, extent program to customers. (1% of ADD)	No
1 through 5	Provide Rebates on Plumbing Fixtures and Devices	Volume	83	In coordination with EMWD, offer rebates and devices to customers. (1% of non-AG)	No
1 through 5	Provide Rebates for Landscape Irrigation Efficiency	Volume	83	In coordination with EMWD, offer rebates and devices to customers. (1% of non-AG)	No
1 through 5	Provide Rebates for Turf Replacement	Volume	167	In coordination with EMWD, offer rebates. (2% of non-AG)	No
1 through 5	Reduce System Water Loss	Volume	124	Accelerate implementation of leak detection and repair program. (1% of ADD)	No
1 through 5	Water Features - Restrict water use for decorative water features, such as fountains	Volume	17	Prohibit the use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system. (0.2% of non-AG)	Yes
2 through 5	Landscape - Restrict or prohibit runoff from landscape irrigation	Volume	42	Enforce normal runoff prohibition. (0.5% of non-AG)	Yes
2 through 5	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	Volume	62	Repair all leaks within seventy-two (72) hours of notification by the District unless other arrangements are made with the General Manager. (0.5% of ADD)	Yes
2 through 5	Landscape - Prohibit certain types of landscape irrigation	Volume	6	Prohibit the irrigation with potable water of ornamental turf on public street medians. (10% of Institutional)	
2 through 5	Landscape - Limit landscape irrigation to specific days	Volume	457	Limit residential and commercial landscape irrigation to no more than three (3) assigned days per week on a schedule established by the General Manager and posted by the District. (10% of Residential and Commercial)	Yes
3 through 5	Landscape - Prohibit certain types of landscape irrigation	Volume	137	Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system governed by section 5 (b) (1), on the same schedule set forth in section 5 (b) (1) by using a bucket, hand-heldhose with positive shut-off nozzle, or low-volume non-spray irrigation. (3% of Residential and Commercial)	Yes
4 through 5	Landscape - Limit landscape irrigation to specific times	Volume	417	Limit lawn watering and landscape irrigation using sprinklers to no more than ten (10) minutes per watering station per assigned day. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to weather-based controllers, drip/micro-irrigation systems and stream rotor sprinklers. (5% of non-AG)	Yes
5	CII - Restaurants may only serve water upon request	Volume	4	Prohibit the serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased. (0.5% of Commercial Family)	Yes
5	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water	Volume	37	Stop washing vehicles except at commercial carwashes that re-circulate water, or by high pressure/low volume wash systems. (0.3% of ADD)	Yes
5	Other - Prohibit use of potable water for washing hard surfaces	Volume	83	Prohibit the application of potable water to driveways and sidewalks. (1% of non-AG)	Yes
5	Moratorium or Net Zero Demand Increase on New Connections	Volume	26	No new potable water service shall be provided, no new temporary meters or permanent meters shall be provided, and no statements of immediate ability to serve or provide potable water service (such as, will serve letters, certificates, or letters of availability) shall be issued, unless (1) a valid, unexpired building permit has already been issued for the project; (2) In the opinion of the District Board of Directors the project is necessary to protect the public's health, safety, and welfare; or (3) The applicant provides substantial evidence of an enforceable binding commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of the District. (40% of Construction)	Yes
5	Landscape - Limit landscape irrigation to specific days	Volume	229	Limit residential and commercial landscape irrigation to no more than two (2) assigned days per week on a schedule established by the General Manager and posted by the District. (5% of Residential and Commercial)	Yes
6	Other	Volume	2,471	The District may establish up to a 20% reduction in water allocation for any property served by the District. (20% of ADD)	Yes
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.					
NOTES: As a reduction target for Level 5, 16.7% of a normal year is appoximately 2,063 AF.					

Submittal Table 10-1 Retail: Notification to Cities and Counties Water Code Section 10621(b) and 10642		
City Name	60 Day Notice **Drop Down (yes/no)**	Notice of Public Hearing **Drop Down (yes/no)**
Add additional rows as needed		
Oceanside	Yes	
County Name **Drop Down List**	60 Day Notice **Drop Down (yes/no)**	Notice of Public Hearing **Drop Down (yes/no)**
Add additional rows as needed		
San Diego County	Yes	
NOTES:		

Appendix C – Urban Water Management Plan Checklist

Retail	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	Chapter 1	10615	A plan shall describe and evaluate sources of supply, reasonable and practical efficient uses, reclamation and demand management activities.	Introduction and overview	n/a	Executive Summary
x	Chapter 1	10630.5	Each plan shall include a simple description of the Supplier's plan including water availability, future requirements, a strategy for meeting needs, and other pertinent information. Additionally, a Supplier may also choose to include a simple description at the beginning of each chapter.	Plan preparation	n/a	Executive Summary
x	Section 2.1	10620(b)	Every person that becomes a Supplier shall adopt UWMP within one year after it has become a Supplier.	Plan preparation	n/a	§2.1 Basis for Preparing a Plan
x	Section 2.5	10644	Supplier shall report the Public Water Systems number, volume of delivered water, and number of connections that are included in this UWMP.	Plan preparation	2-1	§2.2 Public Water System
x	Section 2.5	10644	Supplier shall report if this UWMP is an individual UWMP and whether the Supplier belongs to a regional UWMP or regional alliance.	Plan preparation	2-2	§2.3 Individual or Regional Plan
x	Section 2.5	10644	Supplier shall report whether the data is in fiscal or calendar years and the units of measure used for reporting water volumes.	Plan preparation	2-3	§2.4 Fiscal or Calendar Year and Units of Measure
x	Section 2.4	10642	Provide supporting documentation that the Supplier has encouraged active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of the plan and contingency plan.	Plan preparation	n/a	§2.5 Coordination and Outreach
x	Section 2.4.2	10620(d)(3)	Coordinate the preparation of its plan with other appropriate agencies in the area, including other Suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.	Plan preparation	n/a	§2.5.2 Coordination with Other Agencies and the Community
x	Section 2.4.1	10631(h)	Retail Suppliers will include documentation that they have provided their Wholesale Supplier(s)—if any—with water use projections from that source.	Plan preparation	2-4 R	§4.2.4 Projected Water Use
x	Chapter 3.0	10631(a)	Describe the Supplier service area.	System description	n/a	§3 Service Area Description
x	Section 3.3	10631(a)	Describe the climate of the Supplier's service area.	System description	n/a	§3.3 Service Area Climate
x	Section 3.4.1	10631(a)	Provide the current and projected service area populations for 2030, 2035, 2040, 2045 and optionally 2050.	System description	3-1	§3.4.1 Service Area Population
x	Section 3.4.2	10631(a)	Describe other social, economic, and demographic factors affecting the Supplier's water management planning.	System description	n/a	§3.4.2 Other Social, Economic, and Demographic Factors
x	Section 3.5	10631(a)	Describe the land uses within the service area… include the current and projected land uses within the existing or anticipated service area affecting the Supplier's water management planning. Describe the land uses within the service area.	System description and baselines	n/a	§3.4.1 Service Area Population
x	Sections 4.2.3 and 4.2.4	10631(d)(1)	Quantify past, current, and projected water use, identifying the uses among water use sectors.	System water use	4-1 and 4-2	§4.2 Past, Current, and Projected Water Use by Sector

Retail	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	Section 4.3.1	10631(d)(3)(A)	Report the distribution system water loss for each of the five years preceding the plan update.	System water use	4-5	§4.3.1 Previous Five Years Distribution System Losses
x	Section 4.3.2	10631(d)(3)(C)	Retail Suppliers shall provide data to show the distribution loss standards were met.	System water use	4-6	§4.3.2 Progress Toward Meeting the Water Loss Performance Standard
x	Section 4.2.5.4	10631.1(a)	Include projected water use needed for lower income housing projected in the service area of the Supplier.	System water use	4-3	§4.2.6 Lower-Income Households
x	Section 4.2.5.3	10631(d)(4)(A)	In projected water use, include estimates of water savings from adopted codes, plans, and other policies or laws.	System water use	4-3	§4.2.5 Standards, Codes, Ordinances, and Plans
x	Section 4.2.5.3	10631(d)(4)(B)	Provide citations of codes, standards, ordinances, or plans used to make water use projections.	System water use	4-3	§4.2.5 Standards, Codes, Ordinances, and Plans
x	Section 4.2.5.3	10631(d)(4)(B)(ii)	To the extent that a Supplier reports the information described in subparagraph (A), an urban water Supplier shall… Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or transportation and land use plans. Water use projections that do not account for these water savings shall be noted of that fact.	System water use	4-3	§4.2.5 Standards, Codes, Ordinances, and Plans
x	Section 4.2.5.6	10635(b)	Demands under climate change considerations must be included as part of the drought risk assessment.	System water use	n/a	§4.2.7 Climate Change Considerations
x	Section 5.2	10608.40	Retail Suppliers shall report on their compliance in meeting their water use targets. Reporting requirements will vary depending on whether the Supplier: - Was considered an urban retail water supplier in 2020, - Met its 2020 target in 2020, or - Was part of a merger or consolidation since 2020. Chapter 5 Subsections 5.2.1, 5.2.2, and 5.2.3 address each of these situations.	Baselines and targets	5-1	Chapter 5
x	Section 6.1	10631(b)(2)	When multiple sources of water supply are identified, describe the management of each supply in relationship to other identified supplies.	System supplies	n/a	§6.1 Water Supply Analysis Overview
x	Sections 6.1 and 6.2	10631(b)(1)	Provide a discussion of anticipated supply availability under a normal, single dry year, and a drought lasting five years, as well as more frequent and severe periods of drought, including changes in supply due to climate change.	System supplies	n/a	§6.1 Water Supply Analysis Overview
x	Section 6.2.2	10631(b)(4)(C)	Indicate whether groundwater is an existing or planned source of water available to the Supplier. If groundwater is identified as an existing or planned source of water… (include) a detailed description and analysis of the location, amount and sufficiency of groundwater pumped by the Supplier for the past five years.	Water supplies and recycled water	6-1	§6.3.1 Groundwater
x	Section 6.2.2	10631(b)(4)(A)	Indicate whether a groundwater sustainability plan or groundwater management plan has been adopted by the Supplier or if there is any other specific authorization for groundwater management. Include a copy of the plan or authorization.	System supplies	n/a	§6.3.1 Groundwater

Retail	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	Section 6.2.2	10631(b)(4)(B)	Describe the groundwater basin.	System supplies	n/a	§6.3.1 Groundwater
x	Section 6.2.2	10631(b)(4)(B)	Indicate if the basin has been adjudicated and include a copy of the court order or decree and a description of the amount of water the Supplier has the legal right to pump.	System supplies	n/a	§6.3.1 Groundwater
x	Section 6.2.2	10631(b)(4)(B)	For unadjudicated basins… (include) information as to whether DWR has identified the basin as a high- or medium-priority basin in the most current official departmental bulletin…	Water supplies and recycled water	n/a	§6.3.1 Groundwater
x	Section 6.2.2	10631(b)(4)(B)	For unadjudicated basins… describe efforts by the Supplier to coordinate with sustainability or groundwater agencies to achieve sustainable groundwater conditions.	Water supplies and recycled water	n/a	§6.3.1 Groundwater
x	Section 6.2.2.	10631(b)(4)(C)	If groundwater is identified as an existing or planned source of water… (include) a detailed description and analysis of the location, amount and sufficiency of groundwater pumped by the Supplier for the past five years.	System supplies	n/a	§6.3.1 Groundwater
x	Section 6.2.2	10631(b)(4)(D)	Provide a detailed description and analysis of the amount and location of groundwater that is projected to be pumped.	System supplies	6-9	§6.3.1 Groundwater
x	Section 6.1	10631(b)	Identify and quantify the existing and planned sources of water available for 2025, 2030, 2035, 2040, 2045 and optionally 2050.	System supplies	6-8 and 6-9	§6.1 Water Supply Analysis Overview
x	Section 6.2.7	10631(c)	Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.	System supplies	n/a	§6.4.8 Water Exchanges and Transfers
x	Section 6.2.5	10633(a)	Describe the wastewater collection and treatment systems in the Supplier's service area with quantified amount of collection and treatment and the disposal methods.	System supplies (recycled water)	6-2	§6.4.2 Wastewater Collection, Treatment and Disposal
x	Section 6.2.5	10633(b)	Describe the quantity of treated wastewater that meets recycled water standards, is being discharged, and is otherwise available for use in a recycled water project.	System supplies (recycled water)	6-3	§6.4.3 Wastewater Treatment and Discharge
x	Section 6.2.5	10633(c)	Describe the recycled water currently being used in the Supplier's service area.	System supplies (recycled water)	6-4	§6.4.4 Recycled Water System Description
x	Section 6.2.5	10633(d)	Describe and quantify the potential uses of recycled water and provide a determination of the technical and economic feasibility of those uses.	System supplies (recycled water)	6-4	§6.4.5 Potential and Projected Recycled Water Uses
x	Section 6.2.5	10633(e)	Describe the projected use of recycled water within the Supplier's service area at the end of 5, 10, 15, and 20 years, and describe the actual use of recycled water in comparison to uses previously projected.	System supplies (recycled water)	6-4 and 6-5	§6.4.5 Potential and Projected Recycled Water Uses
x	Section 6.2.5	10633(f)	Describe the actions that may be taken to encourage the use of recycled water and the projected results of these actions in terms of acre-feet of recycled water used per year.	System supplies (recycled water)	6-6	§6.4.6 Actions to Encourage and Optimize Future Recycled Water Use

Retail	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	Section 6.2.5	10633(g)	Provide a plan for optimizing the use of recycled water in the Supplier's service area.	System supplies (recycled water)	n/a	§6.4.6 Actions to Encourage and Optimize Future Recycled Water Use
x	Section 6.2.6	10631(g)	Describe desalinated water project opportunities for long-term supply.	System supplies	6-7	§6.4.7 Desalinated Water Opportunities
x	Section 6.2.10	10631(f)	Describe the expected future water supply projects and programs that may be undertaken by the water Supplier to address water supply reliability in average, single-dry, and for a period of drought lasting five consecutive water years.	System supplies	6-7	§6.6 Future Water Projects
x	Section 6.3 and Appendix O	10631.2(a)	The UWMP must include energy information, as stated in the code, that a Supplier can readily obtain.	System suppliers, energy intensity	O-1A, O-1B, O-1C, and O- 2	§6.7 Energy Use
x	Section 7.1	10634	Provide information on the quality of existing sources of water available to the Supplier and the manner in which water quality affects water management strategies and supply reliability.	Water supply reliability assessment	n/a	§7.1 Constraints on Water Sources Considerations
x	Section 7.2	10635(a)	Service Reliability Assessment: Assess the water supply reliability during normal, dry, and a drought lasting five consecutive water years by comparing the total water supply sources available to the Supplier with the total projected water use over the next 20 years.	Water supply reliability assessment	7-2, 7-3, and 7-4	§7.2 Water Service Reliability Assessment
x	Section 7.2.3	10620(f)	Describe water management tools and options to maximize resources and minimize the need to import water from other regions.	Water supply reliability assessment	n/a	§7.4 Description of Management Tools and Options
x	Section 7.3	10635(b)	Provide a drought risk assessment as part of information considered in developing the demand management measures and water supply projects.	Water supply reliability assessment	n/a	§7.5 Drought Risk Assessment
x	Section 7.3	10635(b)(1)	Include a description of the data, methodology, and basis for one or more supply shortage conditions that are necessary to conduct a drought risk assessment for a drought period that lasts five consecutive years.	Water supply reliability assessment	n/a	§7.5 Drought Risk Assessment
x	Section 7.3	10635(b)(2)	Include a determination of the reliability of each source of supply under a variety of water shortage conditions.	Water supply reliability assessment	n/a	§7.5 Drought Risk Assessment
x	Section 7.3	10635(b)(3)	Include a comparison of the total water supply sources available to the Supplier with the total projected water use for the drought period.	Water supply reliability assessment	7-5	§7.5 Drought Risk Assessment
x	Section 7.3	10635(b)(4)	Include considerations of the historical drought hydrology, plausible changes on projected supplies and demands under climate change conditions, anticipated regulatory changes, and other locally applicable criteria.	Water supply reliability assessment	n/a	§7.5 Drought Risk Assessment
x	Chapter 8	10632(a)	Provide a water shortage contingency plan (WSCP) with specified elements below.	Water shortage contingency planning	n/a	WSCP §8 Water Shortage Contingency Plan
x	Chapter 8	10632(a)(1)	Provide an analysis of water supply reliability (from Guidebook Chapter 7) in the WSCP.	Water shortage contingency planning	n/a	WSCP §2.1 Water Supply Reliability

Retail	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	Section 8.2	10632(a)(2)(A)	Provide the written decision-making process and other methods that the Supplier will use each year to determine its water reliability.	Water shortage contingency planning	n/a	WSCP §3 Annual Assessment Procedures
x	Section 8.2	10632(a)(2)(B)	Provide data and methodology to evaluate the Supplier's water reliability for the current year and one dry year pursuant to factors in the code.	Water shortage contingency planning	n/a	WSCP §3.3 Supply and Demand Analysis
x	Section 8.3	10632(a)(3)(A)	Define six standard water shortage levels of 10%, 20%, 30%, 40%, 50% shortage, and greater than 50% shortage. These levels shall be based on supply conditions, including percent reductions in supply, changes in groundwater levels, changes in surface elevation, or other conditions. The shortage levels shall also apply to a catastrophic interruption of supply.	Water shortage contingency planning	n/a	WSCP §4 Six Standard Water Shortage Levels
x	Section 8.3	10632(a)(3)(B)	Suppliers with an existing WSCP that uses different water shortage levels must cross reference their categories with the six standard categories.	Water shortage contingency planning	8-1	WSCP §8.3 Six Standard Water Shortage Levels
x	Section 8.4	10632(a)(4)(A)	Suppliers with WSCPs that align with the defined shortage levels must specify locally appropriate supply augmentation actions.	Water shortage contingency planning	8-2	WSCP §5.1 Shortage Response Actions
x	Section 8.4	10632(a)(4)(B)	Specify locally appropriate demand reduction actions to adequately respond to shortages.	Water shortage contingency planning	8-3	WSCP §5.3 Demand Reduction
x	Section 8.4	10632(a)(4)(C)	Specify locally appropriate operational changes.	Water shortage contingency planning	8-2	WSCP §5.4 Locally Appropriate Operational Changes
x	Section 8.4	10632(a)(4)(D)	Specify additional mandatory prohibitions against specific water use practices that are in addition to State-mandated prohibitions are appropriate to local conditions.	Water shortage contingency planning	Table 8-3	WSCP §5.5 Additional Mandatory Prohibitions
x	Section 8.4	10632(a)(4)(E)	Estimate the extent to which the gap between supplies and demand will be reduced by implementation of the action.	Water shortage contingency planning	8-2 and 8-3	WSCP §5.6 Shortage Response Action Effectiveness
x	Section 8.4.6	10632.5	The UWMP shall include a seismic risk assessment and mitigation plan.	Water shortage contingency plan	n/a	WSCP §6.1 Seismic Risk Assessment and Mitigation Plan
x	Section 8.5	10632(a)(5)(A)	Suppliers must describe that they will inform customers, the public and others regarding any current or predicted water shortages.	Water shortage contingency planning	n/a	WSCP §7 Communication Protocols
x	Section 8.5	10632(a)(5)(B), 10632(a)(5)(C)	Suppliers must describe that they will inform customers, the public and others regarding any shortage response actions triggered or anticipated to be triggered and other relevant communications.	Water shortage contingency planning	n/a	WSCP §7 Communication Protocols
x	Section 8.6	10632(a)(6)	Retail Supplier must describe how it will ensure compliance with and enforce provisions of the WSCP.	Water shortage contingency planning	n/a	WSCP §8 Compliance and Enforcement
x	Section 8.7	10632(a)(7)(A)	Describe the legal authority that empowers the Supplier to enforce shortage response actions.	Water shortage contingency planning	n/a	WSCP §9 Legal Authorities
x	Section 8.7	10632(a)(7)(B)	Provide a statement that the Supplier will declare a water shortage emergency per Water Code Chapter 3. *Water Shortage Emergencies*.	Water shortage contingency planning	n/a	WSCP §9 Legal Authorities

Retail	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	Section 8.7	10632(a)(7)(C)	Provide a statement that the Supplier will coordinate with any city or county within which it provides water for the possible proclamation of a local emergency.	Water shortage contingency planning	n/a	WSCP §9 Legal Authorities
x	Section 8.8	10632(a)(8)(A)	Describe the potential revenue reductions and expense increases associated with activated shortage response actions.	Water shortage contingency planning	n/a	WSCP §10 Financial Consequences
x	Section 8.8	10632(a)(8)(B)	Provide a description of mitigation actions needed to address revenue reductions and expense increases associated with activated shortage response actions.	Water shortage contingency planning	n/a	WSCP §10.2 Mitigation Actions
x	Section 8.8	10632(a)(8)(C)	Retail Suppliers must describe the cost of compliance with Water Code Chapter 3.3, *Excessive Residential Water Use During Drought*.	Water shortage contingency planning	n/a	WSCP §10.3 Reporting Cost of Compliance
x	Section 8.9	10632(a)(9)	Retail Suppliers must describe the monitoring and reporting requirements and procedures that ensure appropriate data are collected, tracked, and analyzed for purposes of monitoring customer compliance.	Water shortage contingency planning	n/a	WSCP §10.3 Reporting Cost of Compliance
x	Section 8.10	10632(a)(10)	Describe reevaluation and improvement procedures for monitoring and evaluation of the WSCP to ensure risk tolerance is adequate and appropriate water shortage mitigation strategies are implemented.	Water shortage contingency planning	n/a	WSCP §11 Monitoring and Reporting
x	Section 8.11	10632(b)	Analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas.	Water shortage contingency planning	n/a	WSCP §5.2 Special Water Feature Distinction
x	Section 8.12	10632(c)	Make available the WSCP to customers and any city or county where it provides water within 30 days after adoption of the plan.	Water shortage contingency planning	n/a	WSCP §12.2 Plan Adoption, Submittal, Availability, and Amendment Procedures
x	Sections 9.1	10631(e)(1)	Retail Suppliers shall provide a description of the nature and extent of each demand management measure implemented over the past five years. The description will address specific measures listed in code.	Demand management measures	n/a	§9 Demand Management Measures
x	Chapter 10	10608.26(a)	Retail Suppliers shall conduct a public hearing to discuss adoption, implementation, and economic impact of water use targets (recommended to discuss compliance).	Plan adoption, submittal, and implementation	n/a	§10.4 Public Hearing and Adoption
x	Section 10.2.1	10621(b)	Notify, at least 60 days prior to the public hearing, any city or county within which the Supplier provides water that the Supplier will be reviewing the UWMP and considering amendments or changes to the plan.	Plan adoption, submittal, and implementation	10-1	§10.2 Notice of Plan Preparation
x	Section 10.4	10621(f)	Each urban water Supplier shall update and submit its 2025 plan to DWR by July 1, 2026.	Plan adoption, submittal, and implementation	n/a	§10.5 Plan Submittal
x	Sections 10.2.2, 10.3, and 10.5	10642	Provide supporting documentation that the Supplier made the UWMP and WSCP available for public inspection, published notice of the public hearing, and held a public hearing about the UWMP and WSCP.	Plan adoption, submittal, and implementation	n/a	§10.4 Public Hearing and Adoption
x	Section 10.2.2	10642	The Supplier is to provide the time and place of the hearing to any city or county within which the Supplier provides water.	Plan adoption, submittal, and implementation	10-1	§10.3 Notice of Public Hearing

Retail	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	Section 10.3.2	10642	Provide supporting documentation that the UWMP and WSCP has been adopted as prepared or modified.	Plan adoption, submittal, and implementation	n/a	§10.4 Public Hearing and Adoption
x	Section 10.4	10644(a)	Provide supporting documentation that the Supplier has submitted their UWMP to the California State Library.	Plan adoption, submittal, and implementation	n/a	§10.5.2 Submittal to Cities, Counties, and the California State Library
x	Section 10.4	10644(a)(1)	Provide supporting documentation that the Supplier has submitted their UWMP to any city or county within which the Supplier provides water no later than 30 days after adoption.	Plan adoption, submittal, and implementation	n/a	§10.5.2 Submittal to Cities, Counties, and the California State Library
x	Sections 10.4.1 and 10.4.2	10644(a)(2)	The UWMP, or amendments to the UWMP, submitted to DWR shall be submitted electronically.	Plan adoption, submittal, and implementation	n/a	§10.5.1 Electronic Data Submittal
x	Section 10.7.2	10644(b)	If revised, submit a copy of the WSCP to DWR within 30 days of adoption.	Plan adoption, submittal, and implementation	n/a	§10.9 Submitting Revised WSCP
x	Section 10.5	10645(a)	Provide supporting documentation that, not later than 30 days after filing a copy of its UWMP with DWR, the Supplier has or will make the plan available for public review during normal business hours.	Plan adoption, submittal, and implementation	n/a	§10.6 Public Availability
x	Section 10.5	10645(b)	Provide supporting documentation that, not later than 30 days after filing a copy of its WSCP with DWR, the Supplier has or will make the plan available for public review during normal business hours.	Plan adoption, submittal, and implementation	n/a	§10.6 Public Availability

Appendix D – SB X7-7 Calculations

SB X7-7 Table 0: Units of Measure Used in 2020 UWMP* *(select one from the drop down list)*
Acre Feet
**The unit of measure must be consistent throughout the UWMP, as reported in Submittal Table 2-3.*
NOTES:

SB X7-7 Table 2: Method for 2020 Population Estimate	
Method Used to Determine 2020 Population (may check more than one)	
☑	**1. Department of Finance** (DOF) or **American Community Survey** (ACS)
☐	**2. Persons-per-Connection Method**
☐	**3. DWR Population Tool**
☐	**4. Other** DWR recommends pre-review
NOTES: 1) SANDAG Series 14 (version 17) includes DOF methodology.	

SB X7-7 Table 3: 2020 Service Area Population	
2020 Compliance Year Population	
2020	21,841
NOTES:	

SB X7-7 Table 4: 2020 Gross Water Use							
Compliance Year 2020	**2020 Volume Into Distribution System** *This column will remain blank until SB X7-7 Table 4-A is completed.*	**2020 Deductions**					**2020 Gross Water Use**
		Exported Water *	**Change in Dist. System Storage*** (+/-)	**Indirect Recycled Water** *This column will remain blank until SB X7-7 Table 4-B is completed.*	**Water Delivered for Agricultural Use***	**Process Water** *This column will remain blank until SB X7-7 Table 4-D is completed.*	
	14,297	-	-	-	-	-	**14,297**
*** Units of measure (AF, MG , or CCF)** must remain consistent throughout the UWMP, as reported in SB X7-7 Table 0 and Submittal Table 2-3.							
NOTES:							

SB X7-7 Table 4-A: 2020 Volume Entering the Distribution System(s), Meter Error Adjustment

Complete one table for each source.

Name of Source	SDCWA
This water source is *(check one)* **:**	
☐	The supplier's own water source
☑	A purchased or imported source

Compliance Year 2020	Volume Entering Distribution System [1]	Meter Error Adjustment [2] *Optional (+/-)*	Corrected Volume Entering Distribution System
	14,297	-	14,297

[1] ***Units of measure (AF, MG , or CCF)*** *must remain consistent throughout the UWMP, as reported in SB X7-7 Table 0 and Submittal Table 2-3.* [2] ***Meter Error Adjustment*** *- See guidance in Methodology 1, Step 3 of Methodologies Document*

NOTES

SB X7-7 Table 4-B: 2020 Indirect Recycled Water Use Deduction *(For use only by agencies that are deducting indirect recycled water)*

2020 Compliance Year	**2020 Surface Reservoir Augmentation**					**2020 Groundwater Recharge**			**Total Deductible Volume of Indirect Recycled Water Entering the Distribution System**
	Volume Discharged from Reservoir for Distribution System Delivery[1]	Percent Recycled Water	Recycled Water Delivered to Treatment Plant	Transmission/ Treatment Loss[1]	Recycled Volume Entering Distribution System from Surface Reservoir Augmentation	Recycled Water Pumped by Utility[1,2]	Transmission/ Treatment Losses[1]	Recycled Volume Entering Distribution System from Groundwater Recharge	
	14,297	0%	-	-	-	-	-	-	-

[1] ***Units of measure (AF, MG , or CCF)*** *must remain consistent throughout the UWMP, as reported in SB X7-7 Table 0 and Submittal Table 2-3.*

[2] *Suppliers will provide supplemental sheets to document the calculation for their input into "Recycled Water Pumped by Utility". The volume reported in this cell must be less than total groundwater pumped - See Methodology 1, Step 8, section 2.c.*

SB X7-7 Table 5: 2020 Gallons Per Capita Per Day (GPCD)		
2020 Gross Water *Fm SB X7-7 Table 4*	**2020 Population** *Fm SB X7-7 Table 3*	**2020 GPCD**
14,297	21,841	**584**
NOTES:		

SB X7-7 Table 9: 2020 Compliance							
Actual 2020 GPCD[1]	Optional Adjustments to 2020 GPCD (Enter "0" if Adjustment Not Used)			TOTAL Adjustments[1]	Adjusted 2020 GPCD [1] *(Adjusted if applicable)*	2020 Confirmed Target GPCD [1, 2]	**Did Supplier Achieve Targeted Reduction for 2020?**
	Extraordinary Events[1]	Weather Normalization[1]	Economic Adjustment[1]				
585	-	-	-	-	585	1202	**YES**

[1] *All values are reported in GPCD*

[2] ***2020 Confirmed Target GPCD*** *is taken from the Supplier's SB X7-7 Verification Form Table SB X7-7, 7-F.*

NOTES:

Appendix E – AWWA Water Audits

AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0

American Water Works Association.
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? Click to access definition
+ Click to add a comment

Water Audit Report for: Rainbow Municipal Water District (CA3710016)
Reporting Year: 2021 7/2020 - 6/2021

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: ACRE-FEET PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

<---------- Enter grading in column 'E' and 'J' ---------->

Master Meter and Supply Error Adjustments

WATER SUPPLIED

	Grading	Volume		Pcnt:	Value:	
Volume from own sources:	n/a	0.000	acre-ft/yr			acre-ft/yr
Water imported:	7	16,971.700	acre-ft/yr	0.21%		acre-ft/yr
Water exported:	n/a	0.000	acre-ft/yr			acre-ft/yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

WATER SUPPLIED: 16,936.134 acre-ft/yr

AUTHORIZED CONSUMPTION

Click here: ? for help using option buttons below

	Grading	Volume		Pcnt:	Value:	
Billed metered:	9	16,112.306	acre-ft/yr			
Billed unmetered:	n/a		acre-ft/yr			
Unbilled metered:	n/a		acre-ft/yr			
Unbilled unmetered:	6	20.630	acre-ft/yr		20.630	acre-ft/yr

Use buttons to select percentage of water supplied OR value

AUTHORIZED CONSUMPTION: 16,132.936 acre-ft/yr

WATER LOSSES (Water Supplied - Authorized Consumption)

803.198 acre-ft/yr

Apparent Losses

	Grading	Volume		Pcnt:	Value:	
Unauthorized consumption:		42.340	acre-ft/yr	0.25%		acre-ft/yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

	Grading	Volume		Pcnt:	Value:	
Customer metering inaccuracies:	8	575.738	acre-ft/yr	3.45%		acre-ft/yr
Systematic data handling errors:		10.000	acre-ft/yr	0.25%		acre-ft/yr

Apparent Losses: 628.078 acre-ft/yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 175.120 acre-ft/yr

WATER LOSSES: 803.198 acre-ft/yr

NON-REVENUE WATER

NON-REVENUE WATER: 823.828 acre-ft/yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

	Grading		
Length of mains:	9	336.0	miles
Number of active AND inactive service connections:	9	8,757	
Service connection density:		26	conn./mile main

Are customer meters typically located at the curbstop or property line? Yes

Average length of customer service line: (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

	Grading		
Average operating pressure:	8	158.0	psi

COST DATA

	Grading		
Total annual cost of operating water system:	10	$36,796,368	$/Year
Customer retail unit cost (applied to Apparent Losses):	10	$6.50	$/100 cubic feet (ccf)
Variable production cost (applied to Real Losses):	8	$2,215.00	$/acre-ft

☐ Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 79 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Water imported
2: Unauthorized consumption
3: Customer metering inaccuracies

AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0

American Water Works Association.
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? Click to access definition
\+ Click to add a comment

Water Audit Report for: Rainbow Municipal Water District (CA3710016)
Reporting Year: 2022 7/2021 - 6/2022

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: ACRE-FEET PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

Master Meter and Supply Error Adjustments

WATER SUPPLIED

<---------- Enter grading in column 'E' and 'J' ---------->

					Pcnt:	Value:	
Volume from own sources:	n/a		acre-ft/yr				acre-ft/yr
Water imported:	10	16,315.300	acre-ft/yr	8	0.48%		acre-ft/yr
Water exported:	n/a	0.000	acre-ft/yr				acre-ft/yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

WATER SUPPLIED: 16,237.361 acre-ft/yr

AUTHORIZED CONSUMPTION

Click here: ? for help using option buttons below

				Pcnt:	Value:	
Billed metered:	9	14,964.000	acre-ft/yr			
Billed unmetered:	n/a		acre-ft/yr			
Unbilled metered:	8	0.207	acre-ft/yr			
Unbilled unmetered:	10	26.250	acre-ft/yr		26.250	acre-ft/yr

Use buttons to select percentage of water supplied **OR** value

AUTHORIZED CONSUMPTION: 14,990.457 acre-ft/yr

WATER LOSSES (Water Supplied - Authorized Consumption) 1,246.904 acre-ft/yr

Apparent Losses

			Pcnt:	Value:	
Unauthorized consumption:	40.593	acre-ft/yr	0.25%		acre-ft/yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	7	1,126.338	acre-ft/yr	7.00%	acre-ft/yr
Systematic data handling errors:	7	10.000	acre-ft/yr	0.25% 10.000	acre-ft/yr

Apparent Losses: 1,176.932 acre-ft/yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 69.972 acre-ft/yr

WATER LOSSES: 1,246.904 acre-ft/yr

NON-REVENUE WATER

NON-REVENUE WATER: 1,273.361 acre-ft/yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	10	354.0	miles
Number of active AND inactive service connections:	9	8,769	
Service connection density:		25	conn./mile main

Are customer meters typically located at the curbstop or property line?		Yes
Average length of customer service line:		

(length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure:	8	158.0	psi

COST DATA

Total annual cost of operating water system:	10	$35,596,022	$/Year
Customer retail unit cost (applied to Apparent Losses):	10	$6.32	$/100 cubic feet (ccf)
Variable production cost (applied to Real Losses):	8	$2,175.00	$/acre-ft

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 89 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Unauthorized consumption
2: Customer metering inaccuracies
3: Unbilled metered

AWWA Free Water Audit Software: Worksheet

FWAS v6.0

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Water Audit Report for: Rainbow Municipal Water District
Audit Year: 2022 | Jul 01 2022 - Jun 30 2023 | Calendar

Click 'n' to add notes
Click 'g' to determine data validity grade

To edit water system info: go to start page

To access definitions, click the input name

All volumes to be entered as: ACRE-FEET PER YEAR

Water Supplied Error Adjustments

WATER SUPPLIED

choose entry option:

VOS	Volume from Own Sources:	n	g		0.000	Acre-ft/Yr					VOSEA
WI	Water Imported:	n	g	9	12,653.200	Acre-ft/Yr	n	g	5	0.68% percent	under-registration WIEA
WE	Water Exported:	n	g		0.000	Acre-ft/Yr					WEEA

WATER SUPPLIED: 12,739.831 Acre-ft/Yr

AUTHORIZED CONSUMPTION

BMAC	Billed Metered:	n	g	9	11,835.310	Acre-ft/Yr					
BUAC	Billed Unmetered:	n	g		0.000	Acre-ft/Yr					
UMAC	Unbilled Metered:	n	g		0.000	Acre-ft/Yr					
UUAC	Unbilled Unmetered:	n	g	10	24.060	Acre-ft/Yr					

choose entry option:

custom 24.060 acre-ft/yr

AUTHORIZED CONSUMPTION: 11,859.370 Acre-ft/Yr

WATER LOSSES

880.461 Acre-ft/Yr

Apparent Losses

Default option selected for Systematic Data Handling Errors, with automatic data grading of 3

choose entry option:

SDHE	Systematic Data Handling Errors:	n	g	3	29.588	Acre-ft/Yr	0.25%	default
CMI	Customer Metering Inaccuracies:	n	g	6	11.847	Acre-ft/Yr	0.10%	percent
UC	Unauthorized Consumption:	n	g	3	29.588	Acre-ft/Yr	0.25%	default

under-registration

Default option selected for Unauthorized Consumption, with automatic data grading of 3

Apparent Losses: 71.024 Acre-ft/Yr

Real Losses

Real Losses: 809.437 Acre-ft/Yr

WATER LOSSES: 880.461 Acre-ft/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 904.521 Acre-ft/Yr

SYSTEM DATA

Lm	Length of mains:	n	g	8	341.3	miles	(including fire hydrant lead lengths)
Nc	Number of service connections:	n	g	5	8,769		(active *and* inactive)
	Service connection density:				26	conn./mile main	

Are customer meters typically located at the curbstop/property line? Yes

Lp: n g 10

Average length of customer service line has been set to zero and a data grading of 10 has been applied

AOP	Average Operating Pressure:	n	g	9	158.0	psi

COST DATA

CRUC	Customer Retail Unit Charge:	n	g	10	$8.68	$/100 cubic feet (ccf)	Total Annual Operating Cost	
VPC	Variable Production Cost:	n	g	3	$2,757.00	$/acre-ft	$32,624,577	$/yr (optional input)

WATER AUDIT DATA VALIDITY TIER:

***** The Water Audit Data Validity Score is in Tier IV (71-90). See Dashboard tab for additional outputs. *****

go to dashboard

A weighted scale for the components of supply, consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION TO IMPROVE DATA VALIDITY:

Based on the information provided, audit reliability can be most improved by addressing the following components:

1: Variable Production Cost (VPC)
2: Water Imported (WI)
3: Number of Service Connections (Nc)

KEY PERFORMANCE INDICATOR TARGETS:

OPTIONAL: If targets exist for the operational performance indicators, they can be input below:

Unit Total Losses:		gal/conn/day
Unit Apparent Losses:		gal/conn/day
Unit Real Losses[A]:		gal/conn/day
Unit Real Losses[B]:		gal/mile/day

If entered above by user, targets will display on KPI gauges (see Dashboard)

AWWA Free Water Audit Software: Worksheet

FWAS v6.0

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Water Audit Report for: Rainbow Municipal Water District
Audit Year: 2024 | Jul 01 2023 - Jun 30 2024 | Fiscal

Click 'n' to add notes
Click 'g' to determine data validity grade

To edit water system info: go to start page

To access definitions, click the input name

All volumes to be entered as: ACRE-FEET PER YEAR

Water Supplied Error Adjustments

WATER SUPPLIED

choose entry option:

		n	g								
VOS	Volume from Own Sources:	n	g	n/a	0.000	Acre-ft/Yr					VOSEA
WI	Water Imported:	n	g	4	11,270.300	Acre-ft/Yr	n	g	3	percent	WIEA
WE	Water Exported:	n	g			Acre-ft/Yr					WEEA

WATER SUPPLIED: 11,270.300 Acre-ft/Yr

AUTHORIZED CONSUMPTION

choose entry option:

		n	g					
BMAC	Billed Metered:	n	g	9	10,212.958	Acre-ft/Yr		
BUAC	Billed Unmetered:	n	g	n/a	0.000	Acre-ft/Yr		
UMAC	Unbilled Metered:	n	g	n/a	0.000	Acre-ft/Yr		
UUAC	Unbilled Unmetered:	n	g	3	25.532	Acre-ft/Yr	0.25%	default

Default option selected for Unbilled Unmetered, with automatic data grading of 3

AUTHORIZED CONSUMPTION: 10,238.490 Acre-ft/Yr

WATER LOSSES

1,031.810 Acre-ft/Yr

Apparent Losses

Default option selected for Systematic Data Handling Errors, with automatic data grading of 3

choose entry option:

		n	g						
SDHE	Systematic Data Handling Errors:	n	g	3	25.532	Acre-ft/Yr	0.25%	default	
CMI	Customer Metering Inaccuracies:	n	g	7	10.223	Acre-ft/Yr	0.10%	percent	under-registration
UC	Unauthorized Consumption:	n	g	3	25.532	Acre-ft/Yr	0.25%	default	

Default option selected for Unauthorized Consumption, with automatic data grading of 3

Apparent Losses: 61.288 Acre-ft/Yr

Real Losses

Real Losses: 970.522 Acre-ft/Yr

WATER LOSSES: 1,031.810 Acre-ft/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 1,057.342 Acre-ft/Yr

SYSTEM DATA

		n	g				
Lm	Length of mains:	n	g	10	356.0	miles	(including fire hydrant lead lengths)
Nc	Number of service connections:	n	g	10	9,073		(active *and* inactive)
	Service connection density:				25	conn./mile main	

Are customer meters typically located at the curbstop/property line? Yes

Lp — n g 10

Average length of customer service line has been set to zero and a data grading of 10 has been applied

AOP — Average Operating Pressure: n g 9 158.0 psi

COST DATA

		n	g					
CRUC	Customer Retail Unit Charge:	n	g	9	$5.07	$/100 cubic feet (ccf)	Total Annual Operating Cost	
VPC	Variable Production Cost:	n	g	9	$1,968.02	$/acre-ft	$32,624,577	$/yr (optional input)

WATER AUDIT DATA VALIDITY TIER:

***** The Water Audit Data Validity Score is in Tier III (51-70). See Dashboard tab for additional outputs. *****

go to dashboard

A weighted scale for the components of supply, consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION TO IMPROVE DATA VALIDITY:

Based on the information provided, audit reliability can be most improved by addressing the following components:

1: Water Imported (WI)
2: Unauthorized Consumption (UC)
3: Systematic Data Handling Errors (SDHE)

KEY PERFORMANCE INDICATOR TARGETS:

OPTIONAL: If targets exist for the operational performance indicators, they can be input below:

Unit Total Losses:		gal/conn/day
Unit Apparent Losses:		gal/conn/day
Unit Real Losses[A]:		gal/conn/day
Unit Real Losses[B]:		gal/mile/day

If entered above by user, targets will display on KPI gauges (see Dashboard)

AWWA Free Water Audit Software: Worksheet

FWAS v6.0

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Water Audit Report for: Rainbow Municipal Water District
Audit Year: 2025 | Jul 01 2024 - Jun 30 2025 | Fiscal

Click 'n' to add notes
Click 'g' to determine data validity grade

To edit water system info: go to start page

To access definitions, click the input name

All volumes to be entered as: ACRE-FEET PER YEAR

Water Supplied Error Adjustments

WATER SUPPLIED

choose entry option:

VOS	Volume from Own Sources:	n	g	n/a	0.000	Acre-ft/Yr				VOSEA
WI	Water Imported:	n	g	4	14,010.000	Acre-ft/Yr	n	g	3	WIEA
WE	Water Exported:	n	g			Acre-ft/Yr				WEEA

percent

WATER SUPPLIED: 14,010.000 Acre-ft/Yr

AUTHORIZED CONSUMPTION

BMAC	Billed Metered:	n	g	9	12,812.169	Acre-ft/Yr				
BUAC	Billed Unmetered:	n	g	n/a		Acre-ft/Yr				
UMAC	Unbilled Metered:	n	g	n/a		Acre-ft/Yr				
UUAC	Unbilled Unmetered:	n	g	3	32.030	Acre-ft/Yr				

choose entry option:

0.25% default

Default option selected for Unbilled Unmetered, with automatic data grading of 3

AUTHORIZED CONSUMPTION: 12,844.199 Acre-ft/Yr

WATER LOSSES

1,165.801 Acre-ft/Yr

Apparent Losses

choose entry option:

Default option selected for Systematic Data Handling Errors, with automatic data grading of 3

SDHE	Systematic Data Handling Errors:	n	g	3	32.030	Acre-ft/Yr	0.25%	default		
CMI	Customer Metering Inaccuracies:	n	g	7	0.000	Acre-ft/Yr		percent		under-registration
UC	Unauthorized Consumption:	n	g	3	32.030	Acre-ft/Yr	0.25%	default		

Default option selected for Unauthorized Consumption, with automatic data grading of 3

Apparent Losses: 64.061 Acre-ft/Yr

Real Losses

Real Losses: 1,101.740 Acre-ft/Yr

WATER LOSSES: 1,165.801 Acre-ft/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 1,197.831 Acre-ft/Yr

SYSTEM DATA

Lm	Length of mains:	n	g	10	343.3	miles	(including fire hydrant lead lengths)
Nc	Number of service connections:	n	g	10	9,180		(active *and* inactive)
	Service connection density:				27	conn./mile main	

Are customer meters typically located at the curbstop/property line? Yes

Lp n g 10

Average length of customer service line has been set to zero and a data grading of 10 has been applied

AOP	Average Operating Pressure:	n	g	9	158.0	psi

COST DATA

CRUC	Customer Retail Unit Charge:	n	g		$5.59		<----Enter units	Total Annual Operating Cost
VPC	Variable Production Cost:	n	g	9	$1,695.95	$/acre-ft		$/yr (optional input)

WATER AUDIT DATA VALIDITY TIER:

Click 'g' for 1 parameter(s), then complete all visible data grading questions to enable the Data Validity Score to calculate

go to dashboard

PRIORITY AREAS FOR ATTENTION TO IMPROVE DATA VALIDITY:

Based on the information provided, audit reliability can be most improved by addressing the following components:

KEY PERFORMANCE INDICATOR TARGETS:

OPTIONAL: If targets exist for the operational performance indicators, they can be input below:

Unit Total Losses:	gal/conn/day
Unit Apparent Losses:	gal/conn/day
Unit Real Losses[A]:	gal/conn/day
Unit Real Losses[B]:	gal/mile/day

If entered above by user, targets will display on KPI gauges (see Dashboard)

Appendix F – CropSWAP Program

CropSWAP

A Regional Program by Rancho Water



CROPSWAP

Sustainable Water for Agricultural Production

CROPSWAP CONCEPT & HISTORY

The CropSWAP program was developed by the Rancho California Water District (Rancho Water/District) in 2016 to address severe drought conditions and a weakening local agricultural economy. The idea for the program was borrowed from the turf replacement programs (i.e. Cash for Grass) available to urban water users and applied to the agricultural sector. At its core, CropSWAP is a program that pays agricultural water users to replace high-water-use crops with lower-water-use varieties in order to improve water use efficiencies and to give local farmers a better chance of turning a profit.

The early version of the program was implemented exclusively within Rancho Water's service area, which consists of about 1,400 small farms and 9,000 irrigated acres. Although CropSWAP started as a local effort, the program has had far-reaching impacts. In addition to giving local farmers an opportunity to increase profitability, the program has effectively decreased water demand pressures on California's State Water Project and the Colorado River for the benefit of water users throughout California and its neighboring states.

CropSWAP empowers farmers to use water more efficiently, fostering a sustainable and resilient agricultural economy.

THE FUTURE OF CROPSWAP – REGIONAL EXPANSION



With the generous support of federal, state, and local representatives, CropSWAP is now available to Rancho Water's neighboring water agencies and conservation districts. In June 2023, the California Department of Water Resources and select regional partners allocated an additional $6.7 million for implementation of a larger regional program. In addition to supporting crop replacement projects, this new and improved program focuses on sustaining the agricultural economy by providing incentives for other types of projects that increase agricultural productivity and efficiency.

PARTNERS

Department of Water Resources, State of California

Rancho Water
WORKING FOR OUR COMMUNITY

City of Oceanside Water Utilities

Rainbow Municipal Water District
Established 1953

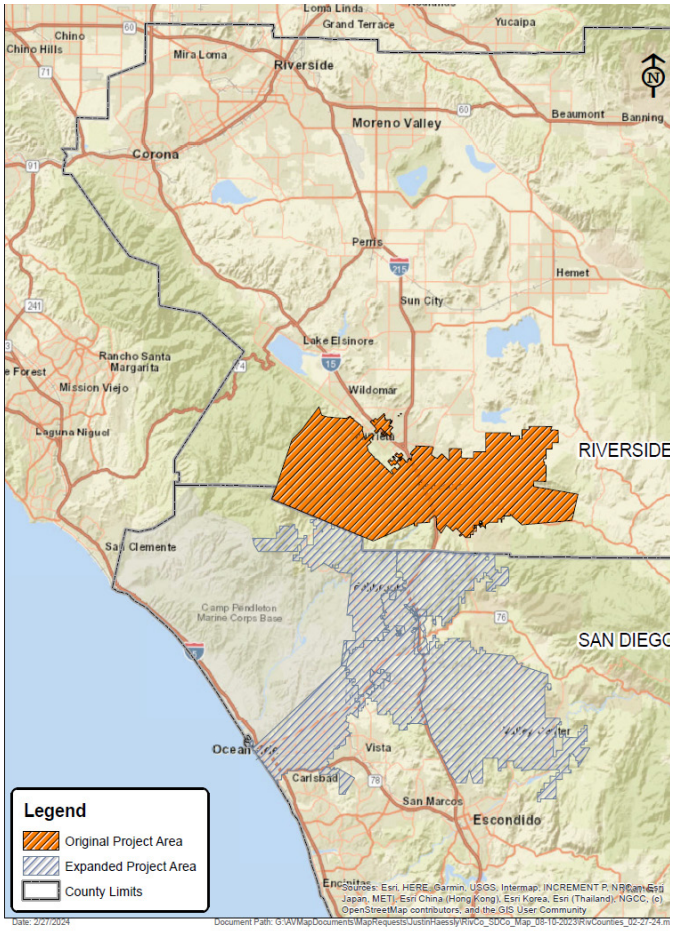
Valley Center Municipal Water District
Water Conservation / A Way of Life

Fallbrook Public Utility District



EXPANDED PROJECT AREA

Agriculture within the Temecula & Murrieta area is a small portion of a larger regional community that extends north into Riverside County and south into San Diego County. With the additional $6.7 million allocated by state and regional project partners for implementation of an expanded CropSWAP program, financial incentives will be made available to more farmers and additional program benefits will be realized over a larger geographic area.



ADDITIONAL PROJECT TYPES

In addition to providing financial incentives for switching to lower-water-use crops, the expanded regional program will help farmers pay for other sustainable agricultural practices.

Original 2016 Program Incentives

- Crop Replacement
- Rootstock Upgrades

Enhanced Regional Program Incentives

- Crop Replacement
- Rootstock Upgrades
- Regenerative Agricultural Best Management Practices
- Irrigation Efficiency Upgrades
- Irrigation Automation
- Wireless Telemetry
- Advanced Water Treatment
- Nutrient Management
- Fertigation

FUNDING REQUIREMENTS

Because it is anticipated that existing funds will be exhausted quickly, the project partners continue to seek additional funding sources for continuing to support the program.

MORE INFORMATION

Learn more about the Regional CropSWAP program by scanning the QR code for a short video.



Appendix G – Ordinance No. 16-10

ORDINANCE NO. 16-10

AN ORDINANCE OF RAINBOW MUNICIPAL WATER DISTRICT ADOPTING A DROUGHT RESPONSE CONSERVATION PROGRAM

Be it ordained by the Board of Directors of Rainbow Municipal Water District as follows;

WHEREAS, article 10, section 2 of the California Constitution declares that waters of the State are to be put to beneficial use, that waste, unreasonable use, or unreasonable method of use of water be prevented, and that water be conserved for the public welfare; and

WHEREAS, conservation of current water supplies and minimization of the effects of water supply shortages that are the result of drought are essential to the public health, safety and welfare; and

WHEREAS, regulation of the time of certain water use, manner of certain water use, design of rates, method of application of water for certain uses, installation and use of water-saving devices, provide an effective and immediately available means of conserving water; and

WHEREAS, California Water Code sections 375 ct seq. authorize water suppliers to adopt and enforce a comprehensive water conservation program; and

WHEREAS, adoption and enforcement of a comprehensive water conservation program will allow the Rainbow Municipal Water District to delay or avoid implementing measures such as water rationing or more restrictive water use regulations pursuant to a declared water shortage emergency as authorized by California Water Code sections 350 et seq.; and

WHEREAS, San Diego County is a semi-arid region and local water resources are scarce. The region is dependent upon imported water supplies provided by the San Diego County Water Authority, which obtains a substantial portion of its supplies from the Metropolitan Water District of Southern California. Because the region is dependent upon imported water supplies, weather and other conditions in other portions of this State and of the Southwestern United States affect the availability of water for use in San Diego County; and

WHEREAS, the San Diego County Water Authority has adopted an Urban Water Management Plan that includes water conservation as a necessary and effective component of the Water Authority's programs to provide a reliable supply of water to meet the needs of the Water Authority's 24 member public agencies, including the Rainbow Municipal Water District. The Water Authority's Urban Water Management Plan also includes a contingency analysis of actions to be taken in response to water supply shortages. This ordinance is consistent with the Water Authority's Urban Water Management Plan; and

WHEREAS, as anticipated by its Urban Water Management Plan, the San Diego County Water Authority, in cooperation and consultation with its member public agencies, has adopted a Drought Management Plan, which establishes a progressive program for responding to water

supply limitations resulting from drought conditions. This ordinance is intended to be consistent with and to implement the Water Authority's Drought Management Plan; and

WHEREAS, the Water Authority's Drought Management Plan contains three stages containing regional actions to be taken to lessen or avoid supply shortages. This ordinance contains drought response levels that correspond with the Drought Management Plan stages; and

WHEREAS, the Rainbow Municipal Water District, due to the geographic and climatic conditions within its territory and its dependence upon water imported and provided by the San Diego County Water Authority, may experience shortages due to drought conditions, regulatory restrictions enacted upon imported supplies and other factors. The Rainbow Municipal Water District has adopted an Urban Water Management Plan that includes water conservation as a necessary and effective component of its programs to provide a reliable supply of water to meet the needs of the public within its service territory. The Rainbow Municipal Water District Urban Water Management Plan also includes a contingency analysis of actions to be taken in response to water supply shortages. This ordinance is consistent with the Urban Water Management Plan adopted by the Rainbow Municipal Water District; and

WHEREAS, the Governor of California issued an Executive Order on May 9, 2016 revising certain water use restrictions and conservation targets for water utilities, and

WHEREAS, the State Water Resources Control Board adopted revised emergency regulations implementing the Governor's Executive Order on May 18, 2016, and

WHEREAS, the revised emergency regulations contain certain mandatory end-user restrictions on water use that prohibit certain practices, and

WHEREAS, the water conservation measures and progressive restrictions on water use and method of use identified by this ordinance provide certainty to water users and enable Rainbow Municipal Water District to control water use, provide water supplies, and plan and implement water management measures in a fair and orderly manner for the benefit of the public.

NOW, THEREFORE, the Board of Directors of Rainbow Municipal Water District does ordain as follows:

SECTION 1.0 DECLARATION OF NECESSITY AND INTENT

(a) This ordinance establishes water management requirements necessary to conserve water, enable effective water supply planning, assure reasonable and beneficial use of water, prevent waste of water, prevent unreasonable use of water, prevent unreasonable method of use of water within the Rainbow Municipal Water District (RMWD) in order to assure adequate supplies of water to meet the needs of the public, and further the public health, safety, and welfare, recognizing that water is a scarce natural resource that requires careful management not only in times of drought, but at all times.

(b) This ordinance establishes regulations to be implemented during times of declared water shortages, or declared water shortage emergencies. It establishes four levels of drought response actions to be implemented in times of shortage, with increasing restrictions on water use in response to worsening drought conditions and decreasing available supplies.

(c) Level 1 condition drought response measures include certain mandatory end user water use restrictions and will be reinforced through local and regional public education and awareness measures that may be funded in part by RMWD. During drought response condition Levels 2 through 4, all conservation measures and water-use restrictions are mandatory and become increasingly restrictive in order to attain escalating conservation goals.

(d) During a Drought Response Level 2 condition or higher, the water conservation measures and water use restrictions established by this ordinance are mandatory and violations are subject to criminal, civil, and administrative penalties and remedies specified in this ordinance and as provided in RMWD Administrative or Municipal Code.

SECTION 2.0 DEFINITIONS

(a) The following words and phrases whenever used in this chapter shall have the meaning defined in this section:

1. "Grower" refers to those engaged in the growing or raising, in conformity with recognized practices of husbandry, for the purpose of commerce, trade, or industry, or for use by public educational or correctional institutions, of agricultural, horticultural or floricultural products, and produced: (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption or for the market. "Grower" does not refer to customers who purchase water subject to the Metropolitan Interim Agricultural Water Program or the Water Authority Special Agricultural Rate programs.

2. "Water Authority" means the San Diego County Water Authority.

3. "DMP" means the Water Authority's Drought Management Plan in existence on the effective date of this ordinance and as readopted or amended from time to time, or an equivalent plan of the Water Authority to manage or allocate supplies during shortages.

4. "Metropolitan" means the Metropolitan Water District of Southern California.

5. "Person" means any natural person, corporation, public or private entity, public or private association, public or private agency, government agency or institution, school district, college, university, or any other user of water provided by the RMWD.

SECTION 3.0 APPLICATION

(a) The provisions of this ordinance apply to any person in the use of any water provided by the RMWD.

(b) This ordinance is intended solely to further the conservation of water. It is not intended to implement any provision of federal, State, or local statutes, ordinances, or regulations relating to protection of water quality or control of drainage or runoff. Refer to the local jurisdiction or Regional Water Quality Control Board for information on any stormwater ordinances and stormwater management plans.

(c) Nothing in this ordinance is intended to affect or limit the ability of the RMWD to declare and respond to an emergency, including an emergency that affects the ability of the RMWD to supply water.

(d) Notwithstanding any other section of this ordinance, the restrictions imposed upon the use of water herein do not apply to use of water from private wells or to recycled water.

(e) Nothing in this ordinance shall apply to use of water that is subject to a special supply program, such as the Water Authority Transitional Special Agricultural Water (TSAWR) Rate program, except as may be specified in that program. For instance, the water reductions contained in this ordinance shall not be in addition to any mandatory reductions which may apply to a participant in the TSAWR, unless expressly stated in the TSAWR. Violations of the conditions of special supply programs are subject to the penalties established under the applicable program. A person using water subject to a special supply program and other water provided by the RMWD is subject to this ordinance in the use of the other water.

SECTION 4.0 DROUGHT RESPONSE LEVEL 1 — DROUGHT WATCH CONDITION

(a) A Drought Response Level 1 condition is also referred to as a "Drought Watch" condition. A Level 1 condition applies when the Water Authority notifies its member agencies that due to drought or other supply reductions, there is a reasonable probability there will be supply shortages and that a consumer demand reduction is required in order to ensure that sufficient supplies will be available to meet anticipated demands. A Drought Response Level 1 condition will also apply if the State Water Resources Control Board adopts regulations that place restrictions on certain end user water use. The General Manager shall declare the existence of a Drought Response Level 1 and take action to implement the Level 1 conservation practices identified in this ordinance.

(b) During a Level 1 Drought Watch condition, RMWD will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement water conservation practices. In accordance with the State Water Resources Control Board regulations, the following end-user practices are prohibited:

(1) The application of potable water to outdoor landscapes in a manner that causes excessive runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots or structures.

(2) The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.

(3) The application of potable water to driveways and sidewalks.

(4) The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system.

(5) The application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall.

(6) The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased.

(7) The irrigation with potable water of ornamental turf on public street medians.

(8) The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development.

(c) During a Drought Response Level 2 condition or higher, all persons shall be required to implement the conservation practices established in a Drought Response Level 1 condition.

SECTION 5.0 DROUGHT RESPONSE LEVEL 2 — DROUGHT ALERT CONDITION

(a) A Drought Response Level 2 condition is also referred to as a "Drought Alert" condition. A Level 2 condition may apply when the Water Authority notifies its member agencies that due to cutbacks caused by drought or other reduction in supplies, a consumer[1] demand reduction is required in order to have sufficient supplies available to meet anticipated demands. The RMWD Board of Directors shall consider the Water Authority declaration of a "Drought Alert" condition, and may declare the existence of a Drought Response Level 2 condition and direct the General Manager to implement the mandatory Level 2 conservation measures identified in this ordinance. The RMWD Board of Directors may make a determination to enter or exit the Drought Response Level 2 stage depending on a variety of factors, including but not limited to local water availability, RMWD's ability to meet their allocation supply, and/or the financial impact of implementation on RMWD.

'Also referred to as Municipal or Industrial (M&I) water user.

(b) All persons using RMWD water shall comply with Level 1 Drought Watch water conservation practices during a Level 2 Drought Alert, and shall also comply with the following additional conservation measures:

1. Limit residential and commercial landscape irrigation to no more than two (2) assigned days per week on a schedule established by the General Manager and posted by the RMWD. This section shall not apply to commercial growers or nurseries.

2. Limit lawn watering and landscape irrigation using sprinklers to no more than ten (10) minutes per watering station per assigned day. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems and stream rotor sprinklers.

a. Operating irrigation systems in a manner that allows water to run off the property is defined as water waste. In cases where irrigating for 10 minutes per station will result in water runoff due to the inability of the soil or landscape materials to absorb that amount of water, customers shall alter their watering schedules to prevent such runoff. The customcr shall modify the schedules to prevent runoff but shall ensure that the total reduction in irrigation is equivalent to the two day per week watering schedule. Customers may adjust their schedules to water on more than two days per week so long as the equivalent reduction in irrigation is achieved.

3. Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system governed by section 5 (b) (l), on the same schedule set forth in section 5 (b) (1) by using a bucket, hand-held hose with positive shut-off nozzle, or low-volume non-spray irrigation.

4. Repair all leaks within seventy-two (72) hours of notification by the RMWD unless other arrangements are made with the General Manager.

5. No application of potable water to outdoor landscapes is allowed during and within 48 hours of measureable rainfall.

SECTION 6.0 DROUGHT RESPONSE LEVEL 3 — DROUGHT CRITICAL CONDITION

(a) A Drought Response Level 3 condition is also referred to as a "Drought Critical" condition. A Level 3 condition applies when the Water Authority notifies its member agencies that due to increasing cutbacks caused by drought or other reduction of supplies, a consumer demand reduction is required in order to have sufficient supplies available to meet anticipated demands. The RMWD Board of Directors shall declare the existence of a Drought Response Level 3 condition and implement the Level 3 conservation measures identified in this ordinance.

(b) All persons using RMWD water shall comply with Level 1 Drought Watch and Level 2 Drought Alert water conservation practices during a Level 3 Drought Critical condition and shall also comply with the following additional mandatory conservation measures:

1. Limit residential and commercial landscape irrigation to no more than two (2) assigned days per week on a schedule established by the General Manager and posted by the RMWD. During the months of November through May, landscape irrigation is limited to no more than once per week on a schedule established by the General Manager and posted by the RMWD. This section shall not apply to commercial growers or nurseries.

2. Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system governed by section 6 (b) (1), on the same schedule set forth in section 6 (b) (1) by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation.

3. Stop filling or re-filling swimming pools, spas, ornamental fountains, lakes ponds or other water features, except to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a drought response level under this ordinance.

4. Stop washing vehicles except at commercial carwashes that re-circulate water, or by high pressure/low volume wash systems.

5. Repair all leaks within forty-eight (48) hours of notification by the RMWD unless other arrangements are made with the General Manager.

(c) Upon the declaration of a Drought Response Level 3 condition, no new potable water service shall be provided, no new temporary meters or permanent meters shall be provided, and no statements of immediate ability to serve or provide potable water service (such as, will serve letters, certificates, or letters of availability) shall be issued, except under the following circumstances:

1. A valid, unexpired building permit has already been issued for the project; or

2. In the opinion of the RMWD Board of Directors the project is necessary to protect the public's health, safety, and welfare; or

3. The applicant provides substantial evidence of an enforceable binding commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of RMWD.

This provision shall not be construed to preclude the resetting or turn-on of meters to provide continuation of water service or to restore service that has been interrupted **for a period of one**

year or less, provided that such period shall in no event commence before the effective date of this ordinance.

(d) Upon the declaration of a Drought Response Level 3 condition, RMWD will suspend consideration of annexations to its service area until such time that the Drought Response Level 2 is decreased to a Drought Response Level 1 condition or lower.

(e) The RMWD may establish a water allocation for any property served by the RMWD using a method that does not penalize persons for previous implementation of conservation methods or the installation of water saving devices. The decision to establish a water allocation and the method utilized to determine the amount of the allocation shall be at the sole discretion of RMWD.

SECTION 7.0 DROUGHT RESPONSE LEVEL 4 — DROUGHT EMERGENCY CONDITION

(a) A Drought Response Level 4 condition is also referred to as a "Drought Emergency" condition. A Level 4 condition applies when the Water Authority Board of Directors declares a water shortage emergency pursuant to California Water Code section 350 and notifies its member agencies that Level 4 requires a demand reduction in order for the RMWD to have maximum supplies available to meet anticipated demands. The RMWD Board of Directors shall declarc a Drought Emergency in the manner and on the grounds provided in California Water Code section 350.

(b) All persons using RMWD water shall comply with conservation measures required during Level 1 Drought Watch, Level 2 Drought Alert, and Level 3 Drought Critical conditions and shall also comply with the following additional mandatory conservation measures:

(1) Stop all landscape irrigation, except crops and landscape products of commercial growers and nurseries. This restriction shall not apply to the following categories of use unless the RMWD has determined that recycled water is available and may be lawfully applied to the use:

A. Maintenance of trees and shrubs that are watered on the same schedule set forth in section 6 (b) (1) by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation;

B. Maintenance of existing landscaping necessary for fire protection as specified by the Fire Marshal of the local fire protection agency having jurisdiction over the property to be irrigated;

C. Maintenance of existing landscaping for erosion control;

D. Maintenance of plant materials identified to be rare or essential to the well being of rare animals;

E. Maintenance of landscaping within active public facilities, including parks and playing fields, day care centers, school grounds, cemeteries, and golf course greens, provided that such irrigation does not exceed two (2) days per week according to the schedule established under section 6 (b) (1);

F. Watering of livestock; and

G. Public works projects and actively irrigated environmental mitigation projects.

2. Repair all water leaks within twenty-four (24) hours of notification by the RMWD unless other arrangements are made with the General Manager.

(c) The RMWD may establish a water allocation for any property served by the RMWD using a method that does not penaliz.e persons for previous implementation of conservation methods or the installation of water saving devices. The decision to establish a water allocation and the method utilized to determine the amount of the allocation shall be at the sole discretion of RMWD.

SECTION 8.0 CORRELATION BETWEEN DROUGHT MANAGEMENT PLAN **AND DROU€IHT RESPONSE LEVELS**

(a) The correlation between the Water Authority's DMP stages and the RMWD's drought response levels identified in this ordinance is described herein. Under DMP Stage 1, the RMWD would implement Drought Response Level 1 actions. Under DMP Stage 2, the RMWD would implement Drought Response Level 1 or Level 2 actions. Under DMP Stage 3, the RMWD would implement Drought Response Level 2, Level 3, or Level 4 actions.

(b) the drought response levels identified in this ordinance correspond with the Water Authority DMP as identified in the following table:

Drought Response Levels	Use Restrictions	Conservation Target	DMP Stage
1 - Drought Watch	Voluntary	0% to 10%	Stage 1 or 2
2 - Drought Alert	Mandatory	Up to 20%	Stage 2 or 3
3 - Drought Critical	Mandatory	>20 to 40%	Stage 3
4 - Drought Emergency	Mandatory	Above 40%	Stage 3

SECTION 9.0 PROCEDURES FOR **DETERMINATION AND NOTICATION OF DROUGHT RESPONSE LEVEL**

(a) The existence of a Drought Response Level 1 condition may be declared by the General Manager upon a written determination of the existence of the facts and circumstances supporting the determination. A copy of the written determination shall be filed with the Clerk or Secretary of the RMWD and provided to the RMWD Board of Directors. The General Manager may publish a notice of the determination of existence of Drought Response Level 1

condition in one or more newspapers, including a newspaper of general circulation within the RMWD. The RMWD may also post notice of the condition on their website.

(b) The existence of Drought Response Level 2 or Level 3 conditions may be declared by resolution of the RMWD Board of Directors adopted at a regular or special public meeting held in accordance with State law. The mandatory conservation measures applicable to Drought Response Level 2 or Level 3 conditions shall take effect on the tenth (10) day after the date the response level is declared. Within five (5) days following the declaration of the response level, or as soon thereafter as reasonably practicable, the RMWD shall publish a copy of the resolution in a newspaper used for publication of official notices.

(c) The existence of a Drought Response Level 4 condition may be declared in accordance with the procedures specified in California Water Code sections 351 and 352. The mandatory conservation measures applicable to Drought Response Level 4 conditions shall take effect on the tenth (10) day after the date the response level is declared. Within five (5) days following the declaration of the response level, or as soon thereafter as reasonably practicable, the RMWD shall publish a copy of the resolution in a newspaper used for publication of official notices. If the RMWD establishes a water allocation, it shall provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the RMWD customarily mails the billing statement for fees or charges for on-going water ser›°ice. Water allocation shall be effective on the fifth (5) day following the date of mailing or at such later date as specified in the notice.

(d) the RMWD Board of Directors may declare an end to a Drought Responsc Level by the adoption of a resolution at any regular or special meeting held in accordance with State law.

SECTION 10.0 HARDSHIP VARIANCE

(a) If, due to unique circumstances, a specific requirement of this ordinance would result in undue hardship to a person using agency water or to property upon which agency water is used, that is disproportionate to the impacts to RMWD water users generally or to similar property or classes of water uses, then the person may apply for a variance to the requirements as provided in this section.

(b) The variance may be granted or conditionally granted, only upon a written finding of the existence of facts demonstrating an undue hardship to a person using agency water or to property upon with agency water is used, that is disproportionate to the impacts to RMWD water users generally or to similar property or classes of water use due to specific and unique circumstances of the user or the user's property.

1. Application. Application for a variance shall be a form prescribed by RMWD and shall be accompanied by a non-refundable processing fee in an amount set by resolution of the RMWD Board of Directors.

2. Supporting Documentation. The application shall be accompanied by photographs, maps, drawings, and other information, including a written statement of the applicant.

3. Required Findings for Variance. An application for a variance shall be denied unless the approving authority finds, based on the information provided in the application, supporting documents, or such additional information as may be requested, and on water use information for the property as shown by the records of the RMWD, all of the following:

A. That the variance does not constitute a grant of special privilege inconsistent with the limitations upon other RMWD customers.

B. That because of special circumstances applicable to the property or its use, the strict application of this ordinance would have a disproportionate impact on the property or use that exceeds the impacts to customers generally.

C. That the authorizing of such variance will not be of substantial detriment to adjacent properties, and will not materially affect the ability of the RMWD to effectuate the purpose of this chapter and will not be detrimental to the public interest.

D. That the condition or situation of the subject property or the intended use of the property for which the variance is sought is not common, recurrent or general in nature.

4. Approval Authority. The General Manager shall exercise approval authority and act upon any completed application no later than 30 days after submittal and may approve, conditionally approve, or deny the variance. The applicant requesting the variance shall be promptly notified in writing of any action taken. Unless specified otherwise at the time a variance is approved, the variance applies to the subject property during the term of the mandatory drought response.

(c) Appeals to RMWD Board of Directors. An applicant may appeal a decision or condition of the General Manager on a variance application to the being mailed to the applicant. The appeal must be in the form of a written request for a hearing, and shall state the grounds for the appeal. At a public meeting, the RMWD Board of Directors shall act as the approval authority and review the appeal de novo by following the regular variance procedure. The decision of the RMWD Board of Directors is final.

SECTION 11.0 VIOLATIONS AND PENALTIES

(a) Any person, who uses, causes to be used, or permits the use of water in violation of this ordinance is guilty of an offense punishable as provided herein.

(b) Each day that a violation of this ordinance occurs is a separate offense.

(c) Administrative fines may be levied for each violation of a provision of this ordinance as follows:

1. One hundred dollars for a first violation.
2. Two hundred dollars for a second violation of any provision of this ordinance within one year from occurrence of the first violation.
3. Five hundred dollars for each additional violation of this ordinance within one year of the first violation.

(d) Violation of a provision of this ordinance is subject to enforcement through installation of a flow-restricting device in the meter.

(e) Each violation of this ordinance may be prosecuted as a misdemeanor punishable by imprisonment in the county jail for not more than thirty (30) days or by a fine not exceeding
$1,000, or by both as provided in Water Code section 377.

(I) Willful violations of the mandatory conservation measures and water use restrictions as set forth in Section 7.0 and applicable during a Level 4 Drought Emergency condition may be enforced by discontinuing service to the property at which the violation occurs as provided by Water Code section 356.

(g) All remedies provided for herein shall be cumulative and not exclusive.

SECTION 12.0 EFFECTIVE DATE

This ordinance is effective immediately upon adoption or as otherwise established by State law for RMWD.

PASSED, APPROVED AND ADOPTED this 28th day of June 2016, by the following vote:

AYES: Directors Bigley, Brazier, Sanford, and Walker
NOES: None
ABSTAIN: None
ABSENT: Director Stewart

Denn side

ATTEST:

Dawn Washburn, Board Secretary

Appendix H – Ordinance 23-04 and 2023 Rate Study

ORDINANCE NO. 23-04

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

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

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

WHEREAS, on or around December 2022, the District retained IB Consulting ("IB"), an industry-leading third party rate and fee public finance consultant, to perform a full financial plan, cost of service study, and assist the district in updating rates that support and optimize a blend of various utility objectives, such as affordability for essential needs, revenue sufficiency and stability, drought conditions, and ease of implementation, as well as ensure compliance with California Constitution Article XIII D, section 6 ("Proposition 218"); and

WHEREAS, between December 2022 and June 2023, the District held a series of meetings with staff and the District Budget and Finance Committee to discuss the IB study and details regarding the proposed water and wastewater increases, which meetings were publicly noticed and open to the public; and

WHEREAS, the District Board of Directors reviewed and heard presentations on the proposed rate changes at a regular board meeting on April 25, 2023 and were presented with IB's updated Financial Plan, which remains available to the public on RMWD's website; and

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

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

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

WHEREAS, the District did provide such timely Notice of the Public Hearing to the affected property owners and tenants of the proposed water and wastewater service rate increases in compliance with Proposition 218 on or before May 13, 2023, and the District's Notice set forth a procedure by which property owners and tenants may submit written protests to the proposed water and wastewater service fee increase; and

WHEREAS, the Public Hearing was held at the duly noticed public meeting on June 27, 2023; and

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

WHEREAS, the water rates will be adjusted effective with all bills issued for service that occurs on or after July 1, 2023.

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

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

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

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

a) The revenues derived from the service rates do not exceed the funds required to provide services;
b) The revenues derived from the service rates will not be used for any purpose other than that for which the fee is being imposed;
c) The service rates do not exceed the proportional cost of the services attributable to each parcel upon which they are imposed;
d) The service rates will not be imposed on a parcel unless the services are actually used by, or immediately available to, the owner of the parcel; and

e) The service rates will not be imposed for general governmental services, such as police, fire, ambulance, or libraries, where service is available to the public in substantially the same manner as it is to property owners and tenants.

SECTION 4: Effective July 1, 2023, the District Board of Directors hereby adopts and implements the rates for the District's water services as set forth in the "Revised Appendix A" attached hereto as **Exhibit 1**, entitled "Water and Sewer Rates and Charges – Effective July 1, 2023". Exhibit 1 hereby replaces in its entirety former Appendix A to the District Rules and Regulations. The rates and charges set forth in Exhibit 1 shall be applicable to all water use and other charges billed on or after July 1, 2023.

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

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

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

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

SECTION 6: The District Board of Directors hereby authorizes and directs the District General Manager to (a) implement and take all actions necessary to effectuate the rates for services as set forth herein and in Exhibit 1; as of July 1, 2023, to include the Pass Through Increases set forth herein and in Exhibit 1; and (c) file a Notice of Exemption with the County Clerk for San Diego County within five (5) working days of the date of the adoption of this Ordinance.

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

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

SECTION 9: This Ordinance amends Ordinance 21-03 dated September 1, 2021 as of July 1, 2023; the rates prescribed by Ordinance 21-03 shall remain in effect through June 30, 2023.

PASSED AND ADOPTED at a meeting of the Board of Directors of Rainbow Municipal Water District held on the 27th day of June 2023 by the following roll call vote:

AYES:	Directors Gasca, Hamilton, Johnson, Mack, and Townsend-Smith
NOES:	None
ABSTAIN:	None
ABSENT:	None

Hayden Hamilton, Board President

ATTEST:

Dawn Washburn, Board Secretary

RAINBOW MUNICIPAL WATER DISTRICT

Appendix A

Water and Sewer Rates and Charges

EFFECTIVE July 1, 2023
Adopted by Ordinance No. 23-04

WATER VARIABLE RATES

A. BASIC WATER VARIABLE RATE

Basic rate for all water delivered through the water meter
1 Unit = 748 Gallons = 100 cubic feet (cf)
Permanent Special Agricultural Water Rates (PSAWR)
Single Family Residential (SFR), Multifamily Residential (MFR), Commercial (COM), Institutional (INST)

Customer Class	FY 2024 ($/Unit)	FY 2025 ($/Unit)	FY 2026 ($/Unit)	FY 2027 ($/Unit)	FY 2028 ($/Unit)
SFR, MFR, COM, INST	$5.53	$6.03	$6.58	$7.18	$7.83
Agriculture	$4.53	$4.94	$5.39	$5.88	$6.41
PSAWR Domestic					
Tier 1 (1-22 Units)	$4.53	$4.94	$5.39	$5.88	$6.41
Tier 2 (22+Units)	$4.00	$4.36	$4.76	$5.19	$5.66
PSAWR Commercial	$4.00	$4.36	$4.76	$5.19	$5.66

B. WATER PUMPING ZONE CHARGES

Pumping Zone	FY 2024 ($/HCF)	FY 2025 ($/HCF)	FY 2026 ($/HCF)	FY 2027 ($/HCF)	FY 2028 ($/HCF)
Pump Zone 1 Rainbow Heights	$2.60	$2.84	$3.10	$3.38	$3.69
Pump Zone 2 Imp District U-1	$1.39	$1.52	$1.66	$1.81	$1.98
Pump Zone 3 Vallecitos	$0.26	$0.29	$0.32	$0.35	$0.39
Pump Zone 4 Northside	$0.13	$0.15	$0.17	$0.19	$0.21
Pump Zone 5 Morro Tank	$0.35	$0.39	$0.43	$0.47	$0.52
Pump Zone 6 Huntley	$1.40	$1.53	$1.67	$1.83	$2.00
Pump Zone 7 Magee Tank	$0.71	$0.78	$0.86	$0.94	$1.03
Monthly Fixed Charge for all Pumping Zones	$8.39	$9.15	$9.98	$10.88	$11.86

Future year rate increase for RMWD effective July 1, 2024, 2025, 2026, & 2027 will be a maximum revenue adjustment of 9% per year in addition to any pass through increases.

C. WATER ALLOCATION PENALTY RATES

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

WATER FIXED ACCOUNT CHARGES

A. METER SERVICES CHARGES

Single Family Residential (SFR), Multifamily Residential (MFR), Commercial (COM), Institutional (INST)

Monthly Fixed Charges

SFR, MFR, COM, INST

Capacity Class	Meter Size	FY 2024 ($/Month)	FY 2025 ($/Month)	FY 2026 ($/Month)	FY 2027 ($/Month)	FY 2028 ($/Month)
A	5/8"	$89.59	$97.66	$106.45	$116.04	$126.49
B	3/4"	$89.59	$97.66	$106.45	$116.04	$126.49
C	1"	$145.42	$158.52	$172.79	$188.35	$205.31
D	1 1/2"	$285.01	$310.66	$338.62	$369.10	$402.32
E	2"	$452.51	$493.24	$537.64	$586.03	$638.78
F	3"	$982.92	$1,071.39	$1,167.82	$1,272.93	$1,387.50
G	4"	$1,764.59	$1,923.41	$2,096.52	$2,285.21	$2,490.88
H	6"	$3,635.01	$3,962.16	$4,318.76	$4,707.45	$5,131.13

Agriculture w/ Residence, Agriculture

Capacity Class	Meter Size	FY 2024 ($/Month)	FY 2025 ($/Month)	FY 2026 ($/Month)	FY 2027 ($/Month)	FY 2028 ($/Month)
A	5/8"	$142.17	$154.97	$168.92	$184.13	$200.71
B	3/4"	$142.17	$154.97	$168.92	$184.13	$200.71
C	1"	$233.06	$254.04	$276.91	$301.84	$329.01
D	1 1/2"	$460.27	$501.70	$546.86	$596.08	$649.73
E	2"	$732.93	$798.90	$870.81	$949.19	$1,034.62
F	3"	$1,596.36	$1,740.03	$1,896.64	$2,067.34	$2,253.41
G	4"	$2,868.77	$3,126.96	$3,408.39	$3,715.15	$4,049.52
H	6"	$5,913.47	$6,445.69	$7,025.81	$7,658.14	$8,347.38

PSAWR Domestic, PSAWR Commercial

Capacity Class	Meter Size	FY 2024 ($/Month)	FY 2025 ($/Month)	FY 2026 ($/Month)	FY 2027 ($/Month)	FY 2028 ($/Month)
A	5/8"	$127.47	$138.95	$151.46	$165.10	$179.96
B	3/4"	$127.47	$138.95	$151.46	$165.10	$179.96
C	1"	$208.56	$227.33	$247.79	$270.10	$294.41
D	1 1/2"	$411.27	$448.29	$488.64	$532.62	$580.56
E	2"	$654.53	$713.45	$777.67	$847.67	$923.97
F	3"	$1,424.86	$1,553.10	$1,692.88	$1,845.24	$2,011.32
G	4"	$2,560.07	$2,790.48	$3,041.63	$3,315.38	$3,613.77
H	6"	$5,276.47	$5,751.36	$6,268.99	$6,833.20	$7,448.19

Future year rate increase for RMWD effective July 1, 2024, 2025, 2026, & 2027 will be a maximum revenue adjustment of 9% per year in addition to any pass through increases.

B. OTHER FIXED ACCOUNT CHARGES

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

Backflow Test Fee

Backflow preventers are required by State Law for properties that meet certain criteria, such as having agricultural uses, onsite wells, or other water supplies, or pumping systems downstream of the meter. Its sole job is to prevent drinking water from being contaminated due to backflow.

State Law requires all backflow devices must be tested annually to ensure they are functioning properly. The district provides this service to our customers in a cost-effective manner.

Backflow device annual testing is charged as a monthly fee:

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

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

MISCELLANEOUS CHARGES

A. CONSTRUCTION METERS

Deposit	$1,825.00
Installation Fee	$115.00
Relocation Fee	$50.00
Meter Service Fee (3" O & M)	$438.55
Water Commodity Charge	$5.53/100 cf

B. OTHER CHARGES

Unpaid Bills (delinquency)	5% of unpaid balance-1st month 1.5% of unpaid balance per month thereafter.
Returned Check Charge	$30.00
Tax Roll Fee (Accounts collected through SD County Assessor's Office)	$45.00
48-hour Lock Off Notice	$40.00
Service Turn-on Fee	$50.00
After hours Turn-on-Fee	$75.00
Cut Padlock Fee	$22.00
Meter Testing Charge (testing for 3" and greater is outsourced)	$50.00 (1" or smaller) $71.00 (1 1/2" or 2") $225.00 (3" or 4") $225.00 (6")

WATER CAPACITY CHARGES

The SDCWA new meter fee is collected by RMWD forwarded quarterly to the SDCWA.
Capacity fees list are for **residential only**, all other land use types will be calculated case by case based on the number of EDUs (equivalent dwelling unit).

Water Capacity Fees

Class	Meter Size	Max CF/month	Material	RMWD Capacity	SDCWA Capacity	SDCWA Treatment	Inspection Deposit	Total
A	5/8"	30	$ 228	$ 6,241	$ 5,328	$ 149	$ 1,100	**$ 13,046**
B	3/4"	50	$ 267	$ 10,401	$ 5,328	$ 149	$ 1,100	**$ 17,245**
C	1"	80	$ 355	$ 16,642	$ 8,525	$ 238	$ 1,100	**$ 26,860**
D	1 1/2"	130	$ 693	$ 27,043	$ 15,984	$ 447	$ 1,100	**$ 45,267**
E	2"	300	$ 693	$ 62,406	$ 27,706	$ 775	$ 1,100	**$ 92,680**
F	3"	600	$ 1,826	$ 124,812	$ 51,149	$ 1,430	$ 1,100	**$ 180,317**
G	4"	1,000	$ 2,288	$ 208,020	$ 87,379	$ 2,443	$ 1,100	**$ 301,230**

- For capacity class A, lot sizes must be less than 5,000 sqft. (0.11 acres) with irrigation area less than 1,000 sqft.
- Lot size less than 21,780 sqft (0.5 acres) may qualify for a 3/4 inch meter.
- To qualify for a downsize, usage must be within the Max CF/month for the desired meter size for the most current 12-month average.
- For cases where demand qualifies for a smaller capacity meter but requires a larger meter to meet fire flow requirements only, a meter one size larger may be installed, and a monthly fire standby charge will be assessed. Written confirmation from the fire department is required.
- Downsizing from a 1 inch to a 3/4 inch requires written approval by the fire department if the structure is required to have fire sprinklers.

WASTEWATER CHARGES

A. MONTHLY SERVICE CHARGE PER EQUIVALENT DWELLING UNIT (EDU)

Customer Class	FY 2024 ($/EDU)	FY 2025 ($/EDU)	FY 2026 ($/EDU)	FY 2027 ($/EDU)	FY 2028 ($/EDU)
All Customer Classes	$66.57	$75.23	$85.01	$96.07	$108.56

Future year rate increase for RMWD effective July 1, 2024, 2025, 2026, & 2027 will be a maximum revenue adjustment of 13% per year in addition to any pass through increases.

B. EDU description and basis for Wastewater Capacity Charges

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

Square Footage	
≤1,250	0.8 EDU
1,251 to 2,000	1.0 EDU
2,001 to 3,000	1.2 EDU
3,001 to 4,500	1.5 EDU
4,501 to 6,000	2.0 EDU
>6,000	Case by Case

Motel or Hotel	
Each Living Unit with Kitchen	0.8 EDU
Each Living Unit without Kitchen	0.4 EDU
Commercial Business - Retail shop or Offices	
• Equipped with Restroom, Up to 1,000 sf.	1.2 EDU
Commercial Business – Each additional 1,000 sf.	
• of gross floor space or part thereof.	0.8 EDU
Automobile Service Stations	
• Providing RV holding tank disposal station	2.0 EDU
• Four (4) or under Gas Pumps	0.8 EDU
• Over four (4) Gas Pumps	1.0 EDU
Church, Fraternal Lodge or similar Auditorium	1.0 EDU
Each unit of seating capacity for 200 persons	
Bakery	1.0 EDU
Theater - 200 seating capacity	1.4 EDU
Hospital - per bed	0.4 EDU
Convalescent Hospital - Boarding Home - per bed	0.4 EDU
Labor Camp, Per Bed	0.1 EDU
Mortuary	1.2 EDU
Car Wash	1.2 EDU
Grocery Store	1.2 EDU
Self Service Laundry - each washing machine	0.4 EDU
Swimming Pool - with restrooms	1.2 EDU
Spas - with restrooms	1.2 EDU
Country Clubs with common restroom facilities	1.2 EDU
Each additional shower unit, wash closet and/or fixture	
Restaurant – Base (Using non-disposable tableware	2.7 EDU
Per each seven (7) seats or part thereof	1.2 EDU
Restaurants—Base (Using disposable tableware)	1.2 EDU
Per each twenty-one (21) seats or part thereof	1.2 EDU

Schools (Public or Private)

- Elementary — Per each 60 students — 1.2 EDU
- Junior High School — Per each 40 students — 1.2 EDU
- High School — Per each 30 students — 1.2 EDU

Theatre – 200 Seating Capacity — 1.4 EDU

C. WASTEWATER CAPACITY CHARGES

EDU	Land Use Factor	Living Area (SqFt)	Expansion	Upgrade	Treatment	Inspection Deposit	Total
0.8	House	≤1,250	$ 8,912	$ 1,677	$ 712	$ 1,100	**$ 12,401**
1	House	1,251 to 2,000	$ 11,140	$ 2,096	$ 890	$ 1,100	**$ 15,226**
1.2	House	2,001 to 3,000	$ 13,368	$ 2,515	$ 1,068	$ 1,100	**$ 18,051**
1.5	House	3,001 to 4,500	$ 16,710	$ 3,144	$ 1,335	$ 1,100	**$ 22,289**
2	House	4,501 to 6,000	$ 22,280	$ 4,192	$ 1,780	$ 1,100	**$ 29,352**
	House	≥6,001	Case by Case				

PROSPECTIVE ANNUAL RATE INCREASES VIA PASS THROUGH CHARGES

To avoid operational deficits, depletion of reserves, an inability to address infrastructure and water quality improvements, and to continue to provide a safe, reliable water supply, the District will pass through to its customers: (1) any increases in the rates of the SDCWA Charges imposed on the District by SDCWA ("SDCWA Pass Through"); (2) any future charges and any rate increases to any other existing charges, including imported water charges, that are imposed on the District by SDCWA (a "SDCWA Pass Through"); (3) any incremental increases in the cost of energy; (4) increases in the cost of wastewater treatment by the City of Oceanside: The foregoing are collectively referred to in this ordinance as "Pass Through Increases."

The District may annually implement the Pass Through Increases commencing January 1, 2024, 2025, 2026, 2027, & 2028.

Public Hearing
June 27, 2023

Comprehensive Cost-of-Service Rate Study

RAINBOW
MUNICIPAL WATER DISTRICT
Committed to Excellence

IB CONSULTING

IB Consulting, LLC
31938 Temecula Parkway, Suite A #350
Temecula, CA. 92592

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Executive Summary

Rainbow Municipal Water District (District) periodically reviews the financial position of its utilities. This review is essential to determine if adjustments are required to continue meeting operational costs, cover system repairs and replacements, and adequately fund reserves based on Board adopted policies. The most recent updates occurred in 2021 for the water utility and 2018 for the wastewater utility. Due to significant increases in capital expenses and the recent hyper-inflationary climate over the past year, the District anticipated rate increases would be needed. For the water utility, the proposed rates within this report will replace the previously noticed rates for Fiscal Year 2023-24 (FY 2024) through FY 2026. Therefore, the District hired IB Consulting to conduct a comprehensive cost-of-service update to its water and wastewater utilities. This report provides a basis for developing and implementing cost-based utility rates from FY 2024 through FY 2028 (Rate Setting Period) in compliance with California Constitution Article XIII D, section 6 (Proposition 218).

Water Utility Summary

Updating the long-term financial plan and performing a comprehensive cost-of-service analysis is a prudent business practice to ensure the District can fully fund its utility needs over the Rate Setting Period and beyond. As part of reviewing and updating water rates, the first step is to conduct a thorough review of the utility's financial health at current rates. Based on a financial review of the water utility at current FY 2023 rates the District's is projected to generate positive net income for FY 2024 and FY 2025, but by FY 2026 an operating deficit of almost $600k is projected, which would grow to approximately $2.3M by FY 2028. Net operating income is used to fund the District's capital plan and replenish reserves. However, the District's Capital Improvement Plan (CIP) requires $33.6M in spending over the Rate Setting Period (annual average of $6.7M), and with limited net income, CIP would need to be deferred. The District has remaining proceeds from a recent wholesale water efficiency loan equal to $7.6M that will cover approximately half of the planned capital in FY 2024 and FY 2025, but the remaining funding would need to come from annual rate revenue or reserves. FY 2026 through FY 2028 capital needs are approximately $20M and, without increases to rates, reserves would be depleted by FY 2026. Therefore, the proposed financial plan generates additional rate revenue that is phased in over the Rate Setting Period to operating, capital spending, and maintain healthy reserves.

The District's current water rate structure includes monthly fixed charges that vary by customer class and meter size, and uniform variable rates, in Hundred Cubic Feet (HCF[1]) increments, which differ by customer class (domestic accounts versus agricultural accounts). The rate structure includes eight distinct customer classes, including Single-Family, Multi-Family, Commercial, Institutional, Agricultural with Residence, Agricultural without Residence, Permanent Special Agricultural Water Rate (PSAWR) Domestic, and PSAWR Commercial. Single-Family, Multi-Family, Commercial, and Institutional customers all have the same uniform rate. Agricultural accounts (with and without residences) are charged a lower uniform rate as these accounts recover a greater amount of their costs through higher fixed charges due to the volatility of their usage patterns. PSAWR customers are charged uniform rates that account for credits received from the San Diego County Water Authority (SDCWA), PSAWR customers may receive less water during water shortages and emergencies. Therefore, the SDCWA program exempts PSAWR customers from paying emergency storage and supply reliability fixed charges and receive a commodity credit. PSAWR Domestic received the commodity credit for usage that exceeds what the SDCWA deems to be needed for residential use (22 HCF per month). Therefore, the Tier 2 rate for PSAWR Domestic is solely for tracking the usage that received the commodity credits from the SDCWA. Lastly, the District also has pumping fixed charges and pumping variable

[1] One HCF equals 748 gallons of water.

rates to recover the costs associated with pumping water to higher elevations. The pumping fixed charges and variable rates have been recalibrated based on energy costs within the District's audited financials.

The recommended rates were included within a notice and mailed to each property owner in compliance with Proposition 218. A Public Hearing was held on June 27, 2023 to consider the proposed rates identified in Table 1 through Table 3, which include SDCWA current known charges. Any Incremental increases or decreases in water costs will be passed through to customers when known as allowed by the pass-through provisions of Government Code section 53756.

Table 1: Proposed Monthly Fixed Charges

Fixed Charges ($/Month)					
Meter Size	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Single-Family, Multi-Family, Commercial, Institutional					
5/8"	$89.59	$97.66	$106.45	$116.04	$126.49
≤ 3/4"	$89.59	$97.66	$106.45	$116.04	$126.49
1"	$145.42	$158.52	$172.79	$188.35	$205.31
1 1/2"	$285.01	$310.66	$338.62	$369.10	$402.32
2"	$452.51	$493.24	$537.64	$586.03	$638.78
3"	$982.92	$1,071.39	$1,167.82	$1,272.93	$1,387.50
4"	$1,764.59	$1,923.41	$2,096.52	$2,285.21	$2,490.88
6"	$3,635.01	$3,962.16	$4,318.76	$4,707.45	$5,131.13
Agriculture w/ Residence, Agriculture					
5/8"	$142.17	$154.97	$168.92	$184.13	$200.71
≤ 3/4"	$142.17	$154.97	$168.92	$184.13	$200.71
1"	$233.06	$254.04	$276.91	$301.84	$329.01
1 1/2"	$460.27	$501.70	$546.86	$596.08	$649.73
2"	$732.93	$798.90	$870.81	$949.19	$1,034.62
3"	$1,596.36	$1,740.03	$1,896.64	$2,067.34	$2,253.41
4"	$2,868.77	$3,126.96	$3,408.39	$3,715.15	$4,049.52
6"	$5,913.47	$6,445.69	$7,025.81	$7,658.14	$8,347.38
PSAWR Domestic, PSAWR Commercial					
5/8"	$127.47	$138.95	$151.46	$165.10	$179.96
≤ 3/4"	$127.47	$138.95	$151.46	$165.10	$179.96
1"	$208.56	$227.33	$247.79	$270.10	$294.41
1 1/2"	$411.27	$448.29	$488.64	$532.62	$580.56
2"	$654.53	$713.45	$777.67	$847.67	$923.97
3"	$1,424.86	$1,553.10	$1,692.88	$1,845.24	$2,011.32
4"	$2,560.07	$2,790.48	$3,041.63	$3,315.38	$3,613.77
6"	$5,276.47	$5,751.36	$6,268.99	$6,833.20	$7,448.19

Table 2: Proposed Variable Rates

Variable Rates ($/HCF)					
Customer Class	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Single-Family	$5.53	$6.03	$6.58	$7.18	$7.83
Multi-Family	$5.53	$6.03	$6.58	$7.18	$7.83
Commercial	$5.53	$6.03	$6.58	$7.18	$7.83
Institutional	$5.53	$6.03	$6.58	$7.18	$7.83
Agriculture w/ Res	$4.53	$4.94	$5.39	$5.88	$6.41
Agriculture	$4.53	$4.94	$5.39	$5.88	$6.41
PSAWR Domestic					
Tier 1	$4.53	$4.94	$5.39	$5.88	$6.41
Tier 2	$4.00	$4.36	$4.76	$5.19	$5.66
PSAWR Commercial	$4.00	$4.36	$4.76	$5.19	$5.66

Table 3: Proposed Pumping Charges and Pumping Rates

Pumping						
Pumping Zone	Zone Description	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Fixed ($/Month)						
All Zones		$8.39	$9.15	$9.98	$10.88	$11.86
Variable ($/HCF)						
Pump Zone 1	*Rainbow Heights*	$2.60	$2.84	$3.10	$3.38	$3.69
Pump Zone 2	*Improvement District U-1*	$1.39	$1.52	$1.66	$1.81	$1.98
Pump Zone 3	*Vallecitos*	$0.26	$0.29	$0.32	$0.35	$0.39
Pump Zone 4	*Northside*	$0.13	$0.15	$0.17	$0.19	$0.21
Pump Zone 5	*Morro Tank*	$0.35	$0.39	$0.43	$0.47	$0.52
Pump Zone 6	*Huntley*	$1.40	$1.53	$1.67	$1.83	$2.00
Pump Zone 7	*Magee Tank*	$0.71	$0.78	$0.86	$0.94	$1.03

Wastewater Utility Summary

The District's wastewater utility is in the process of completing a significant capital replacement project for the Thoroughbred Lane Lift Station and Pipeline Repair. The cost of the project was originally estimated at $19M and the District's funding sources included $10.5M from a Community Facilities District with the remainder covered by rates/reserves. However, the project cost now exceeds $21.5M, which requires additional contributions from District reserves to complete. The wastewater FY 2023 starting reserves balance (approximately $1.6M) is not sufficient to cover the difference in project costs. As such, the District requires increases in its wastewater rates and is currently in the process of securing a loan of $5M to finish the replacement project and cover additional capital needs scheduled over the next couple of years. The proposed financial plan will generate an additional $13M in rate revenue that is phased in over the Rate Setting Period.

The recommended rates were included within a notice and mailed to each property owner in compliance with Proposition 218. A Public Hearing on June 27, 2023 will consider the proposed rates identified in Table 4.

Table 4: Proposed Wastewater Charges

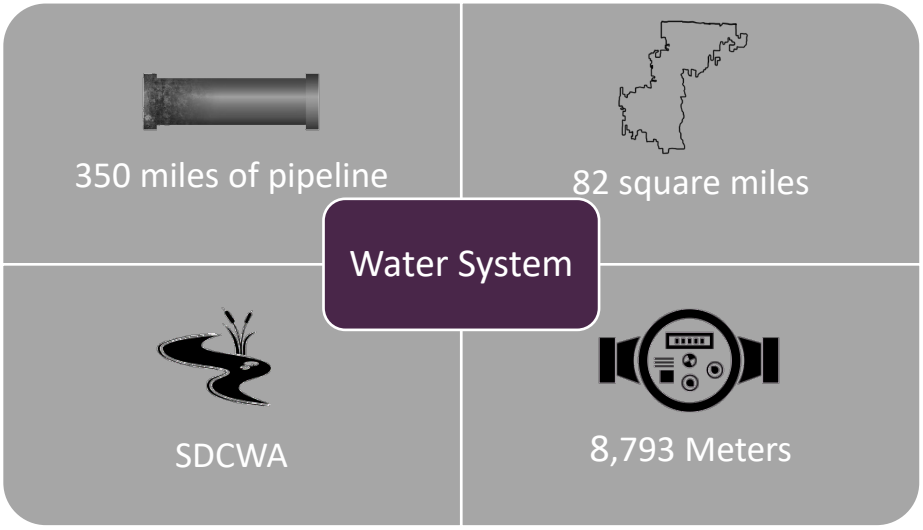
Wastewater Charges ($/Month)					
Customer Class	FY 2024 ($/EDU)	FY 2025 ($/EDU)	FY 2026 ($/EDU)	FY 2027 ($/EDU)	FY 2028 ($/EDU)
Single-Family	$66.57	$75.23	$85.01	$96.07	$108.56
Multi-Family	$66.57	$75.23	$85.01	$96.07	$108.56
Residential - WW Only	$66.57	$75.23	$85.01	$96.07	$108.56
Commercial	$66.57	$75.23	$85.01	$96.07	$108.56
Commercial w/ Irrigation	$66.57	$75.23	$85.01	$96.07	$108.56

Water Utility

Water System

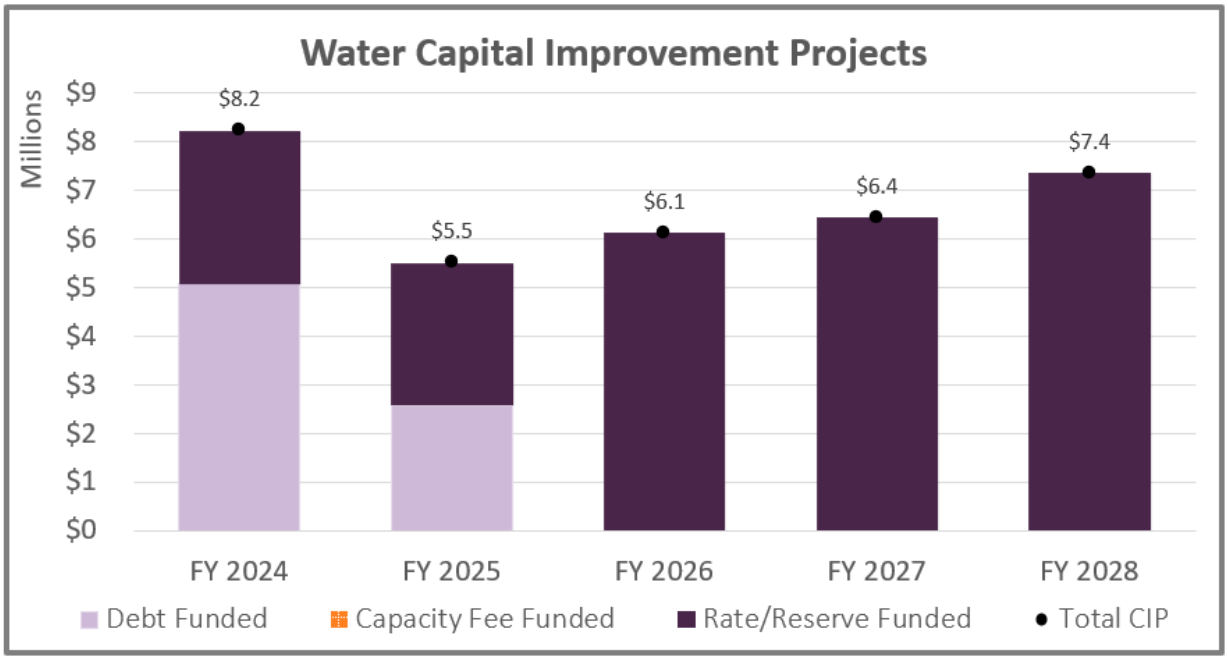
The District provides water to a service area encompassing approximately 82 square miles, located in northern San Diego County and the District has one of the largest agricultural areas in the state. The District is 100% dependent on imported water, currently provided by SDCWA, which purchases the vast majority of its water from Metropolitan Water District of Southern California (MWD). MWD imports water from the Colorado River Aqueduct and Northern California via the State Water Project. The District's water system includes 350 miles of transmission & distribution lines, 13 water tanks, 7 pump stations, and 4 reservoirs.

Figure 1: District Water System



The District's most recent Capital Improvement Plan (CIP) includes approximately $33.6M in spending over the Rate Setting Period, with almost $10.4M related to water efficiency projects that may be funded by the recent Wholesale Water Efficiency loan. Figure 2 shows the District's projected capital spending through FY 2028 with funding sources, including remaining proceeds from the loan.

Figure 2: Water Capital Improvement Plan



Customers

The District currently serves 8,793 active meters, with just over 70% classified as residential (Single-Family and Multi-Family). Table 5 summarizes accounts by meter size and customer class. Customer classes can be separated between Non-Agricultural accounts (Single-Family, Multi-Family, Commercial, and Institutional), and Agricultural accounts (Agriculture w/ Residence, Agriculture, PSAWR Domestic, and PSAWR Commercial). Agricultural customers are charged a higher fixed charge and receive a lower variable rate. In addition, PSAWR customers do not incur certain fixed charges and receive a credit on the variable rates from SDCWA.

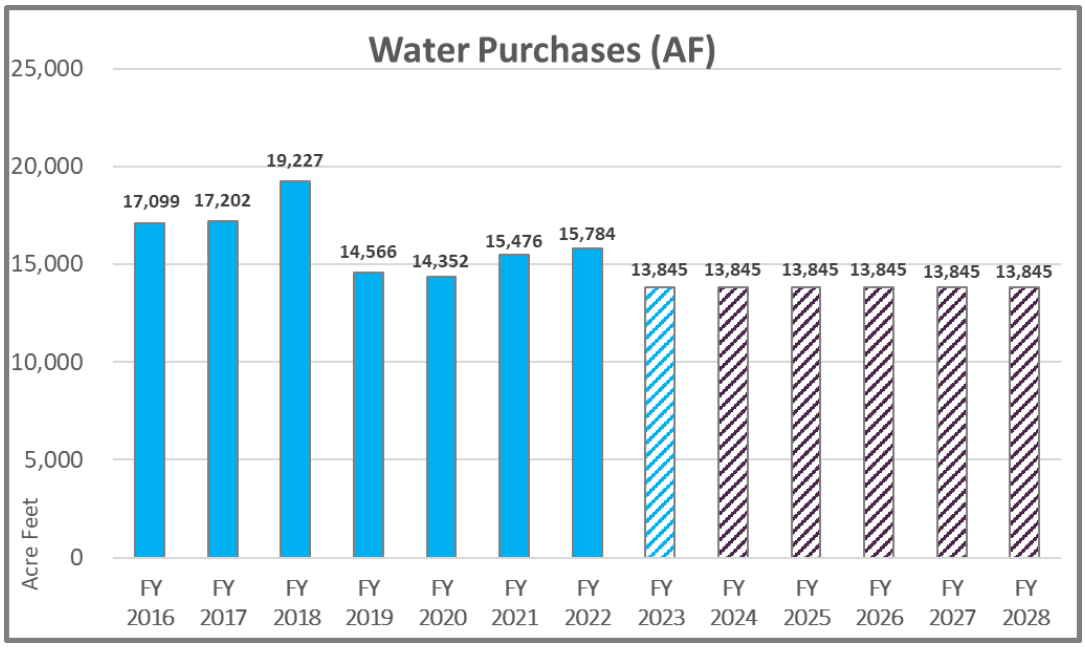
Table 5: Water Accounts by Meter Size

Water Accounts by Customer Class and Meter Size									
Meter Size	Single-Family	Multi-Family	Commercial	Institutional	Agriculture w/ Res	Agriculture	PSAWR Domestic	PSAWR Commercial	Total Accounts
5/8"	234	-	1	-	2	1	-	-	**238**
3/4"	3,202	39	33	3	170	44	16	4	**3,511**
1"	2,523	5	105	2	800	236	167	40	**3,878**
1 1/2"	169	31	56	4	147	104	61	33	**605**
2"	113	39	55	5	69	117	51	48	**497**
3"	5	3	6	1	3	16	4	5	**43**
4"	1	5	4	2	1	6	-	1	**20**
6"	-	-	-	-	-	1	-	-	**1**
Total	6,247	122	260	17	1,192	525	299	131	**8,793**

Figure 3 shows historical water purchases (blue bars) from FY 2016 and projected water purchases (purple bars) in acre-feet (1 acre-foot = 325,851 gallons) through the Rate Setting Period. Water purchases have drastically changed from year to year primarily due to agricultural use within the District's service area. While residential customers make up nearly 70% of the accounts, agricultural customers usage constitutes 66%-80% of the total water usage. This volatility creates revenue instability in variable revenues collected by the District. The District mitigates this revenue volatility by shifting more cost recovery from Agricultural and PSAWR accounts to their fixed charges. As such, Agricultural and PSAWR fixed charges are more than non-agricultural accounts. Proposed rates will continue this approach to ensure revenue stability.

The projected FY 2024 water purchases reflect 13,845 AF. The study used conservative projections for water purchases given the historic volatility and the District also anticipates land-use conversions from agricultural use to residential developments over the coming years.

Figure 3: Water Purchases



As previously mentioned, the existing rate structure consists of monthly fixed meter charges and variable rates, separated between SDCWA and District charges. Existing metered fixed charges and variable rates are shown in Table 6 and Table 7, respectively, followed by pumping charges in Table 8.

Table 6: FY 2023 Metered Fixed Charges

Fixed Charges ($/Month)		
Meter Size	SDCWA - Fixed Charge	RMWD Existing Fixed
Single-Family, Multi-Family, Commercial, Institutional		
≤ 3/4"	$28.19	$41.01
1"	$46.98	$68.34
1 1/2"	$93.97	$136.69
2"	$150.35	$218.70
3"	$328.88	$478.39
4"	$591.99	$861.10
6"	$1,221.56	$1,776.87
Agriculture w/ Residence, Agriculture		
≤ 3/4"	$28.19	$90.73
1"	$46.98	$151.20
1 1/2"	$93.97	$302.41
2"	$150.35	$483.86
3"	$328.88	$1,058.42
4"	$591.99	$1,905.17
6"	$1,221.56	$3,931.29
PSAWR Domestic, PSAWR Commercial		
≤ 3/4"	$13.51	$89.90
1"	$22.52	$149.83
1 1/2"	$45.04	$299.65
2"	$72.07	$479.44
3"	$157.65	$1,048.78
4"	$283.77	$1,887.79
6"	$585.57	$3,895.43

Table 7: FY 2023 Variable Rates

Variable Rates ($/HCF)		
Customer Class	SDCWA Variable Rate	RMWD Variable
Single-Family	$3.64	$1.83
Multi-Family	$3.64	$1.83
Commercial	$3.64	$1.83
Institutional	$3.64	$1.83
Agriculture w/ Res	$3.64	$0.92
Agriculture	$3.64	$0.92
PSAWR Domestic	$3.11	$0.90
PSAWR Commercial	$3.11	$0.90
Construction	$3.64	$0.90

Table 8: FY 2023 Pumping Charges and Pumping Rates

Pumping		
Pumping Zone	Zone Description	Existing
Fixed ($/Month)		
All Zones		$7.14
Variable ($/HCF)		
Pump Zone 1	*Rainbow Heights*	$1.02
Pump Zone 2	*Improvement District U-1*	$0.63
Pump Zone 3	*Vallecitos*	$0.36
Pump Zone 4	*Northside*	$0.14
Pump Zone 5	*Morro Tank*	$0.19
Pump Zone 6	*Huntley*	$0.75
Pump Zone 7	*Magee Tank*	$3.31

Financial Plan Overview – Water Utility

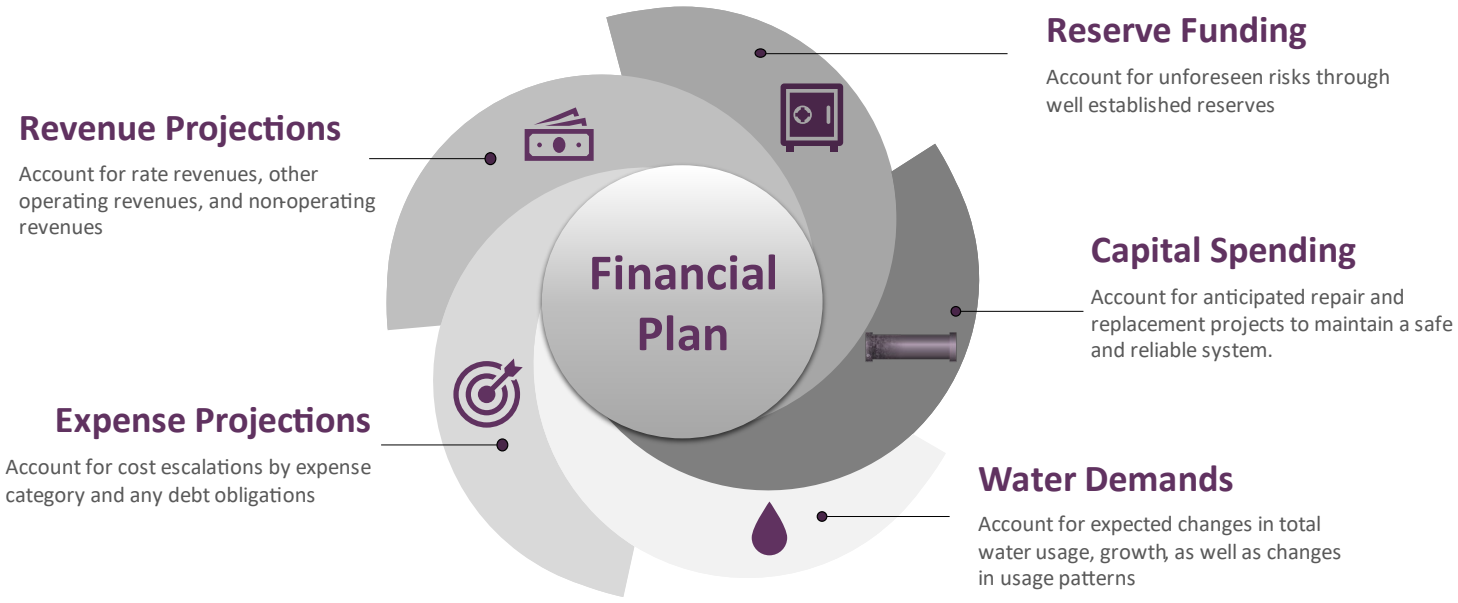
Financial Planning

Financial planning incorporates numerous considerations, including projecting revenues and forecasting expected costs using various inflationary adjustments. Utilities also need to account for changes in water demand driven by variations in weather, changes to water supplies and water availability, state mandates, growth, and economic factors. In addition, system maintenance and reinvestment, reserves, and debt compliance all influence the revenues needed in future years. Therefore, a comprehensive financial plan reviews the following:

1) Historical water sales and consumption patterns to determine an appropriate level of usage for projecting future water demands.
2) Operational costs that may change over the planning period because of inflation, unique circumstances of the agency, new expenditures added to meet strategic goals, state mandates, or changes in operations.
3) Multi-year system improvement needs, and scheduling based on priority. This review also considers available funding sources to complete projects such as Pay-As-You-Go (PAYGO), grants, loans, and debt financing.
4) Reserve funding to meet adopted reserve policies. The goal is to generate adequate cash on hand to mitigate financial risks related to operating cashflow needs, unexpected increases in expenses, shortages in system reinvestment, and mitigating potential system failures.

Figure 4 illustrates the key elements when developing a long-term financial plan.

Figure 4: Water Financial Plan Key Elements



Financial Planning Assumptions

Developing a long-term financial plan requires an understanding of the District's financial position by evaluating existing revenue streams, ongoing expenses, how those expenses will change over time, existing debt requirements, and reserve policies. With these considerations, certain assumptions are required for projecting revenues, expenses, and expected ending fund balances. Through discussions with staff and their understanding of historical budget data and future obligations, Table 9 identifies assumptions used for forecasting revenues. For forecasting revenues, our analysis assumes no growth in accounts as a conservative assumption so projected revenues do not rely on growth to occur. The number of accounts by meter size and customer class can be found in Table 5 and was held constant through the Rate Setting Period. Table 10 provides details on the number of accounts by pumping zone. Table 11 identifies projected usage by customer class. Table 12 identifies the amount of projected usage through each elevation zone. As shown in both the usage tables, the financial plan does not account for any changes in demand. The District anticipates agriculture in the service area will continue to decline as the cost of water continues to increase, making growing crops increasingly difficult. The timing and magnitude of this transition is uncertain and therefore the financial plan used a wet year as the basis for projections and held it constant for the Rate Setting Period

Table 9: Water Assumptions for Forecasting Revenues

Revenue Forecasting					
Key Assumptions	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenue Escalation					
Non-Rate Revenues	0.0%	0.0%	0.0%	0.0%	0.0%
Reserve Interest	1.5%	1.5%	1.5%	1.5%	1.5%
Account Growth	0.0%	0.0%	0.0%	0.0%	0.0%
Water Sales					
Customer Usage (AF)	12,738	12,738	12,738	12,738	12,738
Customer Usage (HCF)	5,548,472	5,548,472	5,548,472	5,548,472	5,548,472

Table 10: Water Accounts by Pumping Zone - FY 2024 through FY 2028

Accounts by Pumping Zone						
Pumping Zone		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Pump Zone 1	*Rainbow Heights*	181	181	181	181	181
Pump Zone 2	*Improvement District U-1*	111	111	111	111	111
Pump Zone 3	*Vallecitos*	60	60	60	60	60
Pump Zone 4	*Northside*	430	430	430	430	430
Pump Zone 5	*Morro Tank*	349	349	349	349	349
Pump Zone 6	*Huntley*	152	152	152	152	152
Pump Zone 7	*Magee Tank*	59	59	59	59	59
Total Pumping Zone Meters		**1,342**	**1,342**	**1,342**	**1,342**	**1,342**

Table 11: Projected Consumption (HCF) – FY 2024 through FY 2028

Projected Consumption (HCF)					
Customer Class	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Single-Family	1,521,953	1,521,953	1,521,953	1,521,953	1,521,953
Multi-Family	130,046	130,046	130,046	130,046	130,046
Commercial	362,543	362,543	362,543	362,543	362,543
Institutional	26,318	26,318	26,318	26,318	26,318
Agriculture w/ Res	918,501	918,501	918,501	918,501	918,501
Agriculture	1,243,086	1,243,086	1,243,086	1,243,086	1,243,086
PSAWR Domestic	721,309	721,309	721,309	721,309	721,309
PSAWR Commercial	604,716	604,716	604,716	604,716	604,716
Construction	20,000	20,000	20,000	20,000	20,000
Total Consumption (HCF)	**5,548,472**	**5,548,472**	**5,548,472**	**5,548,472**	**5,548,472**

Table 12: Projected Pumping Consumption (HCF) – FY 2024 through FY 2028

Projected Zone Consumption (HCF)						
Pumping Zone		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Pump Zone 1	*Rainbow Heights*	183,452	183,452	183,452	183,452	183,452
Pump Zone 2	*Improvement District U-1*	38,945	38,945	38,945	38,945	38,945
Pump Zone 3	*Vallecitos*	67,006	67,006	67,006	67,006	67,006
Pump Zone 4	*Northside*	363,390	363,390	363,390	363,390	363,390
Pump Zone 5	*Morro Tank*	128,436	128,436	128,436	128,436	128,436
Pump Zone 6	*Huntley*	131,538	131,538	131,538	131,538	131,538
Pump Zone 7	*Magee Tank*	12,127	12,127	12,127	12,127	12,127
Total Consumption by Zone (HCF)		**924,894**	**924,894**	**924,894**	**924,894**	**924,894**

Table 13 identifies assumptions used for forecasting increases in expenses over the Rate Setting Period. Purchased water costs are held constant and any increases will be captured through the pass-through provisions of Government Code section 53756.

Table 13: Water Assumptions for Forecasting Expenses[2]

Expenditure Forecasting						
Key Assumptions	*Source:*	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Expenditure Escalation						
Benefits		3.00%	3.00%	3.00%	3.00%	3.00%
Capital Construction	*ENR 20-City*	7.20%	7.20%	3.93%	3.93%	3.93%
Energy Costs		5.00%	5.00%	5.00%	5.00%	5.00%
General Costs	*CPI - SD (CA DIR)*	7.71%	7.71%	4.03%	4.03%	4.03%
Retirement		5.00%	5.00%	5.00%	5.00%	5.00%
Salaries		6.00%	6.00%	6.00%	6.00%	6.00%
Purchased Water	*SDCWA*	*Pass-Through*	*Pass-Through*	*Pass-Through*	*Pass-Through*	*Pass-Through*

Current Financial Position

Revenues

Based on the forecasting assumptions, fixed meter revenues were calculated using account data by meter size (Table 5) multiplied by existing fixed meter charges (Table 6) times the number of billing periods[3]. Similarly, fixed pumping revenues were calculated using pumping zone accounts (Table 10) multiplied by pumping zone fixed charges (Table 8). Variable revenues were calculated using existing variable rates (Table 7) and variable pumping zone rates(Table 8) and projected total water sales by customer class (Table 11) and projected usage by pumping zone (Table 12). Table 14 shows the calculated rate revenues through the Rate Setting Period. Table 15 summarizes calculated rate revenues and other non-rate revenues available through the Rate Setting Period with future projections rounded to the nearest thousands.

[2] Capital Construction inflation and General Costs for FY 2024 and FY 2025 were increased to 7.20% and 7.71%, respectively to account for the most recent annual increase due to inflation. Outer years reduce to 3.93% and 4.03%, reflecting the 5-year average of the Engineer's News Record – CCI index and the SD Consumer Price Index, respectively.

[3] The District bills customers on a monthly basis; therefore, there are 12 billing periods during the fiscal year.

Table 14: Water Calculated Rate Revenues

Calculated Revenue						
Fixed Revenue		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
RMWD O&M Fixed Charge						
Single-Family		$4,372,787	$4,372,787	$4,372,787	$4,372,787	$4,372,787
Multi-Family		$245,381	$245,381	$245,381	$245,381	$245,381
Commercial		$414,815	$414,815	$414,815	$414,815	$414,815
Institutional		$49,207	$49,207	$49,207	$49,207	$49,207
Agriculture w/ Res		$2,633,839	$2,633,839	$2,633,839	$2,633,839	$2,633,839
Agriculture		$1,921,504	$1,921,504	$1,921,504	$1,921,504	$1,921,504
PSAWR Domestic		$880,623	$880,623	$880,623	$880,623	$880,623
PSAWR Commercial		$556,633	$556,633	$556,633	$556,633	$556,633
Total RMWD O&M Fixed Charge		**$11,074,789**	**$11,074,789**	**$11,074,789**	**$11,074,789**	**$11,074,789**
SDCWA Fixed Charge						
Single-Family		$3,005,979	$3,005,979	$3,005,979	$3,005,979	$3,005,979
Multi-Family		$168,691	$168,691	$168,691	$168,691	$168,691
Commercial		$285,170	$285,170	$285,170	$285,170	$285,170
Institutional		$33,828	$33,828	$33,828	$33,828	$33,828
Agriculture w/ Res		$818,389	$818,389	$818,389	$818,389	$818,389
Agriculture		$597,063	$597,063	$597,063	$597,063	$597,063
PSAWR Domestic		$132,367	$132,367	$132,367	$132,367	$132,367
PSAWR Commercial		$83,670	$83,670	$83,670	$83,670	$83,670
Total SDCWA Fixed Charge		**$5,125,158**	**$5,125,158**	**$5,125,158**	**$5,125,158**	**$5,125,158**
Total Fixed Pumping Charge		**$114,983**	**$114,983**	**$114,983**	**$114,983**	**$114,983**
Variable Revenue		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
RMWD Variable Rate Revenue						
Single-Family		$2,785,174	$2,785,174	$2,785,174	$2,785,174	$2,785,174
Multi-Family		$237,984	$237,984	$237,984	$237,984	$237,984
Commercial		$663,454	$663,454	$663,454	$663,454	$663,454
Institutional		$48,162	$48,162	$48,162	$48,162	$48,162
Agriculture w/ Res		$845,021	$845,021	$845,021	$845,021	$845,021
Agriculture		$1,143,639	$1,143,639	$1,143,639	$1,143,639	$1,143,639
PSAWR Domestic		$649,178	$649,178	$649,178	$649,178	$649,178
PSAWR Commercial		$544,244	$544,244	$544,244	$544,244	$544,244
Construction		$36,600	$36,600	$36,600	$36,600	$36,600
Total RMWD Variable Rate Revenue		**$6,953,456**	**$6,953,456**	**$6,953,456**	**$6,953,456**	**$6,953,456**
SDCWA Variable Rate Revenue						
Single-Family		$5,539,909	$5,539,909	$5,539,909	$5,539,909	$5,539,909
Multi-Family		$473,367	$473,367	$473,367	$473,367	$473,367
Commercial		$1,319,657	$1,319,657	$1,319,657	$1,319,657	$1,319,657
Institutional		$95,798	$95,798	$95,798	$95,798	$95,798
Agriculture w/ Res		$3,343,344	$3,343,344	$3,343,344	$3,343,344	$3,343,344
Agriculture		$4,524,833	$4,524,833	$4,524,833	$4,524,833	$4,524,833
PSAWR Domestic		$2,243,271	$2,243,271	$2,243,271	$2,243,271	$2,243,271
PSAWR Commercial		$1,880,667	$1,880,667	$1,880,667	$1,880,667	$1,880,667
Construction		$72,800	$72,800	$72,800	$72,800	$72,800
Total SDCWA Variable Rate Revenue		**$19,493,645**	**$19,493,645**	**$19,493,645**	**$19,493,645**	**$19,493,645**
Pumping - Variable						
Pump Zone 1	*Rainbow Heights*	$187,121	$187,121	$187,121	$187,121	$187,121
Pump Zone 2	*Improvement District U-1*	$24,535	$24,535	$24,535	$24,535	$24,535
Pump Zone 3	*Vallecitos*	$24,122	$24,122	$24,122	$24,122	$24,122
Pump Zone 4	*Northside*	$50,875	$50,875	$50,875	$50,875	$50,875
Pump Zone 5	*Morro Tank*	$24,403	$24,403	$24,403	$24,403	$24,403
Pump Zone 6	*Huntley*	$98,654	$98,654	$98,654	$98,654	$98,654
Pump Zone 7	*Magee Tank*	$40,140	$40,140	$40,140	$40,140	$40,140
Total Variable Pumping Revenue		**$449,850**	**$449,850**	**$449,850**	**$449,850**	**$449,850**
Total Rate Revenue		**$43,211,881**	**$43,211,881**	**$43,211,881**	**$43,211,881**	**$43,211,881**

Table 15: Water Projected Revenues

Projected Water Revenues					
Revenue Summary	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate Revenues					
RMWD Rate Revenues					
RMWD O&M Fixed Charge	$11,075,000	$11,075,000	$11,075,000	$11,075,000	$11,075,000
RMWD Variable Rate Revenue	$6,953,000	$6,953,000	$6,953,000	$6,953,000	$6,953,000
Pumping Revenue (Fixed + Variable)	$565,000	$565,000	$565,000	$565,000	$565,000
Subtotal RMWD Rate Revenues	$18,593,000	$18,593,000	$18,593,000	$18,593,000	$18,593,000
SDCWA Pass-through Revenues					
SDCWA Fixed Charge	$5,125,000	$5,125,000	$5,125,000	$5,125,000	$5,125,000
SDCWA Variable Rate Revenue	$19,494,000	$19,494,000	$19,494,000	$19,494,000	$19,494,000
Subtotal SDCWA Pass-through Revenues	$24,619,000	$24,619,000	$24,619,000	$24,619,000	$24,619,000
Subtotal Rate Revenues	$43,212,000	$43,212,000	$43,212,000	$43,212,000	$43,212,000
Operating Revenues					
Readiness-To-Serve Revenue	$295,000	$295,000	$295,000	$295,000	$295,000
Unlock Fees	$5,000	$5,000	$5,000	$5,000	$5,000
RP Charges	$246,000	$246,000	$246,000	$246,000	$246,000
Inspections	$20,000	$20,000	$20,000	$20,000	$20,000
Install-Hydrant	$2,000	$2,000	$2,000	$2,000	$2,000
Miscellaneous	$7,000	$7,000	$7,000	$7,000	$7,000
New Meter/Install Parts	$40,000	$40,000	$40,000	$40,000	$40,000
Notice Delivery Revenue	$5,000	$5,000	$5,000	$5,000	$5,000
Subtotal Operating Revenues	$620,000	$620,000	$620,000	$620,000	$620,000
Non-Operating Revenues					
NSF Fees	$3,000	$3,000	$3,000	$3,000	$3,000
Recycling Revenue	$8,000	$8,000	$8,000	$8,000	$8,000
Miscellaneous Revenue	$95,000	$95,000	$95,000	$95,000	$95,000
Interest Revenues	$59,000	$103,000	$131,000	$154,000	$247,000
Property Tax Revenue	$650,000	$650,000	$650,000	$650,000	$650,000
Subtotal Non-Operating Revenues	$815,000	$859,000	$887,000	$910,000	$1,003,000
Other Revenues					
Penalty Charges	$405,000	$405,000	$405,000	$405,000	$405,000
Plan Check Rev.	$81,000	$81,000	$81,000	$81,000	$81,000
Miscellaneous Revenue	$61,000	$61,000	$61,000	$61,000	$61,000
Misc. Revenue - Eng. Services	$4,000	$4,000	$4,000	$4,000	$4,000
Subtotal Other Revenues	$551,000	$551,000	$551,000	$551,000	$551,000
Total Revenues	**$45,198,000**	**$45,242,000**	**$45,270,000**	**$45,293,000**	**$45,386,000**

Expenses

The FY 2023 adopted budget was used as the utility's baseline Operational & Maintenance (O&M) expenses and adjusted in subsequent years based on the escalation factors shown in Table 13. Table 16 provides projected O&M expenses through the Rate Setting Period with projections rounded to the nearest thousands. Each expense category includes detailed line-item expenditures that we discussed with staff to determine the appropriate escalation factor for forecasting how costs will increase over time.

Table 16: Water Projected O&M Expenses

Projected Operating & Maintenance Expenses					
O&M Summary	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Purchased Water Costs					
Fixed Purchased Water Costs					
MWD Readiness-to-Serve Charge	$457,000	$457,000	$457,000	$457,000	$457,000
MWD Capacity Charge	$327,000	$327,000	$327,000	$327,000	$327,000
Supply Reliability Charge	$1,041,000	$1,041,000	$1,041,000	$1,041,000	$1,041,000
Customer Service Charge	$1,040,000	$1,040,000	$1,040,000	$1,040,000	$1,040,000
Emergency Storage Charge	$1,517,000	$1,517,000	$1,517,000	$1,517,000	$1,517,000
Infrastructure Access Charge	$761,000	$761,000	$761,000	$761,000	$761,000
Subtotal Fixed Purchased Water Costs	$5,143,000	$5,143,000	$5,143,000	$5,143,000	$5,143,000
Variable Purchased Water Costs					
Purchased Water (Variable Costs)	$20,467,000	$20,467,000	$20,467,000	$20,467,000	$20,467,000
PSAWR Credit/Discount	($659,000)	($659,000)	($659,000)	($659,000)	($659,000)
Subtotal Variable Purchased Water Costs	$19,808,000	$19,808,000	$19,808,000	$19,808,000	$19,808,000
Total Purchased Water Costs	$24,951,000	$24,951,000	$24,951,000	$24,951,000	$24,951,000
Operating Expenses					
Operating and Maintenance					
Administration	$1,726,000	$1,832,000	$1,930,000	$2,033,000	$2,142,000
Board of Directors	$44,000	$46,000	$48,000	$50,000	$52,000
Customer Service	$511,000	$541,000	$567,000	$596,000	$625,000
Distribution / Capital Construction	$2,426,000	$2,579,000	$2,699,000	$2,825,000	$2,957,000
Engineering	$983,000	$1,039,000	$1,095,000	$1,155,000	$1,218,000
Finance	$1,001,000	$1,058,000	$1,112,000	$1,169,000	$1,230,000
Fleet/Garage	$544,000	$578,000	$605,000	$633,000	$663,000
General Fund Expense	$561,000	$604,000	$629,000	$654,000	$680,000
Human Resources	$384,000	$407,000	$428,000	$449,000	$472,000
Information Technology	$1,385,000	$1,476,000	$1,545,000	$1,618,000	$1,694,000
Meters	$1,091,000	$1,156,000	$1,211,000	$1,269,000	$1,331,000
Operations	$3,163,000	$3,369,000	$3,522,000	$3,681,000	$3,848,000
Risk Management	$817,000	$877,000	$914,000	$953,000	$994,000
Valve Maintenance	$389,000	$411,000	$432,000	$453,000	$476,000
Subtotal Operating and Maintenance	$15,025,000	$15,973,000	$16,737,000	$17,538,000	$18,382,000
Pumping Costs					
Pumping Operations	$135,000	$145,000	$151,000	$158,000	$165,000
Pumping Energy	$830,000	$871,000	$915,000	$961,000	$1,009,000
Subtotal Pumping Costs	$965,000	$1,016,000	$1,066,000	$1,119,000	$1,174,000
Total Operating Expenses	$15,990,000	$16,989,000	$17,803,000	$18,657,000	$19,556,000
Debt Service					
Existing Debt	$3,077,000	$3,077,000	$3,077,000	$3,076,000	$3,076,000
Subtotal Debt Service	$3,077,000	$3,077,000	$3,077,000	$3,076,000	$3,076,000
Total Expenses	**$44,018,000**	**$45,017,000**	**$45,831,000**	**$46,684,000**	**$47,583,000**

Reserves

Figure 5: Water Utility Reserves



Established reserves include Operating Reserve, Capital Project Reserve, Rate Stabilization Reserve, and two Designated Reserves. These reserves help mitigate risks to the utility by ensuring sufficient cash is on hand for daily operations and to fund annual system improvements. Most recently, reserves have been used to cover increased costs in capital projects due to hyper-inflation over the past year. In addition, these reserves may be used to help smooth rates and mitigate rate spikes due to emergencies. The most recently adopted reserve policies identify the function of each reserve. Table 17 summarizes the minimum requirements and the ideal funding targets of each reserve. In addition, the District has a separate account for capacity fees from new connections that funds a portion of capital projects.

Table 17: Water Reserve Requirements and Targets

Reserve	Minimum Requirement	Reserve Target
Operating	60 days of operating costs	90 days of operating costs
Capital Projects	1-year of CIP based on 5-year average	2-years of CIP based on 5-year average
Rate Stabilization	5% of rate revenue	10% of rate revenue
Liability Self-Insurance	Fixed amount of $100,000	N/A
New Source Water	N/A	N/A

The estimated projected ending reserve balance for June 30, 2023, equals approximately $5.8M.

Financial Outlook at Existing Rates

Calculating revenue using existing rates and projecting expenses helps determine the current financial health of the utility. Revenues from existing rates can cover operating expenses through FY 2025. However, without adjustments, the District will experience an operating deficit and depleted reserves by the end of FY 2026. The planned CIP averages $6.7M annually. Therefore, scheduled capital projects would need to be deferred. Table 18 forecasts existing revenues and expenses through the Rate Setting Period. Table 19 identifies reserve transfers and reserves activity, with projected FY 2024 starting reserve balances shown for each reserve.

Table 18: Water Financial Plan at Existing Rates

Financial Plan at Existing Rates						
Revenue		**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Rate Revenues						
RMWD O&M Fixed Charge		$11,075,000	$11,075,000	$11,075,000	$11,075,000	$11,075,000
RMWD Variable Rate Revenue		$6,953,000	$6,953,000	$6,953,000	$6,953,000	$6,953,000
Pumping Revenue (Fixed + Variable)	**Table 15**	$565,000	$565,000	$565,000	$565,000	$565,000
SDCWA Fixed Charge		$5,125,000	$5,125,000	$5,125,000	$5,125,000	$5,125,000
SDCWA Variable Rate Revenue		$19,494,000	$19,494,000	$19,494,000	$19,494,000	$19,494,000
Total Rate Revenues		$43,212,000	$43,212,000	$43,212,000	$43,212,000	$43,212,000
Operating Revenues						
Readiness-To-Serve Revenue		$295,000	$295,000	$295,000	$295,000	$295,000
Unlock Fees		$5,000	$5,000	$5,000	$5,000	$5,000
RP Charges		$246,000	$246,000	$246,000	$246,000	$246,000
Inspections	**Table 15**	$20,000	$20,000	$20,000	$20,000	$20,000
Install-Hydrant		$2,000	$2,000	$2,000	$2,000	$2,000
Miscellaneous		$7,000	$7,000	$7,000	$7,000	$7,000
New Meter/Install Parts		$40,000	$40,000	$40,000	$40,000	$40,000
Notice Delivery Revenue		$5,000	$5,000	$5,000	$5,000	$5,000
Subtotal Operating Revenues		$620,000	$620,000	$620,000	$620,000	$620,000
Non-Operating Revenues						
NSF Fees		$3,000	$3,000	$3,000	$3,000	$3,000
Recycling Revenue		$8,000	$8,000	$8,000	$8,000	$8,000
Miscellaneous Revenue	**Table 15**	$95,000	$95,000	$95,000	$95,000	$95,000
Interest Revenues		$59,000	$86,000	$96,000	$93,000	$78,000
Property Tax Revenue		$650,000	$650,000	$650,000	$650,000	$650,000
Subtotal Non-Operating Revenues		$815,000	$842,000	$852,000	$849,000	$834,000
Other Revenues						
Penalty Charges		$405,000	$405,000	$405,000	$405,000	$405,000
Plan Check Rev.	**Table 15**	$81,000	$81,000	$81,000	$81,000	$81,000
Miscellaneous Revenue		$61,000	$61,000	$61,000	$61,000	$61,000
Misc. Revenue - Eng. Services		$4,000	$4,000	$4,000	$4,000	$4,000
Subtotal Other Revenues		$551,000	$551,000	$551,000	$551,000	$551,000
Total Revenues		**$45,198,000**	**$45,225,000**	**$45,235,000**	**$45,232,000**	**$45,217,000**

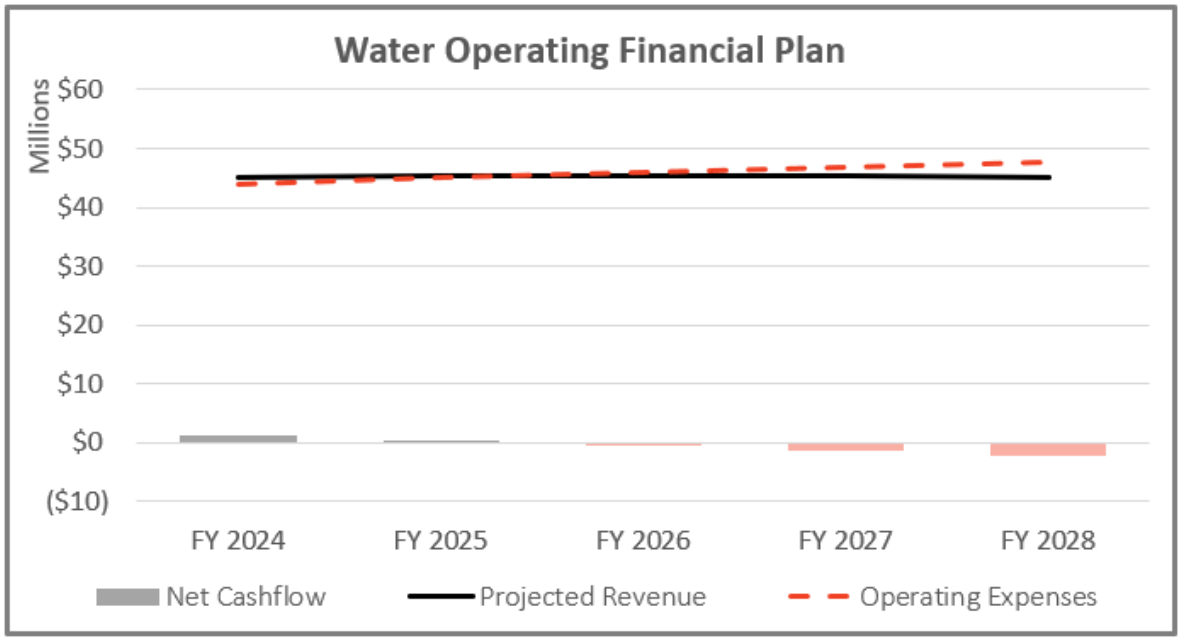
Financial Plan (continued)						
O&M Expenditures		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Purchased Water Costs						
Fixed Purchased Water Costs						
MWD Readiness-to-Serve Charge	Table 16	$457,000	$457,000	$457,000	$457,000	$457,000
MWD Capacity Charge		$327,000	$327,000	$327,000	$327,000	$327,000
Supply Reliability Charge		$1,041,000	$1,041,000	$1,041,000	$1,041,000	$1,041,000
Customer Service Charge		$1,040,000	$1,040,000	$1,040,000	$1,040,000	$1,040,000
Emergency Storage Charge		$1,517,000	$1,517,000	$1,517,000	$1,517,000	$1,517,000
Infrastructure Access Charge		$761,000	$761,000	$761,000	$761,000	$761,000
Subtotal Fixed Purchased Water Costs		$5,143,000	$5,143,000	$5,143,000	$5,143,000	$5,143,000
Variable Purchased Water Costs						
Purchased Water (Variable Costs)	Table 16	$20,467,000	$20,467,000	$20,467,000	$20,467,000	$20,467,000
PSAWR Credit/Discount		($659,000)	($659,000)	($659,000)	($659,000)	($659,000)
Subtotal Variable Purchased Water Costs		$19,808,000	$19,808,000	$19,808,000	$19,808,000	$19,808,000
Total Purchased Water Costs		$24,951,000	$24,951,000	$24,951,000	$24,951,000	$24,951,000
Operating Expenses						
Operating and Maintenance						
Administration	Table 16	$1,726,000	$1,832,000	$1,930,000	$2,033,000	$2,142,000
Board of Directors		$44,000	$46,000	$48,000	$50,000	$52,000
Customer Service		$511,000	$541,000	$567,000	$596,000	$625,000
Distribution / Capital Construction		$2,426,000	$2,579,000	$2,699,000	$2,825,000	$2,957,000
Engineering		$983,000	$1,039,000	$1,095,000	$1,155,000	$1,218,000
Finance		$1,001,000	$1,058,000	$1,112,000	$1,169,000	$1,230,000
Fleet/Garage		$544,000	$578,000	$605,000	$633,000	$663,000
General Fund Expense		$561,000	$604,000	$629,000	$654,000	$680,000
Human Resources		$384,000	$407,000	$428,000	$449,000	$472,000
Information Technology		$1,385,000	$1,476,000	$1,545,000	$1,618,000	$1,694,000
Meters		$1,091,000	$1,156,000	$1,211,000	$1,269,000	$1,331,000
Operations		$3,163,000	$3,369,000	$3,522,000	$3,681,000	$3,848,000
Risk Management		$817,000	$877,000	$914,000	$953,000	$994,000
Valve Maintenance		$389,000	$411,000	$432,000	$453,000	$476,000
Subtotal Operating and Maintenance		$15,025,000	$15,973,000	$16,737,000	$17,538,000	$18,382,000
Pumping Costs						
Pumping Operations	Table 16	$135,000	$145,000	$151,000	$158,000	$165,000
Pumping Energy		$830,000	$871,000	$915,000	$961,000	$1,009,000
Subtotal Pumping Costs		$965,000	$1,016,000	$1,066,000	$1,119,000	$1,174,000
Total Operating Expenses		$15,990,000	$16,989,000	$17,803,000	$18,657,000	$19,556,000
Debt Service						
Existing Debt	Table 16	$3,077,000	$3,077,000	$3,077,000	$3,076,000	$3,076,000
Subtotal Debt Service		$3,077,000	$3,077,000	$3,077,000	$3,076,000	$3,076,000
Total Expenses		**$44,018,000**	**$45,017,000**	**$45,831,000**	**$46,684,000**	**$47,583,000**
Net Cashflow (Revenue - Expenses)		**$1,180,000**	**$208,000**	**($596,000)**	**($1,452,000)**	**($2,366,000)**

Table 19: Water – Transfers and Reserve Activity at Existing Rates

Water Reserve Activity					
Operating Fund	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$3,705,993	$4,885,993	$5,093,993	$4,497,993	$3,045,993
Transfers (Net Cashflow)	$1,180,000	$208,000	($596,000)	($1,452,000)	($2,366,000)
Ending Balance	**$4,885,993**	**$5,093,993**	**$4,497,993**	**$3,045,993**	**$679,993**
Liability Self-Insurance	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$100,000	$100,000	$100,000	$100,000	$100,000
Ending Balance	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$100,000**
Water Capital Reserve	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$679,429	($2,473,439)	($5,403,046)	($11,525,442)	($17,962,351)
Plus:					
Wholesale Water Efficiency Loan Proceeds	$5,075,000	$2,581,090	$0	$0	$0
Less:					
CIP	($8,227,868)	($5,510,697)	($6,122,396)	($6,436,909)	($7,354,597)
Subtotal Water Capital Reserve	($2,473,439)	($5,403,046)	($11,525,442)	($17,962,351)	($25,316,948)
Interest Earnings	$0	$0	$0	$0	$0
Ending Balance	**($2,473,439)**	**($5,403,046)**	**($11,525,442)**	**($17,962,351)**	**($25,316,948)**
Rate Stabilization Reserve	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$0	$0	$0	$0	$0
Ending Balance	**$0**	**$0**	**$0**	**$0**	**$0**
New Water Resources	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$1,322,262	$1,322,262	$1,322,262	$1,322,262	$1,322,262
Ending Balance	**$1,322,262**	**$1,322,262**	**$1,322,262**	**$1,322,262**	**$1,322,262**
Total Reserves - Ending Balance	**$3,834,816**	**$1,113,209**	**($5,605,187)**	**($13,494,096)**	**($23,214,693)**

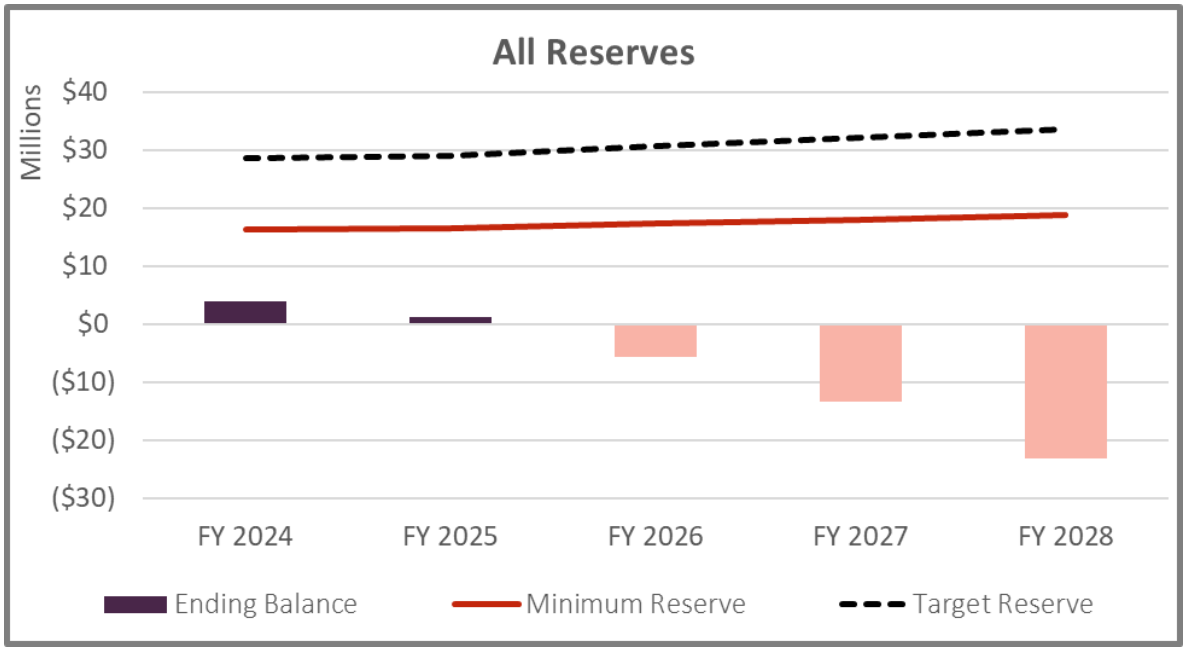
Figure 6 illustrates the operating position of the utility, where O&M expenses are identified with the dashed red trendline, and the horizontal black trendline shows total revenues at existing rates. The bars represent net operating income used to fund capital and build-up reserves.

Figure 6: Water – Current Operating Financial Position



With capital spending exceeding $33.6M over the Rate Setting Period, as shown in Figure 2, reserves would need to cover capital expenses to ensure capital projects continue to move forward as the District only has $7.6M in remaining loan proceeds. Figure 7 reflects the projected ending balances of reserves after operating and capital projects are funded. By the end of FY 2024, reserves are below the minimum reserve requirements and projected to be depleted by FY 2026.

Figure 7: Water – Projected Ending Reserves at Existing Rates



Proposed Financial Plan – Water Utility

From our review of the utility's financial outlook at existing rates, a proposed financial plan is developed to fund the multi-year revenue requirements. The proposed financial plan generates positive net operating income each year to go towards capital spending and satisfy reserve requirements. Table 20 forecasts projected revenues, ***with annual revenue adjustments***, and expenses through FY 2028.

Table 21 identifies the projected FY 2024 total starting reserve balances, activity within each reserve (including net income transfer from Table 20, transfers between reserves, and annual CIP), and projected ending balances for each fiscal year of the Rate Setting Period.

Table 20: Water – Proposed Financial Plan

Proposed Financial Plan						
Revenue		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate Revenues						
RMWD O&M Fixed Charge		$11,075,000	$11,075,000	$11,075,000	$11,075,000	$11,075,000
RMWD Variable Rate Revenue		$6,953,000	$6,953,000	$6,953,000	$6,953,000	$6,953,000
Pumping Revenue (Fixed + Variable)	Table 15	$565,000	$565,000	$565,000	$565,000	$565,000
SDCWA Fixed Charge		$5,125,000	$5,125,000	$5,125,000	$5,125,000	$5,125,000
SDCWA Variable Rate Revenue		$19,494,000	$19,494,000	$19,494,000	$19,494,000	$19,494,000
Total Rate Revenues		$43,212,000	$43,212,000	$43,212,000	$43,212,000	$43,212,000
Additional Revenue (from revenue adjustments):						
Fiscal Year / Revenue Adjustment						
FY 2024	9.0%	$3,889,000	$3,889,000	$3,889,000	$3,889,000	$3,889,000
FY 2025	9.0%		$4,239,000	$4,239,000	$4,239,000	$4,239,000
FY 2026	9.0%			$4,620,000	$4,620,000	$4,620,000
FY 2027	9.0%				$5,036,000	$5,036,000
FY 2028	9.0%					$5,489,000
Total Additional Revenue		$3,889,000	$8,128,000	$12,748,000	$17,784,000	$23,273,000
Subtotal Projected Rate Revenue		$47,101,000	$51,340,000	$55,960,000	$60,996,000	$66,485,000
Operating Revenues						
Readiness-To-Serve Revenue		$295,000	$295,000	$295,000	$295,000	$295,000
Unlock Fees		$5,000	$5,000	$5,000	$5,000	$5,000
RP Charges		$246,000	$246,000	$246,000	$246,000	$246,000
Inspections	Table 15	$20,000	$20,000	$20,000	$20,000	$20,000
Install-Hydrant		$2,000	$2,000	$2,000	$2,000	$2,000
Miscellaneous		$7,000	$7,000	$7,000	$7,000	$7,000
New Meter/Install Parts		$40,000	$40,000	$40,000	$40,000	$40,000
Notice Delivery Revenue		$5,000	$5,000	$5,000	$5,000	$5,000
Subtotal Operating Revenues		$620,000	$620,000	$620,000	$620,000	$620,000
Non-Operating Revenues						
NSF Fees		$3,000	$3,000	$3,000	$3,000	$3,000
Recycling Revenue		$8,000	$8,000	$8,000	$8,000	$8,000
Miscellaneous Revenue	Table 15	$95,000	$95,000	$95,000	$95,000	$95,000
Interest Revenues		$59,000	$103,000	$131,000	$154,000	$247,000
Property Tax Revenue		$650,000	$650,000	$650,000	$650,000	$650,000
Subtotal Non-Operating Revenues		$815,000	$859,000	$887,000	$910,000	$1,003,000
Other Revenues						
Penalty Charges		$405,000	$405,000	$405,000	$405,000	$405,000
Plan Check Rev.	Table 15	$81,000	$81,000	$81,000	$81,000	$81,000
Miscellaneous Revenue		$61,000	$61,000	$61,000	$61,000	$61,000
Misc. Revenue - Eng. Services		$4,000	$4,000	$4,000	$4,000	$4,000
Subtotal Other Revenues		$551,000	$551,000	$551,000	$551,000	$551,000
Total Revenues		**$49,087,000**	**$53,370,000**	**$58,018,000**	**$63,077,000**	**$68,659,000**

Proposed Financial Plan (continued)						
O&M Expenditures		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Purchased Water Costs						
Fixed Purchased Water Costs						
MWD Readiness-to-Serve Charge	Table 16	$457,000	$457,000	$457,000	$457,000	$457,000
MWD Capacity Charge		$327,000	$327,000	$327,000	$327,000	$327,000
Supply Reliability Charge		$1,041,000	$1,041,000	$1,041,000	$1,041,000	$1,041,000
Customer Service Charge		$1,040,000	$1,040,000	$1,040,000	$1,040,000	$1,040,000
Emergency Storage Charge		$1,517,000	$1,517,000	$1,517,000	$1,517,000	$1,517,000
Infrastructure Access Charge		$761,000	$761,000	$761,000	$761,000	$761,000
Subtotal Fixed Purchased Water Costs		$5,143,000	$5,143,000	$5,143,000	$5,143,000	$5,143,000
Variable Purchased Water Costs						
Purchased Water (Variable Costs)	Table 16	$20,467,000	$20,467,000	$20,467,000	$20,467,000	$20,467,000
PSAWR Credit/Discount		($659,000)	($659,000)	($659,000)	($659,000)	($659,000)
Subtotal Variable Purchased Water Costs		$19,808,000	$19,808,000	$19,808,000	$19,808,000	$19,808,000
Total Purchased Water Costs		$24,951,000	$24,951,000	$24,951,000	$24,951,000	$24,951,000
Operating Expenses						
Operating and Maintenance						
Administration	Table 16	$1,726,000	$1,832,000	$1,930,000	$2,033,000	$2,142,000
Board of Directors		$44,000	$46,000	$48,000	$50,000	$52,000
Customer Service		$511,000	$541,000	$567,000	$596,000	$625,000
Distribution / Capital Construction		$2,426,000	$2,579,000	$2,699,000	$2,825,000	$2,957,000
Engineering		$983,000	$1,039,000	$1,095,000	$1,155,000	$1,218,000
Finance		$1,001,000	$1,058,000	$1,112,000	$1,169,000	$1,230,000
Fleet/Garage		$544,000	$578,000	$605,000	$633,000	$663,000
General Fund Expense		$561,000	$604,000	$629,000	$654,000	$680,000
Human Resources		$384,000	$407,000	$428,000	$449,000	$472,000
Information Technology		$1,385,000	$1,476,000	$1,545,000	$1,618,000	$1,694,000
Meters		$1,091,000	$1,156,000	$1,211,000	$1,269,000	$1,331,000
Operations		$3,163,000	$3,369,000	$3,522,000	$3,681,000	$3,848,000
Risk Management		$817,000	$877,000	$914,000	$953,000	$994,000
Valve Maintenance		$389,000	$411,000	$432,000	$453,000	$476,000
Subtotal Operating and Maintenance		$15,025,000	$15,973,000	$16,737,000	$17,538,000	$18,382,000
Pumping Costs						
Pumping Operations	Table 16	$135,000	$145,000	$151,000	$158,000	$165,000
Pumping Energy		$830,000	$871,000	$915,000	$961,000	$1,009,000
Subtotal Pumping Costs		$965,000	$1,016,000	$1,066,000	$1,119,000	$1,174,000
Total Operating Expenses		$15,990,000	$16,989,000	$17,803,000	$18,657,000	$19,556,000
Debt Service						
Existing Debt	Table 16	$3,077,000	$3,077,000	$3,077,000	$3,076,000	$3,076,000
Subtotal Debt Service		$3,077,000	$3,077,000	$3,077,000	$3,076,000	$3,076,000
Total Expenses		**$44,018,000**	**$45,017,000**	**$45,831,000**	**$46,684,000**	**$47,583,000**
Net Cashflow (Revenue - Expenses)		**$5,069,000**	**$8,353,000**	**$12,187,000**	**$16,393,000**	**$21,076,000**

Table 21: Water – Reserves Activity through FY 2028

Water Reserve Activity					
Operating Fund	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$3,705,993	$7,235,836	$7,400,055	$7,544,917	$16,714,114
Transfers (Net Cashflow)	$5,069,000	$8,353,000	$12,187,000	$16,393,000	$21,076,000
Intermediate Balance	$8,774,993	$15,588,836	$19,587,055	$23,937,917	$37,790,114
Transfers to Water Capital Reserve	($1,539,157)	($8,188,781)	($9,244,138)	($6,972,003)	($7,870,731)
Transfers to Rate Stabilization Reserve	$0	$0	($2,798,000)	($251,800)	($274,450)
Ending Balance	**$7,235,836**	**$7,400,055**	**$7,544,917**	**$16,714,114**	**$29,644,934**
Liability Self-Insurance	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$100,000	$100,000	$100,000	$100,000	$100,000
Ending Balance	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$100,000**
Water Capital Reserve	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$679,429	($934,282)	$4,350,322	$7,560,731	$8,213,249
Plus:					
Transfers from/(to) Operating Fund	$1,539,157	$8,188,781	$9,244,138	$6,972,003	$7,870,731
Wholesale Water Efficiency Loan Proceeds	$5,075,000	$2,581,090	$0	$0	$0
Less:					
CIP	($8,227,868)	($5,510,697)	($6,122,396)	($6,436,909)	($7,354,597)
Subtotal Water Capital Reserve	($934,282)	$4,324,892	$7,472,063	$8,095,825	$8,729,383
Interest Earnings	$0	$25,430	$88,668	$117,424	$127,070
Ending Balance	**($934,282)**	**$4,350,322**	**$7,560,731**	**$8,213,249**	**$8,856,453**
Rate Stabilization Reserve	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$0	$0	$0	$2,798,000	$3,049,800
Transfers from Operating Fund	$0	$0	$2,798,000	$251,800	$274,450
Ending Balance	**$0**	**$0**	**$2,798,000**	**$3,049,800**	**$3,324,250**
New Water Resources	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$1,322,262	$1,322,262	$1,322,262	$1,322,262	$1,322,262
Ending Balance	**$1,322,262**	**$1,322,262**	**$1,322,262**	**$1,322,262**	**$1,322,262**
Total Reserves - Ending Balance	**$7,723,816**	**$13,172,639**	**$19,325,910**	**$29,399,425**	**$43,247,898**

Figure 8 identifies the operating position based on the proposed financial plan and Figure 9 shows the capital plan with funding sources. Figure 10 identifies the ending reserve balances for reserves after funding capital. The proposed financial plan takes a measured approach and rebuilds reserves over the Rate Setting Period. It is recommended to meet or exceed the target reserve by FY 2028 to help mitigate uncertainty related to the potential disconnect from SDCWA, anticipated cutbacks in agriculture water usage, and future capital costs.

Figure 8: Water Proposed Operating Position

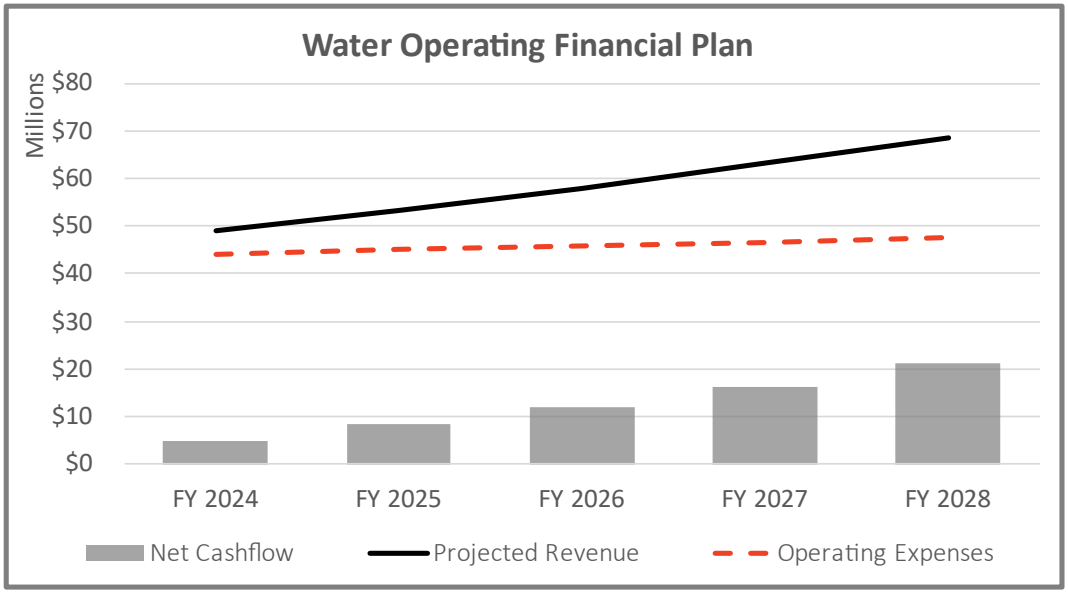


Figure 9: Water Capital Improvement Plan with Funding Sources

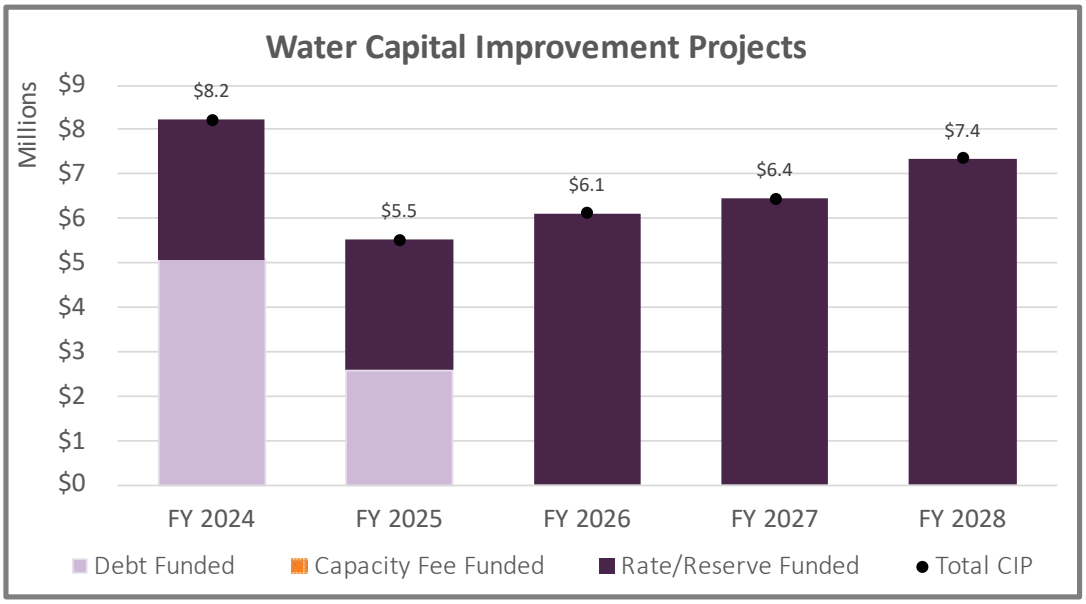
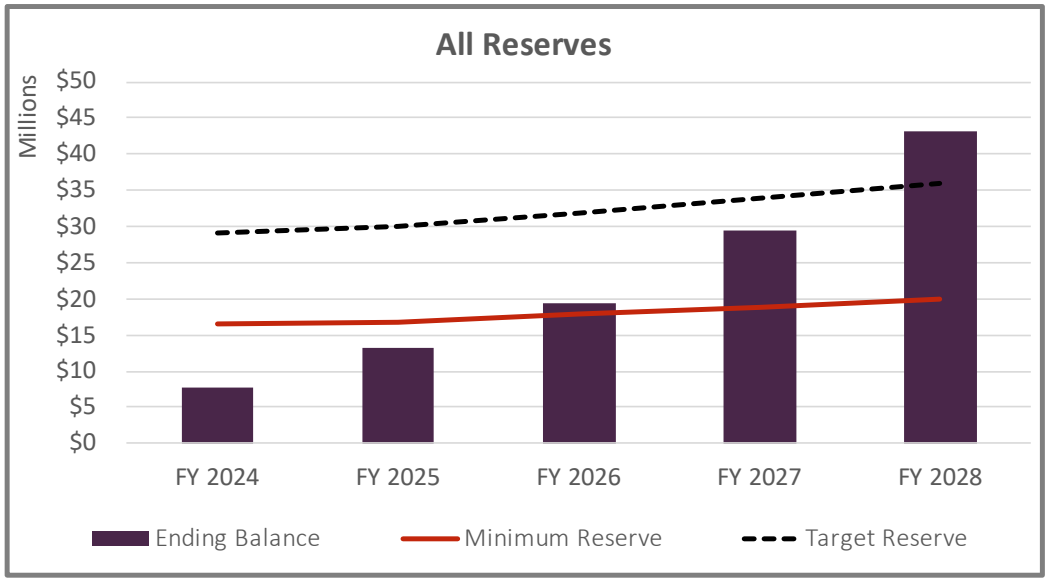


Figure 10: Water Proposed Ending Reserves



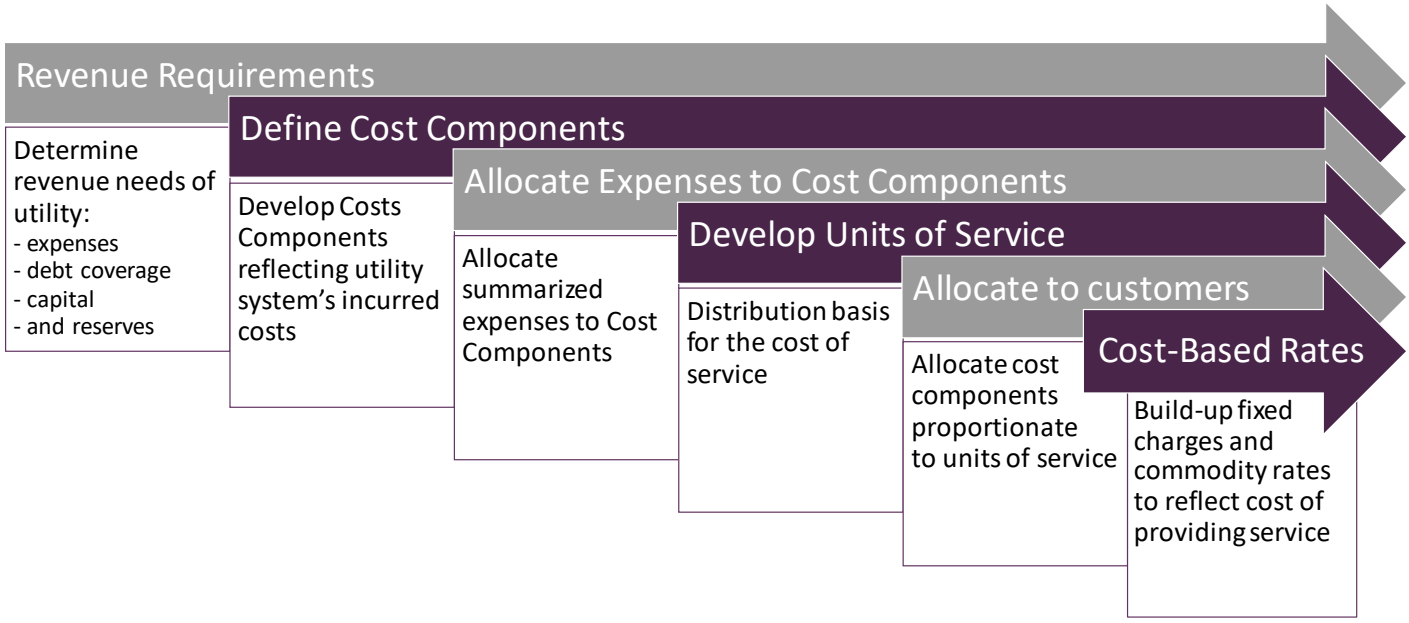
Cost of Service Analysis – Water Utility

Cost of Service Process

The next step in developing rates is to perform a cost-of-service analysis. This step develops proposed water rates that are cost-based and equitable. Meeting the requirements of Proposition 218 is of paramount importance in developing utility rates. Proposition 218 does not provide a particular methodology for establishing cost-based rates. This study and analysis herein allocates costs proportionately to each parcel served by the District and derives water rates that adhere to the cost-of-service provisions of Proposition 218.

It is important to understand **how** costs are incurred to determine the most appropriate way to recover them. The following graphic summarizes the cost-of-service process. This process allocates costs incurred to customer classes and tiers based on their proportional share. As a result, the proposed rates are cost-based and reflect the costs incurred to deliver water service to all customers.

Figure 11: Cost of Service Process



Revenue Requirements

With FY 2024 as the first year of the proposed rate schedule, revenue requirements are determined for FY 2024 and used for the cost-of-service. Revenue requirements include Purchased Water Costs, O&M expenses, available revenue offsets from other revenues, and reserve funding. Funding capital projects and replenishing reserves to meet or exceed the minimum reserve requirement is achieved over the Rate Setting Period. Purchased water rates from SDCWA are held constant during the Rate Setting Period. Any incremental increases in purchased water costs from SDCWA will be in addition to what is shown in the following table and captured through pass through adjustments. The results of the financial plan analysis are summarized in Table 22 and represent the revenue required from rates over the Rate Setting Period.

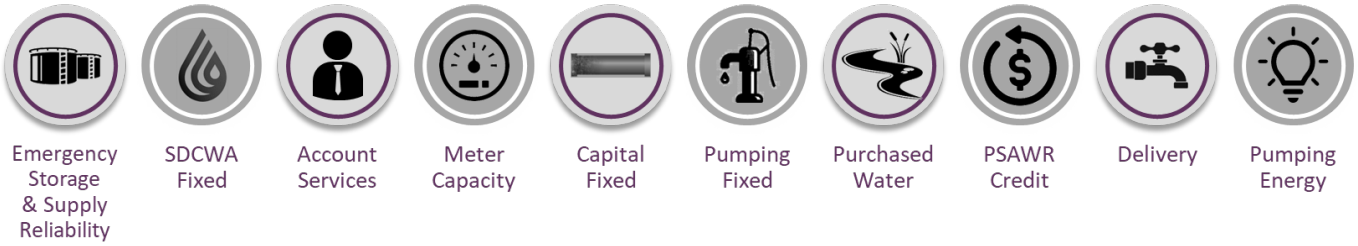
Table 22: Water Revenue Requirements

Revenue Requirements	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Purchased Water Costs					
Fixed Purchased Water Costs					
MWD Readiness-to-Serve Charge	$457,000	$457,000	$457,000	$457,000	$457,000
MWD Capacity Charge	$327,000	$327,000	$327,000	$327,000	$327,000
Supply Reliability Charge	$1,041,000	$1,041,000	$1,041,000	$1,041,000	$1,041,000
Customer Service Charge	$1,040,000	$1,040,000	$1,040,000	$1,040,000	$1,040,000
Emergency Storage Charge	$1,517,000	$1,517,000	$1,517,000	$1,517,000	$1,517,000
Infrastructure Access Charge	$761,000	$761,000	$761,000	$761,000	$761,000
Total Fixed Purchased Water Costs	$5,143,000	$5,143,000	$5,143,000	$5,143,000	$5,143,000
Variable Purchased Water Costs					
Purchased Water (Variable Costs)	$20,467,000	$20,467,000	$20,467,000	$20,467,000	$20,467,000
PSAWR Credit/Discount	($659,000)	($659,000)	($659,000)	($659,000)	($659,000)
Total Variable Purchased Water Costs	$19,808,000	$19,808,000	$19,808,000	$19,808,000	$19,808,000
Total Purchased Water Costs	$24,951,000	$24,951,000	$24,951,000	$24,951,000	$24,951,000
Operating and Maintenance					
Administration	$1,726,000	$1,832,000	$1,930,000	$2,033,000	$2,142,000
Board of Directors	$44,000	$46,000	$48,000	$50,000	$52,000
Customer Service	$511,000	$541,000	$567,000	$596,000	$625,000
Distribution / Capital Construction	$2,426,000	$2,579,000	$2,699,000	$2,825,000	$2,957,000
Engineering	$983,000	$1,039,000	$1,095,000	$1,155,000	$1,218,000
Finance	$1,001,000	$1,058,000	$1,112,000	$1,169,000	$1,230,000
Fleet/Garage	$544,000	$578,000	$605,000	$633,000	$663,000
General Fund Expense	$561,000	$604,000	$629,000	$654,000	$680,000
Human Resources	$384,000	$407,000	$428,000	$449,000	$472,000
Information Technology	$1,385,000	$1,476,000	$1,545,000	$1,618,000	$1,694,000
Meters	$1,091,000	$1,156,000	$1,211,000	$1,269,000	$1,331,000
Operations	$3,163,000	$3,369,000	$3,522,000	$3,681,000	$3,848,000
Risk Management	$817,000	$877,000	$914,000	$953,000	$994,000
Valve Maintenance	$389,000	$411,000	$432,000	$453,000	$476,000
Total Operating and Maintenance	$15,025,000	$15,973,000	$16,737,000	$17,538,000	$18,382,000
Pumping Costs					
Pumping Operations	$135,000	$145,000	$151,000	$158,000	$165,000
Pumping Energy	$830,000	$871,000	$915,000	$961,000	$1,009,000
Total Pumping Costs	$965,000	$1,016,000	$1,066,000	$1,119,000	$1,174,000
Debt Service					
Existing Debt	$3,077,000	$3,077,000	$3,077,000	$3,076,000	$3,076,000
Total Debt Service	$3,077,000	$3,077,000	$3,077,000	$3,076,000	$3,076,000
Other Funding					
Revenue Offsets					
Operating Revenues	($620,000)	($620,000)	($620,000)	($620,000)	($620,000)
Non-Operating Revenues	($815,000)	($859,000)	($887,000)	($910,000)	($1,003,000)
Other Revenues	($551,000)	($551,000)	($551,000)	($551,000)	($551,000)
Total Revenue Offsets	($1,986,000)	($2,030,000)	($2,058,000)	($2,081,000)	($2,174,000)
Adjustments					
Reserve Funding	$5,069,000	$8,353,000	$12,187,000	$16,393,000	$21,076,000
Total Adjustments	$5,069,000	$8,353,000	$12,187,000	$16,393,000	$21,076,000
Total Other Funding	$3,083,000	$6,323,000	$10,129,000	$14,312,000	$18,902,000
Revenue Required from Rates	**$47,101,000**	**$51,340,000**	**$55,960,000**	**$60,996,000**	**$66,485,000**

Define Cost Components

The utility incurs costs to accommodate total water demand throughout the year, including water supply costs, treatment, operating expenses, and pumping. Therefore, to determine the most appropriate way to recover the utility's expenses, cost components are identified to allocate expenses based on how they are incurred. The cost components shown in Figure 12 reflect the cost components used for this study.

Figure 12: Cost Components



Emergency Storage & Supply Reliability – Fixed monthly water supply costs associated with Emergency Storage and Supply Reliability that are incurred by the District from SDCWA. These two fixed components are separated out from other SDCWA fixed charges because PSAWR customers do not pay these fixed costs.
SDCWA Fixed – Fixed monthly water supply costs incurred by the District from SDCWA, including MWD Capacity, Customer Service, Infrastructure Access, and MWD Readiness-to-Serve.
Account Services – Fixed expenses that do not necessarily fluctuate based on usage or meter size.
Meter Capacity – Expenses associated with operating and maintaining the system, planning, customer services, support services, reserves, and overhead.
Capital Fixed – Expenses associated with debt and reserves related to system capital.
Pumping Fixed – Fixed expenses associated with the District Pumping division, including staffing, equipment & building maintenance, and supplies.
Purchased Water – Water supply costs from the purchase of treated water from SDCWA.
PSAWR Credit – Credits from SDCWA for usage associated with PSAWR customers.
Delivery – Expenses associated with distribution, engineering, fleet, operating, valves, safety, and reserve funding.
Pumping Energy – Energy costs incurred to pump water to higher elevations.

Allocate Expenses to Cost Components

When allocating expenses to the defined costs components, it is important to have a sound basis as to why an expense was allocated to a certain fixed cost component versus a variable cost component or split between both fixed and variable. The distribution of expenses to the cost components should be straightforward to ensure the method of apportionment is **understandable** and easily **correlates to how expenses are incurred**.

Table 23 summarizes the percent allocation of purchased water costs from SDCWA to the cost components, and Table 24 uses the percent allocations in Table 23 to allocate expenses in dollars to each cost component.

Table 23: SDCWA Expense Allocation to Cost Components (%)

Purchased Water Costs	Methodology / Allocation Basis	Emergency Storage & Supply Reliability	SDCWA Fixed	Purchased Water	PSAWR Credit	Total
Fixed Purchased Water Costs						
MWD Readiness-to-Serve Charge	Specific	0.0%	100.0%	0.0%	0.0%	100.0%
MWD Capacity Charge	Specific	0.0%	100.0%	0.0%	0.0%	100.0%
Supply Reliability Charge	Specific	100.0%	0.0%	0.0%	0.0%	100.0%
Customer Service Charge	Specific	0.0%	100.0%	0.0%	0.0%	100.0%
Emergency Storage Charge	Specific	100.0%	0.0%	0.0%	0.0%	100.0%
Infrastructure Access Charge	Specific	0.0%	100.0%	0.0%	0.0%	100.0%
Variable Purchased Water Costs						
Purchased Water (Variable Costs)	Specific	0.0%	0.0%	100.0%	0.0%	100.0%
PSAWR Credit/Discount	Specific	0.0%	0.0%	0.0%	100.0%	100.0%

Table 24: SDCWA Expense Allocation to Cost Components ($)

Purchased Water Costs	Methodology / Allocation Basis	Emergency Storage & Supply Reliability	SDCWA Fixed	Purchased Water	PSAWR Credit	Total
Fixed Purchased Water Costs						
MWD Readiness-to-Serve Charge	Specific	$0	$457,000	$0	$0	$457,000
MWD Capacity Charge	Specific	$0	$327,000	$0	$0	$327,000
Supply Reliability Charge	Specific	$1,041,000	$0	$0	$0	$1,041,000
Customer Service Charge	Specific	$0	$1,040,000	$0	$0	$1,040,000
Emergency Storage Charge	Specific	$1,517,000	$0	$0	$0	$1,517,000
Infrastructure Access Charge	Specific	$0	$761,000	$0	$0	$761,000
Variable Purchased Water Costs						
Purchased Water (Variable Costs)	Specific	$0	$0	$20,467,000	$0	$20,467,000
PSAWR Credit/Discount	Specific	$0	$0	$0	($659,000)	($659,000)
Total Allocation ($)		**$2,558,000**	**$2,585,000**	**$20,467,000**	**($659,000)**	**$24,951,000**

Table 25 summarizes the percent allocation of O&M Revenue Requirements to the cost components, and Table 26 uses the percent allocations in Table 25 to allocate O&M expenses in dollars to each cost component.

Table 25: Water O&M Expenses Allocation to Cost Components (%)

Operating and Maintenance	Methodology / Allocation Basis	Account Services	Meter Capacity	Capital Fixed	Delivery	Total
Administration	Fixed Demand	0.0%	100.0%	0.0%	0.0%	100.0%
Board of Directors	Fixed Demand	0.0%	100.0%	0.0%	0.0%	100.0%
Customer Service	Fixed Demand	100.0%	0.0%	0.0%	0.0%	100.0%
Distribution / Capital Construction	Average Demand	0.0%	0.0%	0.0%	100.0%	100.0%
Engineering	Average Demand	0.0%	0.0%	0.0%	100.0%	100.0%
Finance	Fixed Demand	0.0%	100.0%	0.0%	0.0%	100.0%
Fleet/Garage	Average Demand	0.0%	0.0%	0.0%	100.0%	100.0%
General Fund Expense	Fixed Demand	0.0%	100.0%	0.0%	0.0%	100.0%
Human Resources	Fixed Demand	0.0%	100.0%	0.0%	0.0%	100.0%
Information Technology	Fixed Demand	0.0%	100.0%	0.0%	0.0%	100.0%
Meters	Fixed Demand	0.0%	100.0%	0.0%	0.0%	100.0%
Operations	Average Demand	0.0%	0.0%	0.0%	100.0%	100.0%
Risk Management	Average Demand	0.0%	0.0%	0.0%	100.0%	100.0%
Valve Maintenance	Average Demand	0.0%	0.0%	0.0%	100.0%	100.0%

Table 26: Water O&M Expenses Allocation to Cost Components ($)

Operating and Maintenance	Methodology / Allocation Basis	Account Services	Meter Capacity	Capital Fixed	Delivery	Total
Administration	*Fixed Demand*	$0	$1,726,000	$0	$0	$1,726,000
Board of Directors	*Fixed Demand*	$0	$44,000	$0	$0	$44,000
Customer Service	*Fixed Demand*	$511,000	$0	$0	$0	$511,000
Distribution / Capital Construction	*Average Demand*	$0	$0	$0	$2,426,000	$2,426,000
Engineering	*Average Demand*	$0	$0	$0	$983,000	$983,000
Finance	*Fixed Demand*	$0	$1,001,000	$0	$0	$1,001,000
Fleet/Garage	*Average Demand*	$0	$0	$0	$544,000	$544,000
General Fund Expense	*Fixed Demand*	$0	$561,000	$0	$0	$561,000
Human Resources	*Fixed Demand*	$0	$384,000	$0	$0	$384,000
Information Technology	*Fixed Demand*	$0	$1,385,000	$0	$0	$1,385,000
Meters	*Fixed Demand*	$0	$1,091,000	$0	$0	$1,091,000
Operations	*Average Demand*	$0	$0	$0	$3,163,000	$3,163,000
Risk Management	*Average Demand*	$0	$0	$0	$817,000	$817,000
Valve Maintenance	*Average Demand*	$0	$0	$0	$389,000	$389,000
Total Allocation ($)		**$511,000**	**$6,192,000**	**$0**	**$8,322,000**	**$15,025,000**
Operating and Maintenance Allocation (%)		**3.4%**	**41.2%**	**0.0%**	**55.4%**	**100.0%**

Table 27 summarizes the percent allocation of Pumping expenses to the cost components, and Table 28 uses the percent allocations in Table 27 to allocate Pumping expenses in dollars to each cost component.

Table 27: Pumping Expense Allocation to Cost Components (%)

Pumping Costs	Methodology / Allocation Basis	Pumping Fixed	Pumping Energy	Total
Pumping Operations	**Specific**	100.0%	0.0%	100.0%
Pumping Energy	**Specific**	0.0%	100.0%	100.0%

Table 28: Pumping Expense Allocation to Cost Components ($)

Pumping Costs	Methodology / Allocation Basis	Pumping Fixed	Pumping Energy	Total
Pumping Operations	*Specific*	$135,000	$0	$135,000
Pumping Energy	*Specific*	$0	$830,000	$830,000
Total Allocation ($)		**$135,000**	**$830,000**	**$965,000**

Table 29 summarizes the percent allocation of Debt to the cost components, and Table 30 uses the percent allocations in Table 29 to allocate Debt in dollars to each cost component. Annual debt payments are allocated 100% to Capital Fixed since debt is a secured obligation of the District that must be paid and is typically used to finance capital projects.

Table 29: Water Debt Allocation to Cost Components (%)

Debt Service	Methodology / Allocation Basis	Account Services	Meter Capacity	Capital Fixed	Delivery	Total
Existing Debt	**Specific**	0.0%	0.0%	100.0%	0.0%	100.0%

Table 30: Water Debt Allocation to Cost Components ($)

Debt Service	Methodology / Allocation Basis	Account Services	Meter Capacity	Capital Fixed	Delivery	Total
Existing Debt	*Specific*	$0	$0	$3,077,000	$0	$3,077,000
Total Allocation ($)		**$0**	**$0**	**$3,077,000**	**$0**	**$3,077,000**

Other Funding includes other operating revenues, non-operating revenues, and reserve funding. Other Funding was allocated to the cost components based on O&M percentages derived in Table 26 to maintain proportionality in how expenses were allocated to each cost component. Table 31 summarizes the percent allocation of Other Funding to the cost components, and Table 32 uses the percent allocations in Table 31 to allocate revenue offsets and expenses in dollars to each cost component.

Table 31: Water Other Funding Allocation to Cost Components (%)

Other Funding	Methodology / Allocation Basis	Account Services	Meter Capacity	Capital Fixed	Delivery	Total
Revenue Offsets						
Operating Revenues	**O&M Allocation**	3.4%	41.2%	0.0%	55.4%	100.0%
Non-Operating Revenues	**O&M Allocation**	3.4%	41.2%	0.0%	55.4%	100.0%
Other Revenues	**O&M Allocation**	3.4%	41.2%	0.0%	55.4%	100.0%
Adjustments						
Reserve Funding	**O&M Allocation**	3.4%	41.2%	0.0%	55.4%	100.0%

Table 32: Water Other Funding Allocation to Cost Components ($)

Other Funding	Methodology / Allocation Basis	Account Services	Meter Capacity	Capital Fixed	Delivery	Total
Revenue Offsets						
Operating Revenues	*O&M Allocation*	($21,086)	($255,510)	$0	($343,404)	($620,000)
Non-Operating Revenues	*O&M Allocation*	($27,718)	($335,872)	$0	($451,410)	($815,000)
Other Revenues	*O&M Allocation*	($18,740)	($227,074)	$0	($305,186)	($551,000)
Adjustments						
Reserve Funding	*O&M Allocation*	$172,397	$2,089,002	$0	$2,807,602	$5,069,000
Total Allocation ($)		**$104,853**	**$1,270,545**	**$0**	**$1,707,602**	**$3,083,000**

Table 33 summarizes the FY 2024 total revenue requirement derived in Table 22 by cost component.

Table 33: FY 2024 Cost-of-Service Requirements by Cost Component

	Fixed Components						Variable Components				
Revenue Requirement	Emergency Storage & Supply Reliability	SDCWA Fixed	Account Services	Meter Capacity	Capital Fixed	Pumping Fixed	Purchased Water	PSAWR Credit	Delivery	Pumping Energy	Total
Purchased Water Costs	$2,558,000	$2,585,000	$0	$0	$0	$0	$20,467,000	($659,000)	$0	$0	$24,951,000
Operating and Maintenance	$0	$0	$511,000	$6,192,000	$0	$0	$0	$0	$8,322,000	$0	$15,025,000
Pumping Costs	$0	$0	$0	$0	$0	$135,000	$0	$0	$0	$830,000	$965,000
Debt Service	$0	$0	$0	$0	$3,077,000	$0	$0	$0	$0	$0	$3,077,000
Other Funding	$0	$0	$104,853	$1,270,545	$0	$0	$0	$0	$1,707,602	$0	$3,083,000
COS Requirements	**$2,558,000**	**$2,585,000**	**$615,853**	**$7,462,545**	**$3,077,000**	**$135,000**	**$20,467,000**	**($659,000)**	**$10,029,602**	**$830,000**	**$47,101,000**

Rate Design – Water Utility

Develop Units of Service

Unit rates for each cost component are derived by spreading the corresponding revenue requirements over appropriate units of service (distribution basis). This approach provides a clear connection between costs incurred and the proportionate share attributable to each customer class tier, and customer account. When designing rates, the most critical component is to connect costs to the proposed rates, resulting in a rate structure that is cost-based and in compliance with Proposition 218. The previous section summarized costs by expense category and then allocated to cost components based on how each cost is incurred. The next step in designing rates is to allocate each cost component to customers in relation to their use of the system and facilities. The method of apportionment considers each customer's share of system costs and is reflected by the units of service used to equitably distribute the cost components to each customer account. The distribution basis varies by cost component and includes total accounts, Meter Equivalents (MEs), which reflect demand placed on the system based on meter size, total water usage, and total usage within pumping zones. Table 34 identifies the number if accounts by customer class and meter size.

Table 34: FY 2024 Total Accounts

Water Accounts by Customer Class and Meter Size										
Line #	Meter Size	Single-Family	Multi-Family	Commercial	Institutional	Agriculture w/ Res	Agriculture	PSAWR Domestic	PSAWR Commercial	Total Accounts
1	5/8"	234	-	1	-	2	1	-	-	**238**
2	3/4"	3,202	39	33	3	170	44	16	4	**3,511**
3	1"	2,523	5	105	2	800	236	167	40	**3,878**
4	1 1/2"	169	31	56	4	147	104	61	33	**605**
5	2"	113	39	55	5	69	117	51	48	**497**
6	3"	5	3	6	1	3	16	4	5	**43**
7	4"	1	5	4	2	1	6	-	1	**20**
8	6"	-	-	-	-	-	1	-	-	**1**
9	Total	6,247	122	260	17	1,192	525	299	131	**8,793**
10	**Annual Units** *(line 9 x 12 bills)*	**74,964**	**1,464**	**3,120**	**204**	**14,304**	**6,300**	**3,588**	**1,572**	**105,516**

In Table 35 each meter size was assigned an equivalency factor using the flow characteristics of a 3/4" meter. Based on the District's meter inventory, the safe maximum operating flow capacity for these meter types, as identified in the AWWA M1 Manual, 6th Edition, Table B-2, were used for determining meter equivalencies. The safe maximum operating flow capacity for each meter was divided by the 3/4" meters' safe operating flow capacity of 30 gallons per minute (gpm) to determine the equivalent meter ratio. In other words, the calculations convert all larger sized meters to an equivalent number of 3/4" meters based on the safe operating flow capacity of 30 gpm. The Capacity Ratios provide an equivalency to the base 3/4" based on flow and correlates to the capacity that each meter bought into the system at point of connection. Total MEs are determined by multiplying the number of meters by the Capacity Ratio (rounded to a whole number), and then multiplying the result by the billing periods in a year (12 billing periods)[4]. Table 34 and Table 35 provides the number of accounts within each customer class by meter size and meter equivalents, respectively.

[4] The District bills customers on a monthly basis; therefore, there are 12 billing periods during the fiscal year.

Table 35: FY 2024 Total Meter Equivalents

Water Meter Equivalents by Customer Class and Meter Size												
Line #	Meter Size	AWWA Capacity	AWWA Capacity Ratio	Single-Family	Multi-Family	Commercial	Institutional	Agriculture w/ Res	Agriculture	PSAWR Domestic	PSAWR Commercial	Total Equivalent Units
1	5/8"	30	1.00	234	0	1	0	2	1	0	0	**238**
2	3/4"	30	1.00	3,202	39	33	3	170	44	16	4	**3,511**
3	1"	50	1.67	4,205	8	175	3	1,333	393	278	67	**6,462**
4	1 1/2"	100	3.33	563	103	187	13	490	347	203	110	**2,016**
5	2"	160	5.33	603	208	293	27	368	624	272	256	**2,651**
6	3"	350	11.67	58	35	70	12	35	187	47	58	**502**
7	4"	630	21.00	21	105	84	42	21	126	-	21	**420**
8	6"	1,300	43.33	-	-	-	-	-	43	-	-	**43**
9	Total			8,886	498	843	100	2,419	1,765	816	516	**15,843**
10	**Annual Units** *(line 9 x 12 bills)*			**106,632**	**5,976**	**10,116**	**1,200**	**29,028**	**21,180**	**9,792**	**6,192**	**190,116**

Table 36 summarizes the annual units of service related to All Accounts (line 10 of Table 34) and Total MEs (line 10 of Table 35). Table 36 also separately identifies the annual meter equivalents for Non-PSAWR and Agricultural and PSWAR accounts, which are needed for the allocation of certain cost-of-service components.

Table 36: FY 2024 Accounts and Meter Equivalents Summary

Annual Fixed Units of Service Summary					
Customer Class	All Account	Accounts less PSAWR	Total MEs	Non-PSAWR MEs	Agricultural & PSAWR MEs
Single-Family	74,964	74,964	106,632	106,632	0
Multi-Family	1,464	1,464	5,976	5,976	0
Commercial	3,120	3,120	10,116	10,116	0
Institutional	204	204	1,200	1,200	0
Agriculture w/ Res	14,304	14,304	29,028	29,028	29,028
Agriculture	6,300	6,300	21,180	21,180	21,180
PSAWR Domestic	3,588	0	9,792	0	9,792
PSAWR Commercial	1,572	0	6,192	0	6,192
Annual Fixed Units	**105,516**	**100,356**	**190,116**	**174,132**	**66,192**

Table 37 summarizes the FY 2024 projected usage broken out by customer class. PSAWR customers do not receive the commodity credit for domestic usage (22 HCF per month) as determined by SDCWA. Therefore, the table also summarizes the PSAWR Usage less Domestic. The annual number of PSAWR Domestic customers from Table 34 was multiplied by 22 HCF to determine the usage that would not receive the credit. This usage was subtracted from the PSAWR Domestic usage to arrive at the usage shown in the table. Table 38 summarizes the number of pumping accounts and usage within each pumping zone.

Table 37: FY 2024 Projected Usage

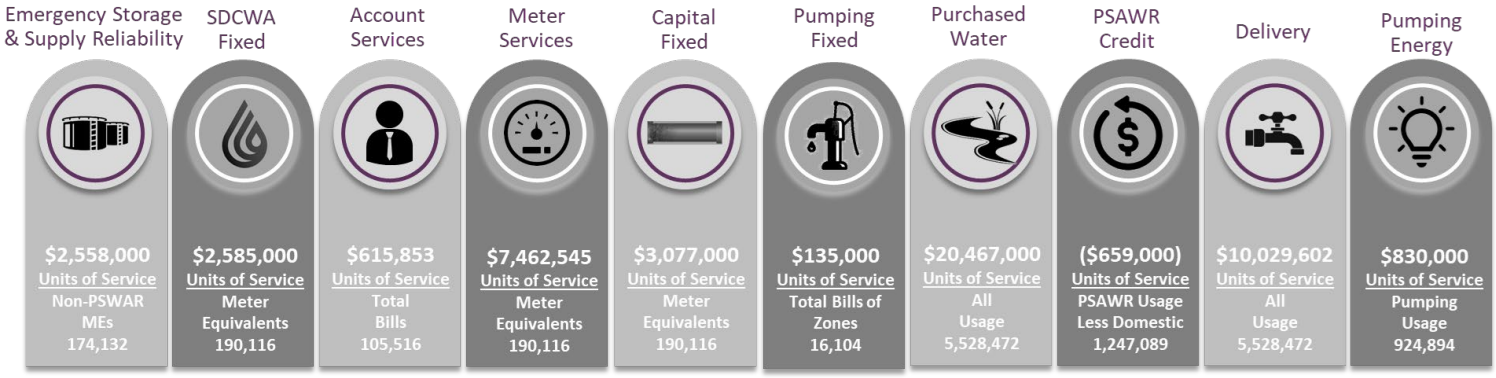
Projected Usage (HCF)		
Customer Class	All Usage (HCF)	PSAWR Usage less Domestic (HCF)
Single-Family	1,521,953	-
Multi-Family	130,046	-
Commercial	362,543	-
Institutional	26,318	-
Agriculture w/ Res	918,501	-
Agriculture	1,243,086	-
PSAWR Domestic	721,309	642,373
PSAWR Commercial	604,716	604,716
Total	**5,528,472**	**1,247,089**

Table 38: FY 2024 Projected Pumping Zone Accounts & Usage

Pumping Zone Summary				
Line #	Pump Zones	Zone Description	Pumping Accounts	Pumping Usage (HCF)
1	Pump Zone 1	*Rainbow Heights*	181	183,452
2	Pump Zone 2	*Improvement District U-1*	111	38,945
3	Pump Zone 3	*Vallecitos*	60	67,006
4	Pump Zone 4	*Northside*	430	363,390
5	Pump Zone 5	*Morro Tank*	349	128,436
6	Pump Zone 6	*Huntley*	152	131,538
7	Pump Zone 7	*Magee Tank*	59	12,127
8	**Total**		1,342	**924,894**
9	Annual Units (Line 8 x 12 bills)		**16,104**	

Using the units of service identified in Table 36 through Table 38, the distribution basis can be identified for each cost component. Figure 13 identifies the total revenue requirements by cost component from Table 33 and the corresponding units of service.

Figure 13: Water Distribution Basis and Units of Service by Cost Component



Using the FY 2024 revenue requirements, the cost of service allocates expenses to customers based on the service demands that each place on the system (cost causation). This cost causation approach ensures that each customer proportionately shares in the financial obligation of the utility. For each cost component's unit rate computations, unit rates were rounded up to the nearest penny.

Fixed Cost Recovery

Emergency Storage and Supply Reliability

SDCWA Fixed costs include six separate charges to its member agencies, including MWD Capacity, Customer Service, Infrastructure Access, Emergency Storage, Supply Reliability, and MWD Readiness-to-Serve. The SDCWA PSAWR program allows eligible agricultural customers to participate and receive a lower level of water service during water shortages or emergencies. In exchange, PSAWR customers are exempt from paying Emergency Storage and Supply Reliability fixed charges. Therefore, the SDCWA's Emergency Storage and Supply Reliability charges incurred by the District are only spread over meter equivalents of Non-PSAWR accounts. Table 39 apportions the revenue requirement for Emergency Storage and Supply Reliability based on meter size as represented by total Non-PSAWR MEs (from Table 36).

Table 39: FY 2024 Emergency and Reliability Monthly Unit Rate

Emergency Storage & Supply Reliability Component Unit Rate	
Revenue Requirement	$2,558,000
÷ Non-PSAWR MEs	174,132
Monthly Unit Rate	**$14.70**

Customer Class	Non-PSAWR MEs	% Allocation	Revenue Requirement
Single-Family	106,632	61.2%	$1,566,425
Multi-Family	5,976	3.4%	$87,787
Commercial	10,116	5.8%	$148,604
Institutional	1,200	0.7%	$17,628
Agriculture w/ Res	29,028	16.7%	$426,421
Agriculture	21,180	12.2%	$311,134
PSAWR Domestic	0	0.0%	$0
PSAWR Commercial	0	0.0%	$0
Total	**174,132**	**100.0%**	**$2,558,000**

SDCWA Fixed

The remaining SDCWA fixed charges of MWD Capacity, Customer Service, Infrastructure Access, and MWD Readiness-to-Serve (SDCWA Fixed) are incurred by the District based on the total number of accounts and meter equivalents regardless of the total amount of water used. Therefore, these fixed costs are spread to all customers based on meter size. The revenue requirement for SDCWA Fixed is apportioned based on meter size as represented by Total MEs as shown in Table 40.

Table 40: FY 2024 SDCWA Fixed Monthly Unit Rate

SDCWA Fixed Component Unit Rate	
Revenue Requirement	$2,585,000
÷ Total MEs	190,116
Monthly Unit Rate	**$13.60**

Customer Class	Total MEs	% Allocation	Revenue Requirement
Single-Family	106,632	56.1%	$1,449,871
Multi-Family	5,976	3.1%	$81,255
Commercial	10,116	5.3%	$137,547
Institutional	1,200	0.6%	$16,316
Agriculture w/ Res	29,028	15.3%	$394,693
Agriculture	21,180	11.1%	$287,984
PSAWR Domestic	9,792	5.2%	$133,141
PSAWR Commercial	6,192	3.3%	$84,192
Total	**190,116**	**100.0%**	**$2,585,000**

Account Services

Each customer incurs Account Services costs regardless of the type of land use, meter size, or total amount of water used. These costs should be spread equally across all accounts. This is achieved by multiplying the total accounts by the 12 billing periods over the fiscal year. Therefore, the revenue requirement for Account Services is apportioned based on the All Accounts to determine the monthly unit cost-of-service shown in Table 41.

Table 41: FY 2024 Account Services Monthly Unit Rate

Account Services Component Unit Rate	
Revenue Requirement	$615,853
÷ All Account	105,516
Monthly Unit Rate	**$5.84**

Customer Class	All Account	% Allocation	Revenue Requirement
Single-Family	74,964	71.0%	$437,534
Multi-Family	1,464	1.4%	$8,545
Commercial	3,120	3.0%	$18,210
Institutional	204	0.2%	$1,191
Agriculture w/ Res	14,304	13.6%	$83,486
Agriculture	6,300	6.0%	$36,770
PSAWR Domestic	3,588	3.4%	$20,942
PSAWR Commercial	1,572	1.5%	$9,175
Total	**105,516**	**100.0%**	**$615,853**

Meter Capacity

The Meter Capacity includes system-wide operating, system maintenance, planning, meter services, support services, reserves, and overhead. The revenue requirement for Meter Capacity is apportioned based on meter size. Larger-sized meters can generate a greater demand on the system from the amount of water flow that may pass through the meter in gpm. The revenue requirement for Meter Capacity is apportioned to meter size as represented by Total MEs as shown in Table 42.

Table 42: FY 2024 Meter Capacity Monthly Unit Rate

Meter Capacity Component Unit Rate	
Revenue Requirement	$7,462,545
÷ Total MEs	190,116
Monthly Unit Rate	**$39.26**

Customer Class	Total MEs	% Allocation	Revenue Requirement
Single-Family	106,632	56.1%	$4,185,582
Multi-Family	5,976	3.1%	$234,573
Commercial	10,116	5.3%	$397,079
Institutional	1,200	0.6%	$47,103
Agriculture w/ Res	29,028	15.3%	$1,139,424
Agriculture	21,180	11.1%	$831,370
PSAWR Domestic	9,792	5.2%	$384,361
PSAWR Commercial	6,192	3.3%	$243,052
Total	**190,116**	**100.0%**	**$7,462,545**

Capital Fixed

The Capital Fixed component includes expenses associated with debt. Debt payment obligations are secured by District rate revenues. Therefore, 100% of the annual debt is part of the total monthly fixed charge. The revenue requirement for Capital Fixed is apportioned based on meter size to reflect the system capacity taken by each connection. The District's system is configured to accommodate and serve all meter sizes and demands. Therefore, the revenue requirement for Capital Fixed is apportioned to meter size as represented by Total MEs as shown in Table 43.

Table 43: FY 2024 Capital Fixed Monthly Unit Rate

Capital Fixed Component Unit Rate	
Revenue Requirement	$3,077,000
÷ Total MEs	190,116
Monthly Unit Rate	**$16.19**

Customer Class	Total MEs	% Allocation	Revenue Requirement
Single-Family	106,632	56.1%	$1,725,824
Multi-Family	5,976	3.1%	$96,721
Commercial	10,116	5.3%	$163,726
Institutional	1,200	0.6%	$19,422
Agriculture w/ Res	29,028	15.3%	$469,814
Agriculture	21,180	11.1%	$342,795
PSAWR Domestic	9,792	5.2%	$158,482
PSAWR Commercial	6,192	3.3%	$100,217
Total	**190,116**	**100.0%**	**$3,077,000**

Pumping Fixed

The Pumping Fixed component includes expenses associated with the District Pumping division, including staffing, equipment & building maintenance, and supplies that do not vary by usage. Therefore, the revenue requirement for Pumping Fixed is apportioned to all accounts within the seven pumping zones as represented by Annual Pumping Accounts (Table 38, Line 9) as shown in Table 44.

Table 44: FY 2024 Pumping Fixed Monthly Unit Rate

Pumping Fixed Component Unit Rate	
Revenue Requirement	$135,000
÷ Pumping Accounts	16,104
Monthly Unit Rate	**$8.39**

Pumping Zone	Pumping Accounts	% Allocation	Revenue Requirement
Pump Zone 1	2,172	13.5%	$18,208
Pump Zone 2	1,332	8.3%	$11,166
Pump Zone 3	720	4.5%	$6,036
Pump Zone 4	5,160	32.0%	$43,256
Pump Zone 5	4,188	26.0%	$35,108
Pump Zone 6	1,824	11.3%	$15,291
Pump Zone 7	708	4.4%	$5,935
Total	**16,104**	**100.0%**	**$135,000**

Variable Cost Recovery

The remaining cost components of Purchased Water, PSAWR Credit, Delivery, and Pumping Energy make up the proposed variable rates. Proposed variable rates for each customer class are uniform.

Each customer classes variable rates are uniform and vary between non-agricultural accounts, agricultural accounts, and PSAWR accounts. Non-agricultural accounts include Single-Family, Multi-Family, Commercial, and Institutional. Agricultural and PSAWR customers' water usage may vary drastically from year-to-year based on weather, crop type, and total crop area. With agriculture's inherent usage volatility, the District is susceptible to revenue instability from their Agricultural and PSAWR customer classes. To combat this risk in revenue recovery, a portion of the variable costs allocated to these customer classes are shifted from variable recovery to fixed recovery and included as part of their monthly fixed charges. This shift in cost recovery causes higher monthly fixed charges and a lower variable rate for Agricultural and PSAWR customers. However, the total revenue requirements allocated to these customer classes do not change and maintains their proportionate cost of service. PSAWR customers also receive a variable credit from the SDCWA as part of the PSAWR program (PSAWR Credit). This PSAWR Credit is applied to their variable rates.

Purchased Water

Purchased Water is the treated water from SDCWA. Table 45 allocates the revenue requirement of Purchased Water to each customer class based on projected usage for FY 2024, identified in Table 37, which results in the same unit rate per HCF, where one HCF is equivalent to 748 gallons of water.

Table 45: FY 2024 Purchased Water Allocation to Customer Classes and Unit Rate

Purchased Water Component Unit Rate	
Revenue Requirement	$20,467,000
÷ All Usage	5,528,472
Unit Rate	**$3.71**

Customer Class	All Usage (HCF)	% Allocation	Revenue Requirement
Single-Family	1,521,953	27.5%	$5,634,434
Multi-Family	130,046	2.4%	$481,444
Commercial	362,543	6.6%	$1,342,173
Institutional	26,318	0.5%	$97,432
Agriculture w/ Res	918,501	16.6%	$3,400,390
Agriculture	1,243,086	22.5%	$4,602,039
PSAWR Domestic	721,309	13.0%	$2,670,364
PSAWR Commercial	604,716	10.9%	$2,238,724
Total	**5,528,472**	**100.0%**	**$20,467,000**

PSAWR Credit

PSAWR customers receive a credit from SCDWA based on total water usage from these customers. This credit is only applied to PSAWR non-domestic water usage, which correlates to usage over 22 HCF (Table 37). Table 46 derives the unit rate for the PSAWR Credit per HCF.

Table 46: FY 2024 PSAWR Credit Allocation to Customer Classes and Unit Rate

PSAWR Credit Component Unit Rate	
Revenue Requirement	($659,000)
÷ PSAWR Usage less Domestic	1,247,089
Unit Rate	**($0.53)**

Customer Class	PSAWR Usage less Domestic (HCF)	% Allocation	Revenue Requirement	Unit Rate (HCF)
Single-Family	0	0.0%	$0	**$0.00**
Multi-Family	0	0.0%	$0	**$0.00**
Commercial	0	0.0%	$0	**$0.00**
Institutional	0	0.0%	$0	**$0.00**
Agriculture w/ Res	0	0.0%	$0	**$0.00**
Agriculture	0	0.0%	$0	**$0.00**
PSAWR Domestic	642,373	51.5%	($339,450)	**($0.53)**
PSAWR Commercial	604,716	48.5%	($319,550)	**($0.53)**
Total	**1,247,089**	**100.0%**	**($659,000)**	

Delivery

Conveyance costs are incurred based on the total volume of water produced and delivered to customers throughout the year. Therefore, the revenue requirement for Delivery is apportioned based on projected total water usage. Table 47 shows the total cost allocated to each customer class and corresponding unit rate. Agricultural and PSAWR Delivery components are reapportioned between fixed and variable within the next section, *but the total revenue recovery from these customer classes does not change*.

Table 47: FY 2024 Delivery Allocation to Customer Classes and Unit Rate

Delivery Component Unit Rate	
Revenue Requirement	$10,029,602
÷ All Usage	5,528,472
Unit Rate	**$1.82**

Customer Class	All Usage (HCF)	% Allocation	Revenue Requirement	Unit Rate (HCF)
Single-Family	1,521,953	27.5%	$2,761,085	**$1.82**
Multi-Family	130,046	2.4%	$235,926	**$1.82**
Commercial	362,543	6.6%	$657,716	**$1.82**
Institutional	26,318	0.5%	$47,745	**$1.82**
Agriculture w/ Res	918,501	16.6%	$1,666,319	*Reapportioned*
Agriculture	1,243,086	22.5%	$2,255,173	*Reapportioned*
PSAWR Domestic	721,309	13.0%	$1,308,579	*Reapportioned*
PSAWR Commercial	604,716	10.9%	$1,097,059	*Reapportioned*
Total	**5,528,472**	**100.0%**	**$10,029,602**	

Pumping Energy

Pumping Energy costs are associated with pumping water to higher elevations within the District's service area. FY 2022 actual SDG&E costs for each pumping zone were used for allocating the projected FY 2024 revenue requirement. The revenue requirements for each pumping zone are then divided by the pumping zone's usage to derive updated unit rates. Table 48 derives the unit rate per HCF for each Pumping Zone.

Table 48: FY 2024 Power Allocation to Pumping Zones and Unit Rate

Pumping Energy Component Unit Rate	
Revenue Requirement	$830,000
÷ Pumping Usage	924,894
Unit Rate	**Futher Allocated**

Pumping Zone	Zone Description	Pumping Usage [A]	SDG&E FY 2022 Costs [B]	% Allocation [C] = B as %	Revenue Requirement [D] = RR x C	Unit Rate [E] = D ÷ A
Pump Zone 1	*Rainbow Heights*	183,452	$418,508	57.3%	$475,599	$2.60
Pump Zone 2	*Improvement District U-1*	38,945	$47,569	6.5%	$54,058	$1.39
Pump Zone 3	*Vallecitos*	67,006	$15,064	2.1%	$17,119	$0.26
Pump Zone 4	*Northside*	363,390	$40,968	5.6%	$46,557	$0.13
Pump Zone 5	*Morro Tank*	128,436	$38,801	5.3%	$44,094	$0.35
Pump Zone 6	*Huntley*	131,538	$161,891	22.2%	$183,975	$1.40
Pump Zone 7	*Magee Tank*	12,127	$7,567	1.0%	$8,599	$0.71
Total		**924,894**	**$730,367**	**100.0%**	**$830,000**	

Reapportionment of Agricultural Delivery Cost to Fixed

With all the revenue requirements fully allocated to customer classes and corresponding accounts, each customer class is recovering its proportionate share based on the cost of providing service. As such, reapportioning a percentage of Agricultural and PSAWR Delivery costs to those customer's fixed charges does not change the amount of total cost recovered from Agricultural customers. The reapportionment is driven by District policy to mitigate revenue volatility within its agricultural classes. Based on discussions with District staff, 55% of Delivery will be recovered as a fixed component and spread over Agricultural and PSAWR MEs (Table 36). Table 49 identifies the Delivery amount reapportioned to fixed and derives the net Delivery unit rate per HCF. Table 50 derives the Delivery fixed component that will be added to the fixed charges calculated within the Rate Design.

Table 49: Reapportionment of Delivery to Fixed and Delivery Unit Rate

Customer Class	Projected Usage [A]	Delivery Revenue Requirement [B] = Table 47	$ to Fixed Recovery [C] = B x 55%	Remaining Delivery Requirement [D] = B - C	Delivery Unit Rate [E] = D ÷ A
Agriculture w/ Res	918,501	$1,666,319	$916,476	$749,844	$0.82
Agriculture	1,243,086	$2,255,173	$1,240,345	$1,014,828	$0.82
PSAWR Domestic	721,309	$1,308,579	$719,718	$588,861	$0.82
PSAWR Commercial	604,716	$1,097,059	$603,383	$493,677	$0.82
Total	**3,487,612**	**$6,327,130**	**$3,479,922**	**$2,847,209**	

Table 50: FY 2024 Agricultural and PSAWR Delivery Fixed Unit Rate

Agriculture Delivery Fixed Component	
Revenue Requirement	$3,479,922
÷ Agriculture MEs	66,192
Monthly Unit Rate	**$52.58**

FY 2024 Water Cost-of-Service Rates

Proposed FY 2024 Monthly Fixed Charges

Table 51 reflects the combined charges of the District's proposed FY 2024 fixed charge by meter size for each customer class.

Table 51: FY 2024 Monthly Water Fixed Charges by Customer Class and Meter Size

Fixed Charges ($/Month)								
Meter Size	AWWA Capacity Ratio	Emergency Storage & Supply Reliability	SDCWA Fixed	Account Services	Meter Capacity	Capital Fixed	Agriculture Delivery Fixed Component	Proposed Fixed Charge
	[A]	[B] = A x $14.70	[C] = A x $13.60	[D] = $5.84	[E] = A x $39.26	[F] = A x $16.19	[G] = A x $52.58	[H] = A+B+C+D+E+F+G
Single-Family, Multi-Family, Commercial, Institutional								
≤ 3/4"	1.00	$14.70	$13.60	$5.84	$39.26	$16.19	N/A	**$89.59**
1"	1.67	$24.50	$22.67	$5.84	$65.43	$26.98	N/A	**$145.42**
1 1/2"	3.33	$49.00	$45.33	$5.84	$130.87	$53.97	N/A	**$285.01**
2"	5.33	$78.40	$72.53	$5.84	$209.39	$86.35	N/A	**$452.51**
3"	11.67	$171.50	$158.67	$5.84	$458.03	$188.88	N/A	**$982.92**
4"	21.00	$308.70	$285.60	$5.84	$824.46	$339.99	N/A	**$1,764.59**
6"	43.33	$637.00	$589.33	$5.84	$1,701.27	$701.57	N/A	**$3,635.01**
Agriculture w/ Residence, Agriculture								
≤ 3/4"	1.00	$14.70	$13.60	$5.84	$39.26	$16.19	$52.58	**$142.17**
1"	1.67	$24.50	$22.67	$5.84	$65.43	$26.98	$87.63	**$233.06**
1 1/2"	3.33	$49.00	$45.33	$5.84	$130.87	$53.97	$175.27	**$460.27**
2"	5.33	$78.40	$72.53	$5.84	$209.39	$86.35	$280.43	**$732.93**
3"	11.67	$171.50	$158.67	$5.84	$458.03	$188.88	$613.43	**$1,596.36**
4"	21.00	$308.70	$285.60	$5.84	$824.46	$339.99	$1,104.18	**$2,868.77**
6"	43.33	$637.00	$589.33	$5.84	$1,701.27	$701.57	$2,278.47	**$5,913.47**
PSAWR Domestic, PSAWR Commercial								
≤ 3/4"	1.00	N/A	$13.60	$5.84	$39.26	$16.19	$52.58	**$127.47**
1"	1.67	N/A	$22.67	$5.84	$65.43	$26.98	$87.63	**$208.56**
1 1/2"	3.33	N/A	$45.33	$5.84	$130.87	$53.97	$175.27	**$411.27**
2"	5.33	N/A	$72.53	$5.84	$209.39	$86.35	$280.43	**$654.53**
3"	11.67	N/A	$158.67	$5.84	$458.03	$188.88	$613.43	**$1,424.86**
4"	21.00	N/A	$285.60	$5.84	$824.46	$339.99	$1,104.18	**$2,560.07**
6"	43.33	N/A	$589.33	$5.84	$1,701.27	$701.57	$2,278.47	**$5,276.47**

Proposed FY 2024 Variable Rates

Table 52 provides the combined charges of the District's proposed FY 2024 variable rates for each customer class.

Table 52: FY 2024 Variable Water Rates by Customer Class per HCF

Variable Rates ($/HCF)				
Customer Class	Purchased Water [A]	PSAWR Credit [B]	Delivery [C]	Proposed Variable Rate [D] = A+B+C
Single-Family	$3.71	-	$1.82	**$5.53**
Multi-Family	$3.71	-	$1.82	**$5.53**
Commercial	$3.71	-	$1.82	**$5.53**
Institutional	$3.71	-	$1.82	**$5.53**
Agriculture w/ Res	$3.71	-	$0.82	**$4.53**
Agriculture	$3.71	-	$0.82	**$4.53**
PSAWR Domestic				
Tier 1	$3.71	-	$0.82	**$4.53**
Tier 2	$3.71	($0.53)	$0.82	**$4.00**
PSAWR Commercial	$3.71	($0.53)	$0.82	**$4.00**

Proposed FY 2024 Pumping Charges and Pumping Rates

Table 53 provides the FY 2024 pumping fixed charges and pumping rates.

Table 53: FY 2024 Proposed Water Pumping Charges and Pumping Rates

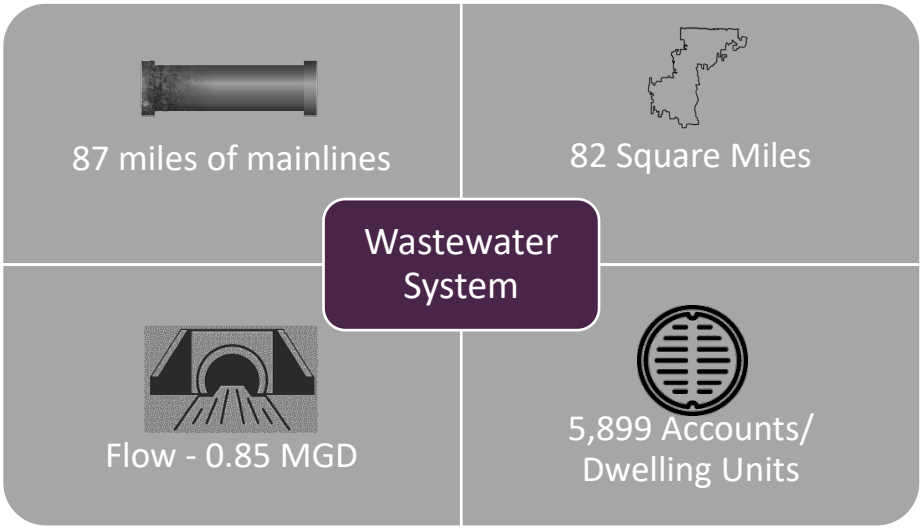
Pumping Zone Charges		
Pumping Zone	Zone Description	Proposed Pump Charges & Rates
Fixed ($/Month)		
All Zones		**$8.39**
Variable ($/HCF)		
Pump Zone 1	*Rainbow Heights*	**$2.60**
Pump Zone 2	*mprovement District*	**$1.39**
Pump Zone 3	*Vallecitos*	**$0.26**
Pump Zone 4	*Northside*	**$0.13**
Pump Zone 5	*Morro Tank*	**$0.35**
Pump Zone 6	*Huntley*	**$1.40**
Pump Zone 7	*Magee Tank*	**$0.71**

Wastewater Utility

Wastewater System

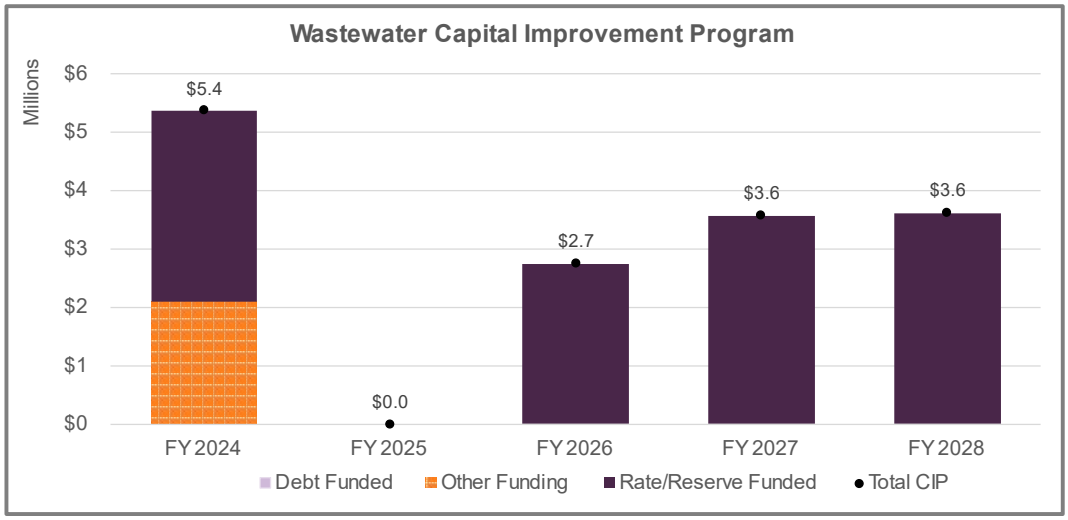
The District owns and operates a wastewater collection system and conveys its wastewater influent to Oceanside for treatment and discharge.

Figure 14: Wastewater System



The District has a significant amount of capital needs over the Rate Setting Period, including the completion of the Thoroughbred Lane Lift Station and Pipeline Repair project that started in FY 2023 for a total cost exceeding $16.5M. The remaining amount to complete the project in FY 2024 is estimated at $5M. In addition, the total amount of capital spending planned during the Rate Setting Period equals approximately $15.3M. Figure 15 shows the District's CIP through FY 2028 with current funding sources.

Figure 15: Wastewater Capital Improvement Plan



Customers

The District charges its wastewater user fees on an Equivalent Dwelling Unit (EDU) basis, where 1 EDU represents one single-family residential unit. EDUs are then assigned to other non-residential accounts based on the demand the account places on the system in relation to a single-family residence. At the start of FY 2023, the District had 5,899 active EDUs, which includes total residential dwelling units and commercial accounts. Table 54 provides a summary of billable units by customer class.

Table 54: Wastewater Accounts and EDUs by Customer Class

Account Information				
Customer Class	Accounts [A]	EDU's [B]	Annual Bills [C] = A x 12	Annual EDU's [D] = B x 12
Single-Family	3,109	3,554	37,308	42,648
Multi-Family	102	1,860	1,224	22,320
Res - WW Only	6	7	72	84
Commercial	24	175	288	2,100
Commercial w/ Irrigation	19	303	228	3,636
Total	**3,260**	**5,899**	**39,120**	**70,788**

The current wastewater rate structure consists of monthly fixed charges per EDU, which includes accounts and additional dwelling units. The rates are shown in Table 55.

Table 55: Existing Wastewater Monthly Fixed Charges

Wastewater Charges ($/Month/EDU)	
Customer Class	Existing Charges ($/EDU)
Single-Family	$55.07
Multi-Family	$40.51
Residential - WW Only	$54.40
Commercial	$40.51
Commercial w/ Irrigation	$40.51

Financial Plan Overview - Wastewater Utility

Financial Planning Assumptions

Developing a long-term financial plan requires understanding the utility's financial position by evaluating existing revenue streams, ongoing expenses, how those expenses will change over time, new strategic objectives, and reserve policies. These considerations require certain assumptions for projecting revenues, expenses, and expected ending fund balances. Table 56 identifies assumptions used for forecasting revenues and Table 57 identifies assumptions used for forecasting increases in expenses through the Rate Setting Period.

Table 56: Wastewater Assumptions for Forecasting Revenues

Revenue Forecasting					
Key Assumptions	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Revenue Escalation					
Non-Rate Revenues	2.0%	2.0%	2.0%	2.0%	2.0%
Reserve Interest	1.5%	1.5%	1.5%	1.5%	1.5%
Account Growth	0.0%	0.0%	0.0%	0.0%	0.0%
Customer EDU's	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Single-Family	3,554	3,554	3,554	3,554	3,554
Multi-Family	1,860	1,860	1,860	1,860	1,860
Res - WW Only	7	7	7	7	7
Commercial	175	175	175	175	175
Commercial w/ Irrigation	303	303	303	303	303
Total Customer EDU's	**5,899**	**5,899**	**5,899**	**5,899**	**5,899**

Table 57: Wastewater Assumptions for Forecasting Expense Requirements[5]

Expenditure Forecasting						
Key Assumptions	*Source:*	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Expenditure Escalation						
Benefits		3.00%	3.00%	3.00%	3.00%	3.00%
Capital	*ENR 20-City*	7.20%	7.20%	3.93%	3.93%	3.93%
Energy Costs		5.00%	5.00%	5.00%	5.00%	5.00%
General Costs	*CPI - SD (CA DIR)*	7.71%	7.71%	4.03%	4.03%	4.03%
Retirement		5.00%	5.00%	5.00%	5.00%	5.00%
Salaries		6.00%	6.00%	6.00%	6.00%	6.00%
Treatment		6.00%	6.00%	6.00%	6.00%	6.00%

[5] Capital Construction inflation and General Costs for FY 2024 and FY 2025 were increased to 7.20% and 7.71%, respectively to account for the most recent annual increase due to inflation. Outer years reduce to 3.93% and 4.03%, reflecting the 5-year average of the Engineer's News Record – CCI index and the SD Consumer Price Index, respectively.

Current Financial Position

Revenues

Based on the forecasting assumptions, revenues were calculated using EDUs (Table 56) and existing wastewater rates (Table 55). Table 58 shows the calculated revenues through the Rate Setting Period. Table 59 summarizes calculated rate revenues (rounded to thousands) and other non-rate revenues available through the Rate Setting Period.

Table 58: Wastewater Calculated Rate Revenues

Calculated Rate Revenue					
Fixed Revenues	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Single-Family	$2,348,625	$2,348,625	$2,348,625	$2,348,625	$2,348,625
Multi-Family	$904,183	$904,183	$904,183	$904,183	$904,183
Res - WW Only	$4,570	$4,570	$4,570	$4,570	$4,570
Commercial	$85,071	$85,071	$85,071	$85,071	$85,071
Commercial w/ Irrigation	$147,294	$147,294	$147,294	$147,294	$147,294
Total Fixed Charges	**$3,489,744**	**$3,489,744**	**$3,489,744**	**$3,489,744**	**$3,489,744**

Table 59: Wastewater Projected Revenues

Projected Wastewater Revenues					
Revenue Summary	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
District Rate Revenue					
Fixed Charges	$3,490,000	$3,490,000	$3,490,000	$3,490,000	$3,490,000
Subtotal District Rate Revenue	$3,490,000	$3,490,000	$3,490,000	$3,490,000	$3,490,000
Operating Revenues					
Sewer Letter Fee	$1,000	$1,000	$1,000	$1,000	$1,000
Plan Check/Inspection Fees	$5,000	$5,000	$5,000	$5,000	$5,000
Misc Revenue	$5,000	$5,000	$5,000	$5,000	$5,000
Subtotal Operating Revenues	$11,000	$11,000	$11,000	$11,000	$11,000
Other Revenues					
Property Tax	$56,000	$57,000	$58,000	$60,000	$61,000
Subtotal Other Revenues	$56,000	$57,000	$58,000	$60,000	$61,000
Total Revenues	**$3,557,000**	**$3,558,000**	**$3,559,000**	**$3,561,000**	**$3,562,000**

Expenses

The FY 2023 budget was used as the utility's baseline expenses and adjusted over the Rate Setting Period based on the escalation factors shown in Table 57. Table 60 provides projected O&M expenses through the Rate Setting Period (rounded to thousands). Each expense category includes detailed line-item expenditures that were discussed with staff to determine the appropriate escalation factor to use for forecasting how costs will increase over time.

Table 60: Wastewater Projected O&M Expenses

Projected Operating & Maintenance Expenses					
O&M Summary	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Treatment Expenses					
Treatment	$1,590,000	$1,686,000	$1,787,000	$1,894,000	$2,008,000
Subtotal Treatment Expenses	$1,590,000	$1,686,000	$1,787,000	$1,894,000	$2,008,000
District Operating Expenses					
Payroll Expense	$716,000	$754,000	$795,000	$837,000	$883,000
Maintenance & Supply	$570,000	$610,000	$635,000	$661,000	$689,000
Overhead	$1,375,000	$1,455,000	$1,540,000	$1,630,000	$1,725,000
Finance and Customer Service	$329,000	$349,000	$370,000	$392,000	$416,000
Placeholder	$0	$0	$0	$0	$0
District Operating Expenses	$2,990,000	$3,168,000	$3,340,000	$3,520,000	$3,713,000
Total Expenses	**$4,580,000**	**$4,854,000**	**$5,127,000**	**$5,414,000**	**$5,721,000**

Reserves

The wastewater utility reserves include Operating and Capital Projects. Similar to the water utility, these reserves help mitigate risks to the utility by ensuring sufficient cash is on hand for daily operations and to fund annual system improvements, including unforeseen system failures. Table 61 summarizes the minimum reserve requirements and the ideal funding targets of each reserve.

Table 61: Wastewater Reserve Requirements and Targets

Reserve	Minimum Requirement	Reserve Target
Operating	60 days of operating costs	90 days of operating costs
Capital Projects	1-year of CIP based on 5-year average	2-years of CIP based on 5-year average

The reserve balance as of July 1, 2022, equaled approximately $1.6M.

Financial Outlook at Existing Rates

Calculating revenue using existing rates and projecting expenses helps determine the current financial health of the utility. Revenue from current rates is not sufficient to cover operating expenses and is projected to generate an operating deficit of $1M for FY 2024, which is projected to increase to $2.1M by FY 2028. As such, there is currently no annual funding available for capital spending and the District would need to use reserves to cover the operating deficit. Table 62 forecasts existing revenues and expenses through the Rate Setting Period. Table 63 identifies reserve transfers and reserve activity, with projected FY 2024 starting reserve balances shown for each reserve.

Table 62: Wastewater Financial Plan at Existing Rates

Wastewater Financial Plan at Existing Rates						
Revenue		**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
District Rate Revenue						
Fixed Charges	Table 58	$3,490,000	$3,490,000	$3,490,000	$3,490,000	$3,490,000
Total District Rate Revenue		$3,490,000	$3,490,000	$3,490,000	$3,490,000	$3,490,000
Operating Revenues						
Sewer Letter Fee		$1,000	$1,000	$1,000	$1,000	$1,000
Plan Check/Inspection Fees	Table 58	$5,000	$5,000	$5,000	$5,000	$5,000
Misc Revenue		$5,000	$5,000	$5,000	$5,000	$5,000
Subtotal Operating Revenues		$11,000	$11,000	$11,000	$11,000	$11,000
Other Revenues						
Property Tax	Table 58	$56,000	$57,000	$58,000	$60,000	$61,000
Subtotal Other Revenues		$56,000	$57,000	$58,000	$60,000	$61,000
Total Revenues		**$3,557,000**	**$3,558,000**	**$3,559,000**	**$3,561,000**	**$3,562,000**
O&M Expenses		**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Treatment Expenses						
Treatment	Table 59	$1,590,000	$1,686,000	$1,787,000	$1,894,000	$2,008,000
Subtotal Treatment Expenses		$1,590,000	$1,686,000	$1,787,000	$1,894,000	$2,008,000
District Operating Expenses						
Payroll Expense		$716,000	$754,000	$795,000	$837,000	$883,000
Maintenance & Supply	Table 59	$570,000	$610,000	$635,000	$661,000	$689,000
Overhead		$1,375,000	$1,455,000	$1,540,000	$1,630,000	$1,725,000
Finance and Customer Servi		$329,000	$349,000	$370,000	$392,000	$416,000
District Operating Expenses		$2,990,000	$3,168,000	$3,340,000	$3,520,000	$3,713,000
Debt Service						
New/Proposed Debt		$0	$0	$0	$0	$0
Subtotal Debt Service		$0	$0	$0	$0	$0
Total Expenses		**$4,580,000**	**$4,854,000**	**$5,127,000**	**$5,414,000**	**$5,721,000**
Net Cashflow (Revenue - Expenses)		**($1,023,000)**	**($1,296,000)**	**($1,568,000)**	**($1,853,000)**	**($2,159,000)**

Table 63: Wastewater – Transfers and Reserve Activity at Existing Rates

Wastewater Reserve Activity					
Operating Fund	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$229,626	($793,374)	($2,089,374)	($3,657,374)	($5,510,374)
Transfers (Net Cashflow)	($1,023,000)	($1,296,000)	($1,568,000)	($1,853,000)	($2,159,000)
Ending Balance	**($793,374)**	**($2,089,374)**	**($3,657,374)**	**($5,510,374)**	**($7,669,374)**
Capital (R&R & Exp)	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$2,739,622	($2,620,553)	($2,620,553)	($5,367,822)	($8,936,985)
Less:					
CIP	($5,360,175)	$0	($2,747,268)	($3,569,164)	($3,612,784)
Subtotal Capital (R&R & Exp)	($2,620,553)	($2,620,553)	($5,367,822)	($8,936,985)	($12,549,770)
Interest Earnings	$0	$0	$0	$0	$0
Ending Balance	**($2,620,553)**	**($2,620,553)**	**($5,367,822)**	**($8,936,985)**	**($12,549,770)**
Total Reserves - Ending Balance	**($3,413,927)**	**($4,709,927)**	**($9,025,196)**	**($14,447,359)**	**($20,219,144)**

Figure 16 illustrates the operating position of the utility, where O&M expenses are identified with the dashed red trendline, and the horizontal black trendline shows total revenues at existing rates. The bars represent the amount of net operating income available. Figure 17 reflects the projected ending balances of reserves after funding operating and capital projects through the Rate Setting Period.

Figure 16: Wastewater Current Operating Financial Position

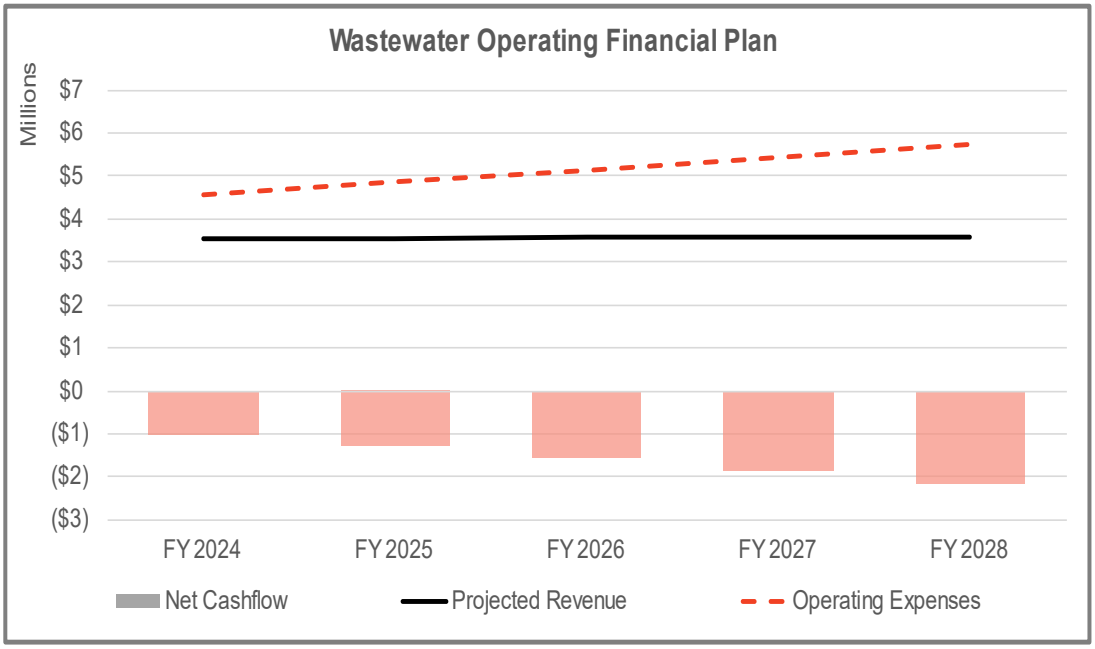
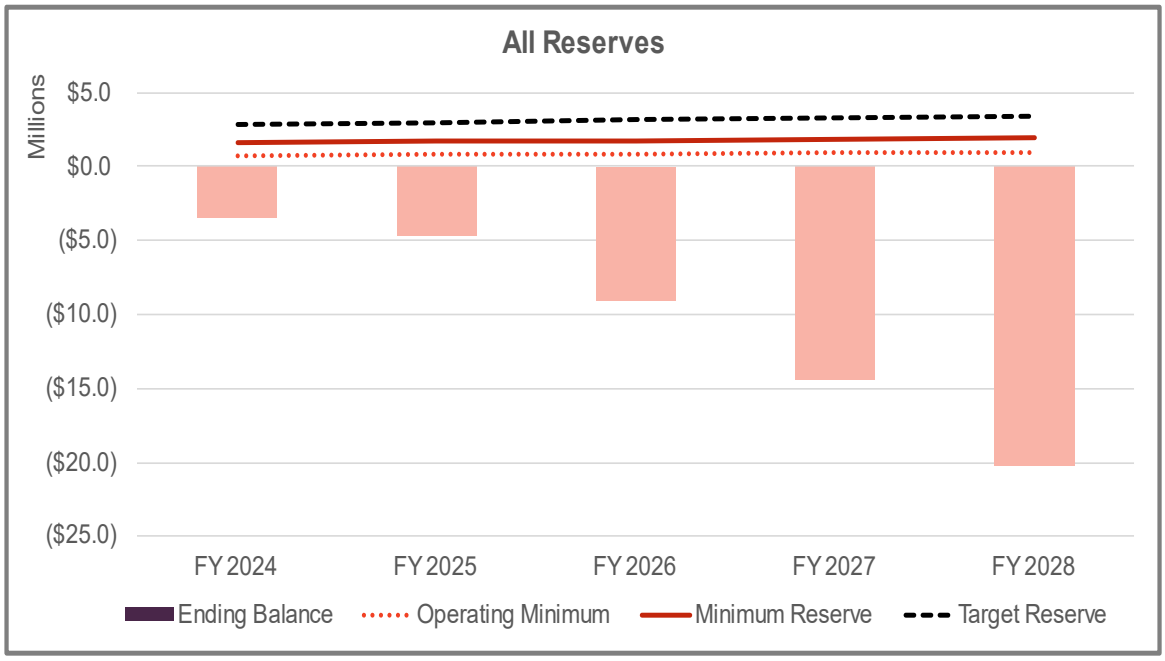


Figure 17: Wastewater Projected Ending Reserves at Existing Rates



Proposed Financial Plan – Wastewater Utility

From the financial outlook at existing rates, a proposed financial plan can be developed to adequately fund the multi-year revenue requirements, while meeting reserve requirements. The proposed financial plan generates approximately $13.1M in additional revenue over the Rate Setting Period. The additional revenue will consistently generate a positive net operating position commencing in FY 2027 to go towards capital spending and building up reserves. In the interim, the District expects to secure a $5M loan in FY 2024 to cover its capital needs as rate revenue increases are phased in over the next 5 years. In addition, a proposed debt issue of $9.5M is anticipated in FY 2026, which would be secured by the proposed rates. ***However, if the District does not secure the $5M loan, current planned capital projects could not be funded and the proposed rates, herein, would not be sufficient on their own to cover the CIP through PAYGO.***

Table 64 forecasts projected revenues, with annual revenue adjustments, and expenses through FY 2028. Table 65 identifies the projected FY 2024 total starting reserve balances, activity within each reserve (including net income transfer from Table 64, transfers between reserves, and annual CIP), and projected ending balances for each fiscal year of the Rate Setting Period.

Table 64: Proposed Wastewater Financial Plan

Wastewater Financial Plan at Existing Rates						
Revenue		**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
District Rate Revenue						
Fixed Charges	Table 58	$3,490,000	$3,490,000	$3,490,000	$3,490,000	$3,490,000
Total District Rate Revenue		$3,490,000	$3,490,000	$3,490,000	$3,490,000	$3,490,000
Additional Revenue (from revenue adjustments):						
Fiscal Year / Revenue Adjustment						
FY 2024 / 35.0%		$1,221,000	$1,221,000	$1,221,000	$1,221,000	$1,221,000
FY 2025 / 13.0%			$612,000	$612,000	$612,000	$612,000
FY 2026 / 13.0%				$691,000	$691,000	$691,000
FY 2027 / 13.0%					$781,000	$781,000
FY 2028 / 13.0%						$883,000
Total Additional Revenue		$1,221,000	$1,833,000	$2,524,000	$3,305,000	$4,188,000
Total Projected Rate Revenues		$4,711,000	$5,323,000	$6,014,000	$6,795,000	$7,678,000
Operating Revenues						
Sewer-Oak Crest Service Charges		$0	$0	$0	$0	$0
Sewer Letter Fee	Table 58	$1,000	$1,000	$1,000	$1,000	$1,000
Plan Check/Inspection Fees		$5,000	$5,000	$5,000	$5,000	$5,000
Misc Revenue		$5,000	$5,000	$5,000	$5,000	$5,000
Subtotal Operating Revenues		$11,000	$11,000	$11,000	$11,000	$11,000
Other Revenues						
Property Tax	Table 58	$56,000	$57,000	$58,000	$60,000	$61,000
Subtotal Other Revenues		$56,000	$57,000	$58,000	$60,000	$61,000
Total Revenues		**$4,778,000**	**$5,391,000**	**$6,083,000**	**$6,866,000**	**$7,750,000**
O&M Expenses		**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Treatment Expenses						
Treatment	Table 59	$1,590,000	$1,686,000	$1,787,000	$1,894,000	$2,008,000
Subtotal Treatment Expenses		$1,590,000	$1,686,000	$1,787,000	$1,894,000	$2,008,000
District Operating Expenses						
Payroll Expense		$716,000	$754,000	$795,000	$837,000	$883,000
Maintenance & Supply	Table 59	$570,000	$610,000	$635,000	$661,000	$689,000
Overhead		$1,375,000	$1,455,000	$1,540,000	$1,630,000	$1,725,000
Finance and Customer Service		$329,000	$349,000	$370,000	$392,000	$416,000
District Operating Expenses		$2,990,000	$3,168,000	$3,340,000	$3,520,000	$3,713,000
Debt Service						
New/Proposed Debt		$369,610	$369,610	$1,071,870	$1,071,870	$1,071,870
Subtotal Debt Service		$369,610	$369,610	$1,071,870	$1,071,870	$1,071,870
Total Expenses		**$4,949,610**	**$5,223,610**	**$6,198,870**	**$6,485,870**	**$6,792,870**
Net Cashflow (Revenue - Expenses)		**($171,610)**	**$167,390**	**($115,870)**	**$380,130**	**$957,130**

Table 65: Wastewater – Reserves Activity through FY 2028

Wastewater Reserve Activity					
Operating Fund	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$229,626	$58,016	$225,405	$109,535	$489,665
Transfers (Net Cashflow)	($171,610)	$167,390	($115,870)	$380,130	$957,130
Transfers to Capital (R&R & Exp)	$0	$0	$0	$0	($330,158)
Ending Balance	**$58,016**	**$225,405**	**$109,535**	**$489,665**	**$1,116,636**
Capital (R&R & Exp)	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Beginning Balance	$2,739,622	$2,417,840	$2,454,108	$9,294,296	$5,837,778
Plus:					
Transfers from Operating Fund	$0	$0	$0	$0	$330,158
New Debt Proceeds	$5,000,000	$0	$9,500,000	$0	$0
Less:					
CIP	($5,360,175)	$0	($2,747,268)	($3,569,164)	($3,612,784)
Subtotal Capital (R&R & Exp)	$2,379,447	$2,417,840	$9,206,839	$5,725,132	$2,555,152
Interest Earnings	$38,393	$36,268	$87,457	$112,646	$62,947
Ending Balance	**$2,417,840**	**$2,454,108**	**$9,294,296**	**$5,837,778**	**$2,618,099**
Total Reserves - Ending Balance	**$2,475,855**	**$2,679,513**	**$9,403,831**	**$6,327,443**	**$3,734,735**

The operating position based on the proposed financial plan is identified in Figure 18. Figure 19 shows the capital plan with funding sources. Figure 20 identifies the ending reserve balances after funding capital expenses.

Figure 18: Wastewater Proposed Operating Position

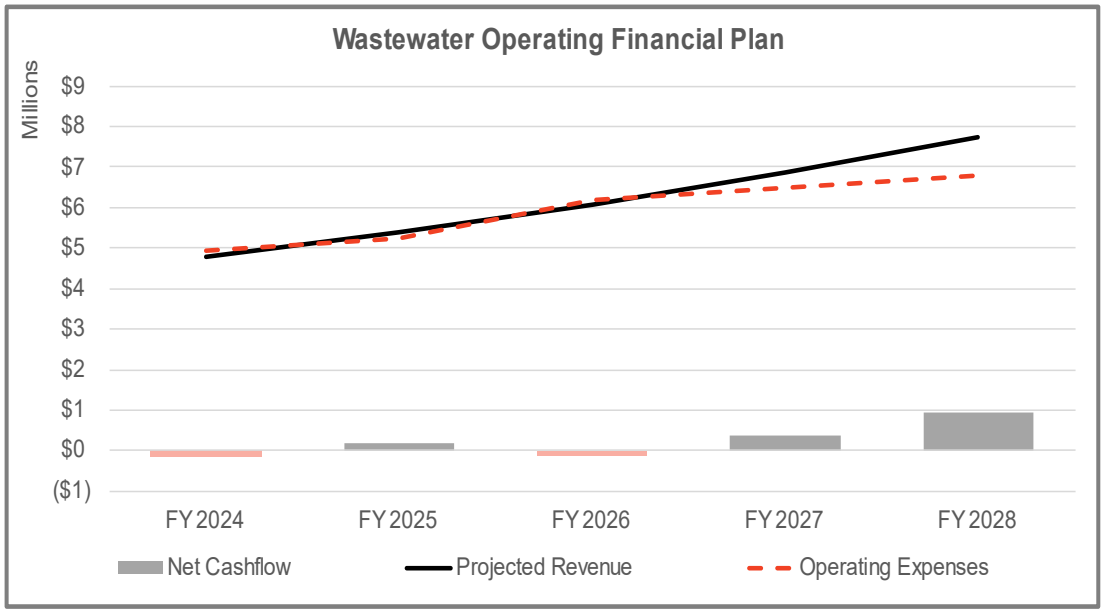


Figure 19: Wastewater Capital Improvement Plan with Funding Sources

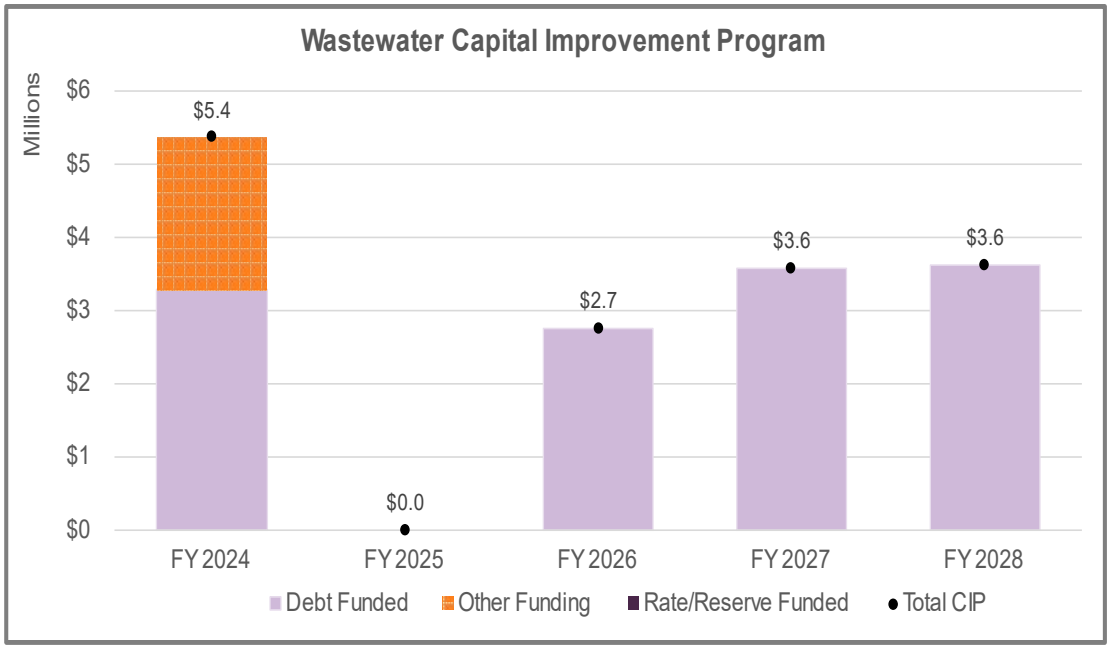
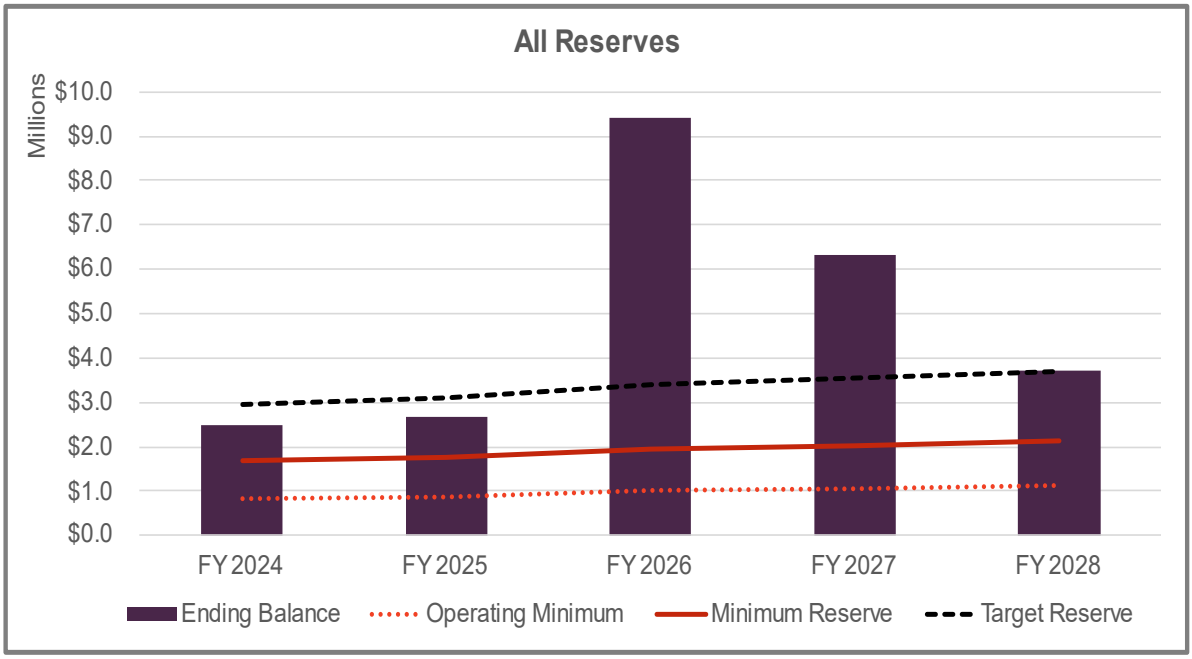


Figure 20: Wastewater Proposed Ending Reserves



Cost of Service Analysis – Wastewater Utility

Cost of Service Process

The next step in developing wastewater rates is to perform a cost-of-service analysis. Through this process, costs incurred are allocated to customer classes based on their proportional share. As a result, the proposed rates are cost-based and reflect the costs incurred to provide service to customers.

Revenue Requirements

FY 2024 revenue requirements were used for the cost-of-service analysis. Revenue requirements include O&M expenses, treatment expenses, available revenue offsets, non-rate revenues, and reserve funding. The proposed revenue adjustments and corresponding rates accumulate the necessary funding over the Rate Setting Period to fund O&M, capital projects, and meet minimum reserve requirements. The results of the financial plan analysis are summarized in Table 66 and represent the revenue required from rates over the Rate Setting Period.

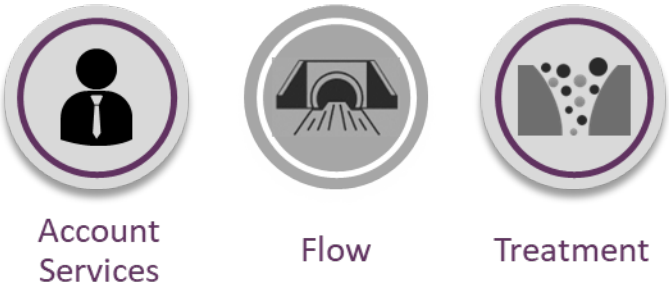
Table 66: Wastewater Revenue Requirements

Revenue Requirements	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Treatment Expenses					
Treatment	$1,590,000	$1,686,000	$1,787,000	$1,894,000	$2,008,000
Total Treatment Expenses	$1,590,000	$1,686,000	$1,787,000	$1,894,000	$2,008,000
District Operating Expenses					
Payroll Expense	$716,000	$754,000	$795,000	$837,000	$883,000
Maintenance & Supply	$570,000	$610,000	$635,000	$661,000	$689,000
Overhead	$1,375,000	$1,455,000	$1,540,000	$1,630,000	$1,725,000
Finance and Customer Service	$329,000	$349,000	$370,000	$392,000	$416,000
Total District Operating Expenses	$2,990,000	$3,168,000	$3,340,000	$3,520,000	$3,713,000
Debt Service					
New/Proposed Debt	$369,610	$369,610	$1,071,870	$1,071,870	$1,071,870
Total Debt Service	$369,610	$369,610	$1,071,870	$1,071,870	$1,071,870
Other Funding					
Revenue Offsets					
Sewer Letter Fee	($1,000)	($1,000)	($1,000)	($1,000)	($1,000)
Plan Check/Inspection Fees	($5,000)	($5,000)	($5,000)	($5,000)	($5,000)
Misc Revenue	($5,000)	($5,000)	($5,000)	($5,000)	($5,000)
Other Revenues	($56,000)	($57,000)	($58,000)	($60,000)	($61,000)
Subtotal Revenue Offsets	($67,000)	($68,000)	($69,000)	($71,000)	($72,000)
Adjustments					
CIP / Reserve Funding	($171,610)	$167,390	($115,870)	$380,130	$957,130
Subtotal Adjustments	($171,610)	$167,390	($115,870)	$380,130	$957,130
Total Other Funding	($238,610)	$99,390	($184,870)	$309,130	$885,130
Revenue Required from Rates	**$4,711,000**	**$5,323,000**	**$6,014,000**	**$6,795,000**	**$7,678,000**

Define Cost Components

The District's wastewater cost-of-service requirements were allocated to cost components and then to customer classes to develop cost-based rates in compliance with Proposition 218. The utility incurs costs to collect total flow from its customer classes and conveys it to Oceanside for treatment and discharge. Therefore, to determine the most appropriate way to recover the utility's expenses, cost components are identified and used to allocate expenses based on how they are incurred. Using this allocation approach, revenue requirements are allocated to the three cost components of Account Services, Collection, and Treatment, as shown in Figure 21, to derive monthly unit rates per EDU and corresponding monthly fixed charges.

Figure 21: Wastewater Cost Components



Account Services – Fixed expenses related to the collection system that do not necessarily fluctuate based on flow. Administration, utility billing services, and overhead costs are incurred based on having an account. In addition, a portion of maintenance is recovered as part of Account Services.

Flow – Expenses associated with the collection system.

Treatment – Expenses incurred at the San Luis Rey Treatment Plant and billed to the District by the City of Oceanside.

Allocate Expenses to Cost Components

The distribution of expenses to the cost components should be straightforward to ensure the method of apportionment is **understandable** and easily **correlates to how expenses are incurred**.

Table 67 identifies the treatment expenses incurred by the District and how it is allocated to the cost components. Table 68 uses the percent allocations in Table 67 to allocate expenses in dollars to each cost component. Treatment expenses are referred to as direct pass-through charges because it has its own corresponding cost component, and they are not adjusted by revenue offsets or reserve funding. Any annual increases in treatment expenses will be captured through the pass-through provisions of Government Code section 53756.

Table 67: Wastewater Treatment Expense Allocation to Cost Components (%)

Treatment Expenses	Methodology / Allocation Basis	Account Services	Collection	Treatment	Total
Treatment	**Treatment**	0.0%	0.0%	100.0%	100%

Table 68: Wastewater Treatment Expense Allocation to Cost Components ($)

Treatment Expenses	Methodology / Allocation Basis	Account Services	Collection	Treatment	Total
Treatment	Treatment	$0	$0	$1,590,000	$1,590,000
Total Treatment Allocation ($)		**$0**	**$0**	**$1,590,000**	**$1,590,000**

Table 69 summarizes the percent allocation of Operating expenses to the cost components. Payroll Expenses and Maintenance & Supply are associated with the operating and maintaining the collection system and were allocated to the cost component of Collection. Overhead and Finance and Customer Service are services provided to every active account and allocated to Account Services. Table 70 uses the percent allocations in Table 69 to allocate expenses in dollars to each cost component.

Table 69: Wastewater O&M Expense Allocation to Cost Components (%)

District Operating Expenses	Methodology / Allocation Basis	Account Services	Collection	Treatment	Total
Payroll Expense	**Collection**	0.0%	100.0%	0.0%	100%
Maintenance & Supply	**Collection**	0.0%	100.0%	0.0%	100%
Overhead	**Specific**	100.0%	0.0%	0.0%	100%
Finance and Customer Service	**Specific**	100.0%	0.0%	0.0%	100%

Table 70: Wastewater O&M Expense Allocation to Cost Components ($)

District Operating Expenses	Methodology / Allocation Basis	Account Services	Collection	Treatment	Total
Payroll Expense	Collection	$0	$716,000	$0	$716,000
Maintenance & Supply	Collection	$0	$570,000	$0	$570,000
Overhead	Specific	$1,375,000	$0	$0	$1,375,000
Finance and Customer Service	Specific	$329,000	$0	$0	$329,000
Total O&M Allocation ($)		**$1,704,000**	**$1,286,000**	**$0**	**$2,990,000**
O&M Allocation (%)		**57.0%**	**43.0%**	**0.0%**	**100.0%**

The District's proposed debt is associated with funding improvements to the collection system. Therefore, 100% of the debt was allocated to the cost component of Collection. Table 71 identifies the percent allocation of the debt expense to the cost components, and Table 72 reflects the debt expense in dollars.

Table 71: Wastewater Debt Allocation to Cost Components (%)

Debt Service	Methodology / Allocation Basis	Account Services	Collection	Treatment	Total
New/Proposed Debt	**Collection**	0.0%	100.0%	0.0%	100%

Table 72: Wastewater Debt Allocation to Cost Components ($)

Debt Service	Methodology / Allocation Basis	Account Services	Collection	Treatment	Total
New/Proposed Debt	Collection	$0	$369,610	$0	$369,610
Total Debt Service Allocation ($)		**$0**	**$369,610**	**$0**	**$369,610**

Other Funding includes revenue offsets and reserve funding. All line items under "Other Funding" are allocated based on O&M percentages derived in Table 70 to allocate each line item to the cost components proportionately. Table 73 summarizes the percent allocation to the cost components, and Table 74 uses the percent allocations in Table 73 to Other Funding in dollars to each cost component. Table 75 summarizes the FY 2024 revenue requirement derived in Table 66 by cost component.

Table 73: Wastewater Other Funding to Cost Components (%)

Other Funding	Methodology / Allocation Basis	Account Services	Collection	Treatment	Total
Revenue Offsets					
Sewer Letter Fee	**O&M Allocation**	57.0%	43.0%	0.0%	100%
Plan Check/Inspection Fees	**O&M Allocation**	57.0%	43.0%	0.0%	100%
Misc Revenue	**O&M Allocation**	57.0%	43.0%	0.0%	100%
Other Revenues	**O&M Allocation**	57.0%	43.0%	0.0%	100%
Adjustments					
CIP / Reserve Funding	**O&M Allocation**	57.0%	43.0%	0.0%	100%

Table 74: Wastewater Other Funding to Cost Components ($)

Other Funding	Methodology / Allocation Basis	Account Services	Collection	Treatment	Total
Revenue Offsets					
Sewer Letter Fee	O&M Allocation	($570)	($430)	$0	($1,000)
Plan Check/Inspection Fees	O&M Allocation	($2,849)	($2,151)	$0	($5,000)
Misc Revenue	O&M Allocation	($2,849)	($2,151)	$0	($5,000)
Other Revenues	O&M Allocation	($31,914)	($24,086)	$0	($56,000)
Adjustments					
CIP / Reserve Funding	O&M Allocation	($97,801)	($73,810)	$0	($171,610)
Total Other Funding Allocation ($)		**($135,984)**	**($102,626)**	**$0**	**($238,610)**

Table 75: FY 2024 Wastewater Cost-of-Service Requirements by Cost Component

Revenue Requirement	Account Services	Collection	Treatment	Total
Treatment Expenses	$0	$0	$1,590,000	$1,590,000
District Operating Expenses	$1,704,000	$1,286,000	$0	$2,990,000
Debt Service	$0	$369,610	$0	$369,610
Other Funding	($135,984)	($102,626)	$0	($238,610)
COS Requirement	$1,568,016	$1,552,984	$1,590,000	$4,711,000

Rate Design – Wastewater Utility

Develop Units of Service

Unit rates per EDU are derived by spreading the revenue requirements, by cost component, over total EDUs. This approach provides a clear connection between the costs incurred and the total customer demands served in EDUs, resulting in a cost-based rate structure in compliance with Proposition 218. The previous section summarized costs by expense category and then allocated to cost components based on how each cost is incurred. The next step is to derive rates in relation to their use of the system and facilities. The method of apportionment considers each customer's share of system costs and is reflected by the EDUs assigned to each account. Table 76 derives the proposed FY 2024 wastewater rates per EDU by dividing the revenue requirements in Table 75 by the annual EDUs (Table 56 times 12 billing periods).

Table 76: FY 2024 Wastewater Monthly Fixed Charge per EDU

FY 2024 Proposed Fixed Charge per EDU				
Revenue Requirement	Account Services [A]	Collection [B]	Treatment [C]	Total Monthly Charge [D] = A + B + C
Revenue Requirement	$1,568,016	$1,552,984	$1,590,000	
÷ Annual EDU's	70,788	70,788	70,788	
Unit Rate per EDU	**$22.16**	**$21.94**	**$22.47**	**$66.57**

Cost-Based Rates Summary

Cost-of-Service and Rate Summary

The comprehensive cost-of-service analysis and rate development meet the requirements of Proposition 218 and identify the cost components that make up the proposed water and wastewater charges. Proposition 218 requires the following conditions:

1. An agency cannot collect revenue beyond what is necessary to provide service.

   The long-term financial plan identifies the District's revenue requirements, including operating expenses, capital improvement program, debt, and reserves. Projected revenues do not exceed the cost of providing service.

2. Revenues derived by the charge shall not be used for any other purpose other than that for which the charge was imposed.

   The District's water and wastewater utilities are set up as a business enterprise to track revenues and expenses and do not fund other services outside of those necessary for the provision of water and wastewater.

3. The amount of the fee may not exceed the proportional cost of service for the parcel.

   The comprehensive cost-of-service analysis, updated water fixed charges and variable rates, and wastewater EDU charges reflect each customer's proportionate share of water and wastewater costs. Through this update, each account is paying its proportionate share of the cost providing service to the parcel.

4. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of property.

   The proposed fixed charges and variable rates connect directly to the District's budget for each utility and projected future revenue requirements of the water and wastewater utilities, which are recovered equitably from all active accounts receiving service.

5. A written notice of the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing.

   Notices were mailed to each affected parcel at least 45 days prior to the June 27, 2023, Public Hearing.

Rate Schedules – Water and Wastewater

Water

Table 77 through Table 79 provide the five-year water rate schedule over the Rate Setting Period for monthly fixed charges, variable rates, and fixed / variable pumping rates, respectively. For FY 2025 through FY 2028, the revenue adjustments are applied across the board to the cost-of-service rates derived for FY 2024 as account growth and usage characteristics are projected to remain constant for financial planning.

Table 77: Proposed Monthly Water Fixed Charges (FY 2024 – FY 2028)

Proposed Revenue Adjustments					
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenue Adjustment		9.0%	9.0%	9.0%	9.0%
Fixed Charges ($/Month)					
Single-Family, Multi-Family, Commercial, Institutional					
Meter Size	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
5/8"	$89.59	$97.66	$106.45	$116.04	$126.49
≤ 3/4"	$89.59	$97.66	$106.45	$116.04	$126.49
1"	$145.42	$158.52	$172.79	$188.35	$205.31
1 1/2"	$285.01	$310.66	$338.62	$369.10	$402.32
2"	$452.51	$493.24	$537.64	$586.03	$638.78
3"	$982.92	$1,071.39	$1,167.82	$1,272.93	$1,387.50
4"	$1,764.59	$1,923.41	$2,096.52	$2,285.21	$2,490.88
6"	$3,635.01	$3,962.16	$4,318.76	$4,707.45	$5,131.13
Agriculture w/ Residence, Agriculture					
Meter Size	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
5/8"	$142.17	$154.97	$168.92	$184.13	$200.71
≤ 3/4"	$142.17	$154.97	$168.92	$184.13	$200.71
1"	$233.06	$254.04	$276.91	$301.84	$329.01
1 1/2"	$460.27	$501.70	$546.86	$596.08	$649.73
2"	$732.93	$798.90	$870.81	$949.19	$1,034.62
3"	$1,596.36	$1,740.03	$1,896.64	$2,067.34	$2,253.41
4"	$2,868.77	$3,126.96	$3,408.39	$3,715.15	$4,049.52
6"	$5,913.47	$6,445.69	$7,025.81	$7,658.14	$8,347.38
PSAWR Domestic, PSAWR Commercial					
Meter Size	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
5/8"	$127.47	$138.95	$151.46	$165.10	$179.96
≤ 3/4"	$127.47	$138.95	$151.46	$165.10	$179.96
1"	$208.56	$227.33	$247.79	$270.10	$294.41
1 1/2"	$411.27	$448.29	$488.64	$532.62	$580.56
2"	$654.53	$713.45	$777.67	$847.67	$923.97
3"	$1,424.86	$1,553.10	$1,692.88	$1,845.24	$2,011.32
4"	$2,560.07	$2,790.48	$3,041.63	$3,315.38	$3,613.77
6"	$5,276.47	$5,751.36	$6,268.99	$6,833.20	$7,448.19

Table 78: Proposed Variable Water Rates per HCF (FY 2024 – FY 2028)

Variable Rates ($/HCF)					
Customer Class	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Single-Family	$5.53	$6.03	$6.58	$7.18	$7.83
Multi-Family	$5.53	$6.03	$6.58	$7.18	$7.83
Commercial	$5.53	$6.03	$6.58	$7.18	$7.83
Institutional	$5.53	$6.03	$6.58	$7.18	$7.83
Agriculture w/ Res	$4.53	$4.94	$5.39	$5.88	$6.41
Agriculture	$4.53	$4.94	$5.39	$5.88	$6.41
PSAWR Domestic					
Tier 1	$4.53	$4.94	$5.39	$5.88	$6.41
Tier 2	$4.00	$4.36	$4.76	$5.19	$5.66
PSAWR Commercial	$4.00	$4.36	$4.76	$5.19	$5.66

Table 79: Proposed Pumping Water Rates per HCF (FY 2024 – FY 2028)

Pumping						
Pumping Zone	Zone Description	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Fixed ($/Month)						
All Zones		$8.39	$9.15	$9.98	$10.88	$11.86
Variable ($/HCF)						
Pump Zone 1	*Rainbow Heights*	$2.60	$2.84	$3.10	$3.38	$3.69
Pump Zone 2	*Improvement District U-1*	$1.39	$1.52	$1.66	$1.81	$1.98
Pump Zone 3	*Vallecitos*	$0.26	$0.29	$0.32	$0.35	$0.39
Pump Zone 4	*Northside*	$0.13	$0.15	$0.17	$0.19	$0.21
Pump Zone 5	*Morro Tank*	$0.35	$0.39	$0.43	$0.47	$0.52
Pump Zone 6	*Huntley*	$1.40	$1.53	$1.67	$1.83	$2.00
Pump Zone 7	*Magee Tank*	$0.71	$0.78	$0.86	$0.94	$1.03

Wastewater

Table 80 provides the five-year wastewater rate schedule over the Rate Setting Period for monthly fixed charges per EDU. For FY 2025 through FY 2028, the revenue adjustments are applied across the board to the cost-of-service rates derived for FY 2024 as account growth and usage characteristics are projected to remain constant for financial planning.

Table 80: Proposed Monthly Wastewater Charges per EDU (FY 2024 – FY 2028)

Proposed Revenue Adjustments					
Revenue Adjustment		13.0%	13.0%	13.0%	13.0%
Customer Class	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Single-Family	$66.57	$75.23	$85.01	$96.07	$108.56
Multi-Family	$66.57	$75.23	$85.01	$96.07	$108.56
Residential - WW Only	$66.57	$75.23	$85.01	$96.07	$108.56
Commercial	$66.57	$75.23	$85.01	$96.07	$108.56
Commercial w/ Irrigation	$66.57	$75.23	$85.01	$96.07	$108.56

Appendix I – Notices of Plan Preparation

RAINBOW
MUNICIPAL WATER DISTRICT

3707 Old Highway 395, Fallbrook, CA 92028
760.728.1178 | RAINBOWMWD.CA.GOV

February 18, 2026

Ms. Ebony N. Shelton – Chief Administrative Officer
County of San Diego
County Administration Center
1600 Pacific Highway, Room 209
San Diego, CA 92101

Via Email:
cao_mail@sdcounty.ca.gov

Dear Ms. Shelton,

This notification is to inform you that Rainbow Municipal Water District (RMWD) is updating its Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP), pursuant to California Water Code §10621(b). The UWMP addresses water supply sustainability within the RMWD services area through 2050, and the WSCP addresses RMWD's monitoring of and response to potential water supply shortages.

Public drafts of the UWMP and WSCP will be made available for review prior to a public hearing anticipated to take place in April 2026. Information on where to review the plans and the time and date for the public hearings will be communicated in future notices.

Please feel free to contact the 2025 UWMP preparer, Anthony Herda PE, at (626) 660-4837 or aherda@erscinc.com if you have any questions or would like additional information.

Sincerely,

Jake Wiley, General Manager
Rainbow Municipal Water District

cc: Chad Williams, RMWD Engineering and CIP Program Manager
Anthony Herda, Engineering Resources of Southern California

RAINBOW
MUNICIPAL WATER DISTRICT

3707 Old Highway 395, Fallbrook, CA 92028
760.728.1178 | RAINBOWMWD.CA.GOV

February 18, 2026

Mr. Jonathan Borregos – City Manager
City of Oceanside
300 North Coast Hwy
Oceanside, CA 92054

Via Email:
CityManager@OceansideCa.org

Dear Mr. Borregos,

This notification is to inform you that Rainbow Municipal Water District (RMWD) is updating its Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP), pursuant to California Water Code §10621(b). The UWMP addresses water supply sustainability within the RMWD services area through 2050, and the WSCP addresses RMWD's monitoring of and response to potential water supply shortages.

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Please feel free to contact the 2025 UWMP preparer, Anthony Herda PE, at (626) 660-4837 or aherda@erscinc.com if you have any questions or would like additional information.

Sincerely,

Jake Wiley, General Manager
Rainbow Municipal Water District

cc: Chad Williams, RMWD Engineering and CIP Program Manager
Anthony Herda, Engineering Resources of Southern California

RAINBOW
MUNICIPAL WATER DISTRICT

3707 Old Highway 395, Fallbrook, CA 92028
760.728.1178 | RAINBOWMWD.CA.GOV

February 18, 2026

Mr. Jack Bebee – General Manager
Fallbrook Public Utility District
990 E. Mission Rd
Fallbrook, CA 92028

Via Email:
jackb@fpud.com

Dear Mr. Bebee,

This notification is to inform you that Rainbow Municipal Water District (RMWD) is updating its Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP), pursuant to California Water Code §10621(b). The UWMP addresses water supply sustainability within the RMWD services area through 2050, and the WSCP addresses RMWD's monitoring of and response to potential water supply shortages.

Public drafts of the UWMP and WSCP will be made available for review prior to a public hearing anticipated to take place in April 2026. Information on where to review the plans and the time and date for the public hearings will be communicated in future notices.

Please feel free to contact the 2025 UWMP preparer, Anthony Herda PE, at (626) 660-4837 or aherda@erscinc.com if you have any questions or would like additional information.

Sincerely,

Jake Wiley, General Manager
Rainbow Municipal Water District

cc: Chad Williams, RMWD Engineering and CIP Program Manager
Anthony Herda, Engineering Resources of Southern California

RAINBOW
MUNICIPAL WATER DISTRICT

3707 Old Highway 395, Fallbrook, CA 92028
760.728.1178 | RAINBOWMWD.CA.GOV

February 18, 2026

Joe Mouawad, P.E. – General Manager
Eastern Municipal Water District
2270 Trumble Road
Perris, CA 92570

Via Email:
mouawadj@emwd.org

Dear Mr. Mouawad,

This notification is to inform you that Rainbow Municipal Water District (RMWD) is updating its Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP), pursuant to California Water Code §10621(b). The UWMP addresses water supply sustainability within the RMWD services area through 2050, and the WSCP addresses RMWD's monitoring of and response to potential water supply shortages.

Public drafts of the UWMP and WSCP will be made available for review prior to a public hearing anticipated to take place in April 2026. Information on where to review the plans and the time and date for the public hearings will be communicated in future notices.

Please feel free to contact the 2025 UWMP preparer, Anthony Herda PE, at (626) 660-4837 or aherda@erscinc.com if you have any questions or would like additional information.

Sincerely,

Jake Wiley, General Manager
Rainbow Municipal Water District

cc: Chad Williams, RMWD Engineering and CIP Program Manager
Anthony Herda, Engineering Resources of Southern California

Appendix J – Notices of Public Hearing

[insert copies of notice of hearing]

Appendix K – Resolutions of Adoption

[insert resolution of adoption]

Appendix L – Confirmation of Electronic Submittal

[insert confirmation of submittal

Appendix M – Confirmation of Transmittal

[insert confirmation of transmittal]

Appendix N – Water Shortage Contingency Plan

[insert WSCP]

Rainbow Municipal Water District

2025 Water Shortage Contingency Plan Public Draft

RAINBOW
MUNICIPAL WATER DISTRICT



Rainbow Municipal Water District

2025 Water Shortage Contingency Plan Public Draft

Prepared by

Engineering Resources of Southern California



Anthony Herda, P.E.

April 2026

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Executive Summary

Background

The Water Shortage Contingency Plan (WSCP) is an integral part of the Urban Water Management Plan (UWMP). These documents were prepared in accordance with the Urban Water Management Planning Act (Act) defined by the California Water Code (CWC), Division 6, Part 2.6, Sections 10610 through 10657.

The WSCP documents how Rainbow Municipal Water District (District) will respond in the event of a water shortage. A water shortage means that the available water supply cannot sufficiently meet the normally expected customer water use at a given point in time. The plan provides guidance for managing and mitigating a potential shortage of water supply in coordination with the District's emergency response plan.

Analysis

In 2022, issuance of an annual Water Supply and Demand Assessment was enacted as a new reporting requirement. This WSCP provides detailed information about the assessment process based on recent guidelines provided by the California Department of Water Resources (DWR).

The District's wholesaler has a robust supply portfolio that includes the State Water Project, the Colorado River Aqueduct, and extensive regional surface storage. The management of these resources, and subsequently the impact of a supply shortage at the wholesale level, is reduced at the retail level.

There are six water shortage levels. When a water shortage is declared, the District will implement water reduction actions appropriate for the water shortage level identified. In the event of a Level 1 Shortage, administrative and operational adjustment will be sufficient to mitigate the deficit without imposing water reduction constraints on customers. As higher shortage levels are declared, the District will communicate to customers, implement and enforce progressively stricter water reduction actions until the shortage declaration has been lifted.

Responding to a water shortage may impose financial consequences in terms of reduced revenue and increase costs of monitoring, implementing, and enforcing water use reduction actions. The District has a financial mitigation plan in place to avoid impacts on customers.

Recommendations

Implementation of the WSCP is recommended. In addition, the District should consider the following:

Ordinance No. 16-10

The WSCP references Ordinance No. 16-10 (An Ordinance of Rainbow Municipal Water District Adopting a Drought Response Conservation Program) concerning authority to implement and enforce water demand reduction actions in the event of a declared water shortage. Since adoption of the ordinance, several relevant changes have occurred:

- The District has changed wholesale water suppliers from the San Diego County Water Authority to Eastern Municipal Water District. This means new wholesaler programs and policies are in place.
- Retailer impact of a wholesale supply shortage is now tied to the Water Supply Allocation Plan (WSAP) of the Metropolitan Water District of Southern California (MWD). The WSAP outlines operational changes in management of wholesale deliveries to reduce the impact on retailers. Specifically, MWD will make up for supply shortages on the State Water Project and Colorado River Aqueduct by drawing down surface storage.
- The District has experienced a nearly 50 percent reduction in average annual demand, primarily in the agricultural sector. This means that a supply shortage will have a smaller impact and variation in demand is less volatile, reducing the likelihood and severity of a shortage.

The District may consider reviewing the impact of these changes on the Ordinance and making appropriate amendments in due course.

Seismic Mitigation

The plan identified seismic risk associated with the District's infrastructure and equipment. The District may consider reviewing and quantifying seismic risk and developing mitigation strategies for critical or vulnerable assets, as needed.

Adoption

Following public review of the Draft WSCP and following consideration and incorporation of any public comments received during the public hearing, adoption by resolution is recommended.

Chapter 1 – Introduction and Overview

> ***Water Code Section 10632.3***
>
> *It is the intent of the Legislature that, upon proclamation by the Governor of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions, the board defer to implementation of locally adopted water shortage contingency plans to the extent practicable.*

The Water Shortage Contingency Plan (WSCP) documents how Rainbow Municipal Water District (District) will respond in the event of a water shortage. A water shortage means that the available water supply cannot sufficiently meet the normally expected customer water use at a given point in time. This WSCP provides guidance for managing and mitigating a potential shortage of water supply. In the event of any water shortage emergencies, this WSCP should be followed in coordination with the District's emergency response plan.

The Eastern Municipal Water District (EMWD) is a wholesale water supplier that provides 100 percent of the supply to the District. EMWD has their own WSCP that guides their response to a water shortage in coordination with the Metropolitan Water District of Southern California (MWD).

The WSCP is an element of the District's Urban Water Management Plan (UWMP), both of which are updated every five years in accordance with the California Water Code (CWC) and submitted to the California Department of Water Resources (DWR). The WSCP must be able to be amended separately from the UWMP. As such there is the flexibility to be able to separate the WSCP from the UWMP for future needs.

1.1 – Report Organization

1.1.1 – Citation of Water Code

By convention, Water Code citations from the Guidebook are provided as shown below, italicized in a frame with a grey background.

> ***Water Code Section XXXXX***
>
> *(X) Direct excerpt from the Water Code as presented in the Guidebook.*

The intent of including relevant excerpts from the Water Code is to give the reader a perspective linking statute and regulations to the content of the plan.

1.1.2 – Description of Chapters

The WSCP is structured as recommended by DWR in the 2025 Urban Water Management Plan Guidebook. The WSCP consists of the following chapters:

Chapter 1 – Introduction and Overview

This chapter is used to provide a discussion on the fundamentals of the WSCP.

Chapter 2 – Water Supply Reliability Analysis

This chapter provides information on coordination between the UWMP and the WSCP.

Chapter 3 – Annual Assessment Procedures

This chapter describes the methods, tables, and submittal process for the preparation of an annual water supply and demand assessment.

Chapter 4 – Six Standard Water Shortage Levels

This chapter delineates the shortage levels and describes the impact of a wholesaler supply shortage on the retailers.

Chapter 5 – Shortage Response Actions

This chapter details the various methods to reduce demand in response to a shortage.

Chapter 6 – Emergency Response Plan

In this chapter, the District's emergency response plan is presented.

Chapter 7 – Communication Protocols

This chapter summarizes methods for communicating water supply shortage and responses with the public and other government bodies.

Chapter 8 – Compliance and Enforcement

This chapter delineates aspects of Ordinance No. 16-10 related to compliance and enforcement of water use reduction policy.

Chapter 9 – Legal Authority

This chapter cites aspects of Ordinance No. 16-10 that authorize the District to enforce and compel compliance with water use reduction policy.

Chapter 10 – Financial Consequences

This chapter observes potential financial consequences of WSCP implementation including loss of revenue and costs associated with monitoring, communication, conservation program execution, and enforcement.

Chapter 11 – Monitoring and Reporting

This chapter describes collecting, tracking, and analyzing appropriate data under the various shortage levels.

Chapter 12 – WSCP Refinements and Procedures

This chapter delineates the procedures required for submitting an amended WSCP.

Appendices

Additional information and documentation are provided to support and further clarify content included in the main chapters. Providing additional information strengthens the plan and offers a complete and well-supported planning document for use by the public and stakeholders.

1.2 – Urban Water Management Planning and the California Water Code

The WSCP is an integral component of the UWMP. The UWMP was prepared in accordance with the Urban Water Management Planning Act (Act) defined by CWC, Division 6, Part 2.6, and Sections 10610 through 10657. The Act became part of the CWC with the passage of Assembly Bill 797 during the 1983-1984 regular session of the California legislature. The Act requires every urban water supplier providing water for municipal purposes to more than 3,000 connections or supplying more than 3,000 acre-feet (AF) of water annually to adopt and submit an UWMP every five years to DWR.

1.3 – Updated Guidance for 2025 Urban Water Management Plans

The Urban Water Management Plan Guidebook was made available by DWR in January 2026. The Guidebook presents applicable legislation, legislative interpretation of minimum requirements, examples and methods for preparing contents, preferences for regulatory review, and supporting research.

1.4 – Annual Water Supply and Demand Assessment Guidance

The 2022 Annual Water Supply and Demand Assessment Guidance presents applicable legislation, minimum requirements, examples and methods for preparing annual assessments. See Chapter 3 for additional details.

1.5 – Submittal Tables

> ***Water Code Section 10644***
>
> *(a)(2) The plan, or amendments to the plan, submitted to the department … shall include any standardized forms, tables, or displays specified by the department.*

The Water Use Efficiency (WUE) Tables were uploaded via the portal. Copies of the WUE Tables specific to the WSCP are provided in Appendix A.

1.6 – Relation to Other Efforts

The District's 2025 WSCP integrates with related planning efforts of MWD, EMWD, the County of San Diego, and others. Key related planning efforts are listed below:

- RMWD Emergency Response Plan
- Eastern Municipal Water District 2025 WSCP
- Metropolitan Water District of Southern California WSCP
- Metropolitan Water District of Southern California Water Supply Allocation Plan (WSAP)
- San Diego County Multi-Jurisdictional Hazard Mitigation Plan

1.7 – Department of Water Resources Review Process

Upon submittal, DWR will review the WSCP to ensure that it addresses Water Code requirements. Following the review, the District will be notified of the results via a formal review letter.

1.8 – Grant or Loan Eligibility

The WSCP is an integral component of the UWMP submittal. By virtue of submitting a compliant UWMP, the District is eligible for State grants and low interest loans.

Water Code Section 10608.56

(a) On and after July 1, 2016, an urban retail water supplier is not eligible for a water grant or loan awarded or administered by the state unless the supplier complies with this part.

(c) Notwithstanding subdivision (a), the department shall determine that an urban retail water supplier is eligible for a water grant or loan even though the supplier has not met the per capita reductions required pursuant to Section 10608.24, if the urban retail water supplier has submitted to the department for approval a schedule, financing plan, and budget, to be included in the grant or loan agreement, for achieving the per capita reductions. The supplier may request grant or loan funds to achieve the per capita reductions to the extent the request is consistent with the eligibility requirements applicable to the water funds.

(e) Notwithstanding subdivision (a), the department shall determine that an urban retail water supplier is eligible for a water grant or loan even though the supplier has not met the per capita reductions required pursuant to Section 10608.24, if the urban retail water supplier has submitted to the department for approval documentation demonstrating that its entire service area qualifies as a disadvantaged community.

(f) The department shall not deny eligibility to an urban retail water supplier or agricultural water supplier in compliance with the requirements of this part and Part 2.8 (commencing with Section 10800), that is participating in a multiagency water project, or an integrated regional water management plan, developed pursuant to Section 75026 of the Public Resources Code, solely on the basis that one or more of the agencies participating in the project or plan is not implementing all of the requirements of this part or Part 2.8 (commencing with Section 10800).

Water Code Section 10656

An urban water supplier is not eligible for a water grant or loan awarded or administered by the state unless the urban water supplier complies with this part.

23 CCR Section 596.1

(b)(2) "disadvantaged community" means a community with a median household income that is less than 80 percent of the statewide annual median household income.

1.9 – Units of Measurement

The WSCP uses acre-feet for calculations in the WUE Tables.

1.10 – Acronyms and Abbreviations

Common acronyms and abbreviations are used throughout the plan. By convention, the first appearance is written out followed by the acronym or abbreviation in parentheses, and subsequent appearances use only the acronym or abbreviation.

Act	Urban Water Management Planning Act
AD	Domestic Agriculture
ADD	average day demand
AF	acre-feet
AFY	acre-feet per year
AG	Agriculture
CIMIS	California Irrigation Management Information System
CM	Commercial Family
CN	Construction
CWC	California Water Code
District	Rainbow Municipal Water District
DWR	California Department of Water Resources
EMWD	Eastern Municipal Water District
EOC	Emergency Operations Center
ERP	Emergency Response Plan
MF	Multi-Family Residential
MG	million-gallon
MWD	Metropolitan Water District of Southern California
RMWD	Rainbow Municipal Water District
SCADA	supervisory control and data acquisition system
SDG&E	San Diego Gas & Electric
SF	Single Family Residential
UWMP	Urban Water Management Plan
WSAP	Water Supply Allocation Plan
WSCP	Water Shortage Contingency Plan
WUE	Water Use Efficiency

1.11 – Acknowledgements

The District appreciates the participation of the following individuals in preparing, reviewing, and contributing to the UWMP:

Rainbow Municipal Water District

- Jake Wiley, P.E. – General Manager
- Chad Williams – Engineering & CIP Program Manager
- Konstantin Shilkov, CPA – Chief Financial Officer/Treasure
- Esther Lan – Management Analyst
- Terese Quintanar – District Secretary

Engineering Resources of Southern California

- Anthony Herda, P.E. – Senior Principal Engineer
- Trent Brudin, P.E. – Engineering Manager
- Braniah Washington – Engineering Aide

Eastern Municipal Water District

- Kylee Wideman – Water Resources Specialist Associate

Chapter 2 – Water Supply Reliability Analysis

Water Code Section 10632(a)(1)

The analysis of water supply reliability conducted pursuant to Section 10635.

Water Code Section 10632.5.(a)

In addition to the requirements of paragraph (3) of subdivision (a) of Section 10632, beginning January 1, 2020, the plan shall include a seismic risk assessment and mitigation plan to assess the vulnerability of each of the various facilities of a water system and mitigate those vulnerabilities.

The water supply reliability analysis is documented in Chapter 7 of the UWMP. To comply with the Water Code, the analysis is summarized in this section. The reliability of supplies and the key issues that may create shortage conditions relative to the District's water supply portfolio are summarized below.

2.1 – Water System Reliability

The water system reliability analysis to meet demands in normal year, single dry year, and five consecutive dry years is described narratively and in tabulated format in Chapter 7 of the UWMP. Historically, EMWD supply has been very reliable with only occasional supply reductions during droughts impacting the State Water Project or the Colorado River Watershed. The District anticipates there will be no supply shortages under normal year, single dry year, or five consecutive dry years condition through 2050.

2.2 – Key Risks for a Potential Shortage Condition

Though the District's supply is highly reliable, there are scenarios that could result in the declaration of water shortage stage conditions. For example, water shortage stages may be declared if the California Governor enacts an Executive Order calling for water demand reductions. Below is a list of the key risks to the District's supply that could potentially result in a shortage condition.

- Statewide or regional drought circumstances that lead to water supply allocations or cutbacks
- Regulatory restrictions enacted upon imported supplies
- Earthquakes or other hazards that may cause catastrophic failure of conveyances for water supplies from the State Water Project or the Colorado River Aqueduct

Chapter 3 – Annual Assessment Procedures

The annual water supply and demand assessment (Annual Assessment) is conducted and submitted to DWR on or before July 1 of each year. The following sections delineate reporting requirements from the DWR 2022 Annual Water Supply and Demand Assessment Guidance[1]. Referenced assessment tables are provided in Appendix B.

3.1 – Decision Making Process to Determine Water Supply Reliability

> ***Water Code Section 10632(a)(2)***
>
> *The procedures used in conducting an annual water supply and demand assessment that include, at a minimum, both of the following:*
>
> *(A) The written decision-making process that an urban water supplier will use each year to determine its water supply reliability.*

In the **Annual Assessment Information** table, the District provides the following:

- **Start and end month for the Annual Assessment planning cycle:** 12-month period prior to assessment development, typically May of the previous year through April of the current year.
- **Data reporting interval:** monthly, as preferred by DWR.
- **Volume Unit for Reported Supply and Demand:** acre-feet (AF), as used in the District's internal Patrol Reports and the Water Usage Reports.
- **Water Supplier's Contact Information:** information identifying the District.
- **Preparer's Contact Information:** contact information for the assessment preparer, whether internal or outsourced.
- **WSCP Title:** Rainbow Municipal Water District 2025 Water Shortage Contingency Plan.
- **WSCP Adoption Date:** to be updated following adoption.
- **Other Annual Assessment Related Activities:** any changes to assessment procedures.

[1] California Department of Water Resources. (April 2022). *Annual Water Supply and Demand Assessment Guidance.* https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/Water-Use-And-Efficiency/Urban-Water-Use-Efficiency/Annual-Water-Supply-and-Demand-Assessment/AWSDA-Final-Guidance-4-2022.pdf

3.2 – Key Data Inputs to Evaluate Water Supply Reliability

Water Code Section 10632(a)(2)

(B) The key data inputs and assessment methodology used to evaluate the urban water supplier's water supply reliability for the current year and one dry year, including all of the following:

(i) Current year unconstrained demand, considering weather, growth, and other influencing factors, such as policies to manage current supplies to meet demand objectives in future years, as applicable.

(ii) Current year available supply, considering hydrological and regulatory conditions in the current year and one dry year. The annual supply and demand assessment may consider more than one dry year solely at the discretion of the urban water supplier.

(iii) Existing infrastructure capabilities and plausible constraints.

(iv) A defined set of locally applicable evaluation criteria that are consistently relied upon for each annual water supply and demand assessment.

(v) A description and quantification of each source of water supply.

The District will provide a description of the data used to evaluate water supply reliability, per the following subsections.

3.2.1 – Current Year Unconstrained Demand

Water Code Section 10632(a)(2)

(B) The key data inputs and assessment methodology used to evaluate the urban water supplier's water supply reliability for the current year and one dry year, including all of the following:

(i) Current year unconstrained demand, considering weather, growth, and other influencing factors, such as policies to manage current supplies to meet demand objectives in future years, as applicable.

In the **Key Data Inputs – Demands** table, the District will review unconstrained demand for the current year and provide an estimate of projected dry year demand for the next year. Projections have been calculated based on data information presented in the UWMP, analysis of historical billing data, and the influence of weather variation on irrigation requirements. (See Appendix C). The preparer may adjust the projections as needed based on interpretation of the current year's unconstrained demand.

3.2.2 – Current Year Available Supply

> ***Water Code Section 10632(a)(2)***
>
> *(B) The key data inputs and assessment methodology used to evaluate the urban water supplier's water supply reliability for the current year and one dry year, including all of the following:*
>
> *(ii) Current year available supply, considering hydrological and regulatory conditions in the current year and one dry year. The annual supply and demand assessment may consider more than one dry year solely at the discretion of the urban water supplier.*
>
> *(iii) Existing infrastructure capabilities and plausible constraints.*
>
> *(v) A description and quantification of each source of water supply.*

In the **Key Data Inputs – Supplies** table, the District will enter input provided by EMWD on projected supply availability. Unless a shortage has been declared by MWD, supply is anticipated to be available commensurate with projected demands.

3.2.3 – Existing Infrastructure Capabilities and Plausible Constraints

> ***Water Code Section 10632(a)(2)***
>
> *(B) The key data inputs and assessment methodology used to evaluate the urban water supplier's water supply reliability for the current year and one dry year, including all of the following:*
>
> *(iii) Existing infrastructure capabilities and plausible constraints.*

The District receives supply via two MWD transmission pipelines through multiple interties. District will enter input provided by EMWD on projected changes to MWD infrastructure that would constitute a constraint or reduction in capacity.

3.2.4 – Assessment Methodology: Locally Applicable Evaluation Criteria

> ***Water Code Section 10632(a)(2)***
>
> *(B) The key data inputs and assessment methodology used to evaluate the urban water supplier's water supply reliability for the current year and one dry year, including all of the following:*
>
> *(iv) A defined set of locally applicable evaluation criteria that are consistently relied upon for each annual water supply and demand assessment.*

The following assumptions are applied to unconstrained demand projections:

- Annual demands by sector are calculated by linear interpolation from 2025 demands in UWMP WUE Table 4-1 (Total Uses for Potable and Non-Potable Water - Actual) and 2030 demands in UWMP WUE Table 4-2 (Total Uses for Potable and Non-Potable Water - Projected), then scaled by a factor 1.3 to produce dry year characteristics. Note that the 2030 demands account for anticipated growth and impacts due to local economics.
- CN (Construction) and Calculated Losses are calculated as the annual demand divided by 12 months
- AD (Domestic Agriculture), (AG Agriculture), and CM (Commercial Family) are calculated as the annual demand divided by 12 months and scaled per variation of the Evapotranspiration Index presented in UWMP Table 3.1 (CIMIS Climate Data)
- IS (Institutional) are calculated as the annual demand divided by 12 months with outdoor water use estimated at 77.1% and scaled per variation of the Evapotranspiration Index
- MF (Multi-Family Residential) are calculated as the annual demand divided by 12 months with outdoor water use estimated at 41.4% and scaled per variation of the Evapotranspiration Index
- SF (Single Family Residential) are calculated as the annual demand divided by 12 months with outdoor water use estimated at 71.5% and scaled per variation of the Evapotranspiration Index

3.2.5 – Description and Quantification of Each Water Supply Source

Water Code Section 10632(a)(2)

(B) The key data inputs and assessment methodology used to evaluate the urban water supplier's water supply reliability for the current year and one dry year, including all of the following:

(v) A description and quantification of each source of water supply.

Supply is provided by MWD and delivered via EMWD. The vast majority of water supplied to the District comes from the Skinner Water Treatment Plant; however, MWD has a diverse supply portfolio augmented by regional storage. In the event a shortage has been declared by MWD, EMWD will provide the District with details on supply availability from associated MWD sources.

3.3 – Supply and Demand Analysis

Water Code Section 10632.1

An urban water supplier shall conduct an annual water supply and demand assessment pursuant to subdivision (a) of Section 10632 and, on or before July 1 of each year, submit an annual water shortage assessment report to the department with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the supplier's water shortage contingency plan. An urban water supplier that relies on imported water from the State Water Project or the Bureau of Reclamation shall submit its annual water supply and demand assessment within 14 days of receiving its final allocations, or by July 1 of each year, whichever is later.

In the **Potable Water Shortage Assessment** table, the District enters the Anticipated Unconstrained Demand and Anticipated Total Water Supply. Under normal conditions, surpluses will be zero, since EMWD will deliver as much supply as necessary to meet demands. In the event MWD has declared a shortage, the corresponding shortfall will be calculated and used to implement appropriate Shortage Response Actions.

3.4 – Planned Shortage Response Actions

Water Code Section 10632.1

An urban water supplier shall conduct an annual water supply and demand assessment pursuant to subdivision (a) of Section 10632 and, on or before July 1 of each year, submit an annual water shortage assessment report to the department with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the supplier's water shortage contingency plan. An urban water supplier that relies on imported water from the State Water Project or the Bureau of Reclamation shall submit its annual water supply and demand assessment within 14 days of receiving its final allocations, or by July 1 of each year, whichever is later.

In the **Planned Water Shortage Response Actions** table, the District will identify appropriate Demand Reduction Actions for Table 5.1 and estimate the associated volume saved.

3.5 – Compiling and Submitting Annual Water Shortage Assessment Report

Water Code Section 10631.2

An urban water supplier shall conduct an annual water supply and demand assessment pursuant to subdivision (a) of Section 10632 and, on or before July 1 of each year, submit an annual water shortage assessment report to the department with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the supplier's water shortage contingency plan. An urban water supplier that relies on imported water from the State Water Project or the Bureau of Reclamation shall submit its annual water supply and demand assessment within 14 days of receiving its final allocations, or by July 1 of each year, whichever is later.

Under normal conditions, EMWD will deliver as much supply as necessary to meet demands. In this case, the District will submit the following tables electronically via the WUE Data Portal:

- Completed Table 1: Annual Assessment Information
- Completed Table 2: Water Demands
- Completed Table 3: Water Supplies
- Completed Table 4: Tables 4(P) – Potable Water Shortage Assessment
- Completed Table 5: Planned Water Shortage Response Actions

Under an MWD declared water shortage or other wholesaler conditions resulting and supply constraints, EMWD will reduce supply deliveries according to the MWD Water Shortage Allocation Plan. In this case, the District will also prepare and submit the following report electronically via the WUE Data Portal:

- Optional written report on the Annual Assessment and Annual Shortage Report

Chapter 4 – Six Standard Water Shortage Levels

Water Code Section 10632(a)(3)

(A) Six standard water shortage levels corresponding to progressive ranges of up to 10, 20, 30, 40, and 50 percent shortages and greater than 50 percent shortage. Urban water suppliers shall define these shortage levels based on the suppliers' water supply conditions, including percentage reductions in water supply, changes in groundwater levels, changes in surface elevation or level of subsidence, or other changes in hydrological or other local conditions indicative of the water supply available for use. Shortage levels shall also apply to catastrophic interruption of water supplies, including, but not limited to, a regional power outage, an earthquake, and other potential emergency events.

(B) An urban water supplier with an existing water shortage contingency plan that uses different water shortage levels may comply with the requirement in subparagraph (A) by developing and including a cross-reference relating its existing categories to the six standard water shortage levels.

The District has developed a six-stage WSCP that defines the shortage levels based upon the percent of water supply shortage in comparison to unconstrained demand, as shown in Table 4.1.

Table 4.1 – WSCP Levels

Standard Shortage Levels	Percent Shortage Range	Wholesaler Shortage Level	Retailer Shortage Condition
1	Up to 10%	Up to 90% of WSA	96.7% to 100% of unconstrainted demand
2	Up to 20%	Up to 80% of WSA	93.3% to 96.7% of unconstrained demand
3	Up to 30%	Up to 70% of WSA	90% to 93.3% to of unconstrained demand
4	Up to 40%	Up to 60% of WSA	86.7% to 90% of unconstrained demand
5	Up to 50%	Up to 50% of WSA	83.3% to 86.7% of unconstrained demand
6	>50%	Less than 50% of WSA	Less than 83.3% of unconstrained demand

The six standard water shortage levels correspond to progressively increasing estimated supply shortage conditions and align with the response action the District would implement to meet the severity of the impending supply shortages.

As described in §2.2 (Key Risks for a Potential Shortage Condition), MWD has studied potential impacts in detail and developed a water supply allocation calculation to quantify the availability of wholesaler supply to dependent retailers in the event of a shortage. A copy of relevant portions of the MWD 2014 Water Supply Allocation Plan[2] (WSAP) is provided in Appendix D.

[2] Metropolitan Water District of Southern California. (December 2014). *Water Supply Allocation Plan*. https://bda.mwdh2o.com/Member%20Agency%20Materials%20%20Secure/0_Reference/Water%20Supply%20Allocation%20Plan%20(2014).pdf

Chapter 5 – Shortage Response Actions

Water Code Section 10632 (a)(4)

Shortage response actions that align with the defined shortage levels and include, at a minimum, all of the following:

(A) Locally appropriate supply augmentation actions.

(B) Locally appropriate demand reduction actions to adequately respond to shortages.

(C) Locally appropriate operational changes.

(D) Additional, mandatory prohibitions against specific water use practices that are in addition to state-mandated prohibitions and appropriate to the local conditions.

(E) For each action, an estimate of the extent to which the gap between supplies and demand will be reduced by implementation of the action.

Water Code Section 10632.2

An urban water supplier shall follow, where feasible and appropriate, the prescribed procedures and implement determined shortage response actions in its water shortage contingency plan, as identified in subdivision (a) of Section 10632, or reasonable alternative actions, provided that descriptions of the alternative actions are submitted with the annual water shortage assessment report pursuant to Section 10632.1. Nothing in this section prohibits an urban water supplier from taking actions not specified in its water shortage contingency plan, if needed, without having to formally amend its urban water management plan or water shortage contingency plan.

Shortage response actions are aligned with the defined shortage levels presented in Table 4.1. Shortage response actions include locally appropriate supply augmentation actions and locally appropriate demand reduction actions such as operational changes, mandatory prohibitions against specific water use practices, and state mandated prohibitions. Each shortage response action is intended to reduce a portion of the gap between supplies and demand. The percent of water demand reduction for each action is estimated in Section 5.1.

5.1 – Supply Augmentation

The District is wholly dependent on supply from MWD delivered via EMWD; therefore, supply augmentation options are limited.

The District maintains emergency interconnections with the City of Oceanside and Fallbrook Public Utilities District. In the event of a supply shortage, the District will contact its local partners about the opportunity for supply augmentation; however, access to emergency supply from these sources is subject to availability and is considered unavailable for a sustained supply shortage.

5.2 – Special Water Feature Distinction

> ***Water Code Section 10632 (b)***
>
> *For purposes of developing the water shortage contingency plan pursuant to subdivision (a), an urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.*

Water features that are not pools or spas are analyzed and defined separately from pools and spas in the WSCP. Non-pool or non-spa water features including ponds, lakes, waterfalls, and fountains that do not require the use of potable water for health and safety considerations, are defined as decorative water features and recreational water features and are included as such in the response actions and are enforced and monitored as part of the WSCP process.

Under all conditions and stages, the WSCP prohibits using potable water in an ornamental fountain or other decorative water feature, except where the water is part of a recirculating system.

5.3 – Demand Reduction

Prioritized use of available potable water during shortages is based on the difference between basic needs (i.e., drinking, toilet flushing) and discretionary uses (i.e., landscape irrigation), and legal requirements set forth in the California Water Code (CWC), Sections 350-358. Water reduction actions implemented during shortages will not affect the following water use types:

- Minimum health and safety allocations for interior residential needs (includes single family, multifamily, hospitals and convalescent facilities, retirement and mobile home communities, student housing, firefighting, and public safety)
- Commercial, industrial, institutional/governmental operations, where water is used for manufacturing, to meet minimum health and safety allocations for employees and visitors, or to maintain jobs and economic base of the community, but not for landscape uses
- Commercial growers or nurseries

Locally appropriate demand reduction actions to adequately respond to shortages are specified in Table 5.1

Table 5.1 – Demand Reduction Actions

Shortage Level	Demand Reduction Action	Estimated Reduction (AFY)	Description (Calculation)
1 through 5	Offer Water Use Surveys	124	In coordination with EMWD, extend program to customers. (1% of ADD)
1 through 5	Provide Rebates on Plumbing Fixtures and Devices	83	In coordination with EMWD, offer rebates and devices to customers. (1% of non-AG)
1 through 5	Provide Rebates for Landscape Irrigation Efficiency	83	In coordination with EMWD, offer rebates and devices to customers. (1% of non-AG)
1 through 5	Provide Rebates for Turf Replacement	167	In coordination with EMWD, offer rebates. (2% of non-AG)
1 through 5	Reduce System Water Loss	124	Accelerate implementation of leak detection and repair program. (1% of ADD)
2 through 5	Landscape - Restrict or prohibit runoff from landscape irrigation	42	Enforce normal runoff prohibition. (0.5% of non-AG)
2 through 5	Customers repair leaks, breaks, and malfunctions	62	Repair all leaks within seventy-two (72) hours of notification by the District unless other arrangements are made with the General Manager. (0.5% of ADD)
2 through 5	Landscape - Prohibit certain types of landscape irrigation	6	Prohibit the irrigation with potable water of ornamental turf on public street medians. (10% of Institutional)
2 through 5	Landscape - Limit landscape irrigation to specific days	457	Limit residential and commercial landscape irrigation to no more than three (3) assigned days per week on a schedule established by the General Manager and posted by the District. (10% of Residential and Commercial)

Shortage Level	Demand Reduction Action	Estimated Reduction (AFY)	Description (Calculation)
3 through 5	Landscape - Prohibit certain types of landscape irrigation	137	Limit irrigation of landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system using a bucket, hand-held hose with positive shut-off nozzle, or low-volume non-spray irrigation. (3% of Residential and Commercial)
4 through 5	Landscape - Limit landscape irrigation to specific times	417	Limit lawn watering and landscape irrigation using sprinklers to no more than ten (10) minutes per watering station per assigned day. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to weather-based controllers, drip/micro-irrigation systems and stream rotor sprinklers. (5% of non-AG)
5	Water Features - Restrict water use for decorative water features, such as fountains	17	Prohibit the use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system. (0.2% of non-AG)
5	CII - Restaurants may only serve water upon request	4	Prohibit the serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased. (0.5% of Commercial Family)
5	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water	37	Stop washing vehicles except at commercial carwashes that re-circulate water, or by high pressure/low volume wash systems. (0.3% of ADD)
5	Other - Prohibit use of potable water for washing hard surfaces	83	Prohibit the application of potable water to driveways and sidewalks. (1% of non-AG)
5	Moratorium or Net Zero Demand Increase on New Connections	26	No new potable water service shall be provided, no new temporary meters or permanent meters shall be provided, and no statements of immediate ability to serve or provide potable water service (such as, will serve letters, certificates, or letters of availability) shall be issued, unless (1) a valid, unexpired building permit has already been issued for the project; (2) In the opinion of the District Board of Directors the project is necessary to protect the public's health, safety, and welfare; or (3) The applicant provides substantial evidence of an enforceable binding commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of the District. (40% of Construction)
5	Landscape - Limit landscape irrigation to specific days	229	Limit residential and commercial landscape irrigation to no more than two (2) assigned days per week on a schedule established by the General Manager and posted by the District. (5% of Residential and Commercial)
6	Other	2,471	The District may establish up to a 20% reduction in water allocation for any property served by the District. (20% of ADD)

5.4 – Locally Appropriate Operational Changes

The following demand reduction actions listed in Table 5.1 are operational or administrative in nature and do not impose constraints on customers to reduce water usage:

Wholesaler Coordination

EMWD offers numerous educational and rebate programs aimed at water conservation. The District will work in coordination with EMWD on outreach and implementation to expand the coverage of those programs.

Leak Detection and Repair

The District plans to prepare a leak detection and repair pilot study for long-term water loss reduction. Once implemented, this program can be accelerated to increase loss reduction, as needed.

Moratorium on New Connections

The District may hold or curtail applications for new service until drought conditions have passed.

5.5 – Additional Mandatory Prohibitions

The following additional mandatory prohibitions are cited in Ordnance No. 16-10 with respect to a water use reduction goal of 40 percent.

- *Stop all landscape irrigation, except crops and landscape products of commercial growers and nurseries. This restriction shall not apply to the following categories of use unless the RMWD has determined that recycled water is available and may be lawfully applied to the use:*
    - *Maintenance of trees and shrubs by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation*
    - *Maintenance of existing landscaping necessary for fire protection as specified by the Fire Marshal of the local fire protection agency having jurisdiction over the property to be irrigated*
    - *Maintenance of existing landscaping for erosion control*
    - *Maintenance of plant materials identified to be rare or essential to the well being of rare animals*
    - *Maintenance of landscaping within active public facilities, including parks and playing fields, day care centers, school grounds, cemeteries, and golf course greens, provided that such irrigation does not exceed two (2) days per week*
    - *Watering of livestock*
    - *Public works projects and actively irrigated environmental mitigation projects*
- *Repair all water leaks within twenty-four (24) hours of notification by the RMWD*

unless other arrangements are made with the General Manager.

5.6 – Shortage Response Action Effectiveness

The purpose of implementing demand reduction and supply augmentation actions is to reduce water demand and increase other sources of supply to make up for the water shortage gaps. If implemented, the demand reduction outlined in Table 5.1 will allow the District to sufficiently meet the water shortage gaps at each shortage level. Table 5.2 presents the WSCP shortage gap reduction goals and compares them to the total shortage gap reduction possible if all demand reduction and supply augmentation actions are implemented for the associated shortage level.

Table 5.2 – Shortage Gap Reduction

Standard Shortage Levels	Supply Shortage	Shortage Gap Reduction Goal	Shortage Reduction
1	10%	3.3%	4.8%
2	20%	6.7%	9.4%
3	30%	10.0%	10.5%
4	40%	13.3%	13.9%
5	50%	16.7%	17.0%
6	>50%	20.0%	20.0%

The Standard Shortage Levels and Supply Shortage are taken from Table 4.1.

The Shortage Gap Reduction Goal is the maximum retailer impact due to a wholesale shortage per the MWD Water Shortage Allocation Plan (WSAP). (See Appendix D)

The Shortage Reduction represents application of the of the Demand Reduction Actions from Table 5.1. Percentages are calculated as the cumulative estimate reduction estimate with respect to 2025 demands.

Chapter 6 – Emergency Response Plan

A catastrophic water shortage could occur when a natural disaster such as an earthquake results in damage to water supply conveyances, other state water infrastructure, or District water facilities.

This could possibly result in deficient water supplies for the region and/or the District. In response to potential natural disasters and other emergencies, the District prepared an Emergency Response Plan (ERP) in 2018. The ERP includes standardized response and recovery procedures to minimize customer water service interruptions and to prevent, minimize, and mitigate human injury and infrastructure damage resulting from emergencies or disasters of human-made or natural origin. The information contained in the ERP is intended to prepare and guide staff and inform local emergency response agencies. The ERP includes plans, procedures, lists, and identification of equipment that may be useful during an emergency. The ERP includes the following sections:

- Section 1: Introduction
- Section 2: Emergency Planning Process
- Section 3: Mutual Aid System
- Section 4: Water System Information and Hazard Identification
- Section 5: Preparedness Phase Operations
- Section 6: Response Phase Overview
- Section 7: EOC Staff Assignments and Responsibility
- Section 8: Restoration and Recovery Phase
- Section 9: Mitigation Phase

Additionally, the ERP provides specific guidelines for the four items listed below. These guidelines give District emergency responders support when determining the necessary response actions to manage an incident in a timely manner.

- Establishing an Emergency Operations Center (EOC) including the location and resources required, as well as a secondary EOC if the primary EOC is compromised.
- Organization and responsibilities of the EOC personnel to evaluate and direct the overall response to the emergency.
- Strategies for emergency response, repair, and restoration of the water system.
- Responsibilities of District personnel during the emergency response.

6.1 – Seismic Risk Assessment and Mitigation Plan

Water Code Section 10632.5.(a)

In addition to the requirements of paragraph (3) of subdivision (a) of Section 10632, beginning January 1, 2020, the plan shall include a seismic risk assessment and mitigation plan to assess the vulnerability of each of the various facilities of a water system and mitigate those vulnerabilities.

(b) An urban water supplier shall update the seismic risk assessment and mitigation plan when updating its urban water management plan as required by Section 10621.

(c) An urban water supplier may comply with this section by submitting, pursuant to Section 10644, a copy of the most recent adopted local hazard mitigation plan or multihazard mitigation plan under the federal Disaster Mitigation Act of 2000 (Public Law 106-390) if the local hazard mitigation plan or multihazard mitigation plan addresses seismic risk.

A detailed seismic risk assessment of critical water infrastructure was conducted in 2021, and updates to that assessment are provided in the following sections. The original seismic assessment is included as an appendix in the RMWD 2020 WSCP available via the DWR WUE Data Portal[3].

6.1.1 – Supply

The District is fully reliant upon purchased imported potable water from Eastern Municipal Water District (EMWD), which relies upon two aqueducts to convey water to southern California. An earthquake may impact the source water supply if the aqueducts experience structural failure. Seismic assessment of the aqueducts and source water supply are covered under the EMWD and MWD seismic assessment components of their Water Shortage Contingency Plans.

The purchased water is delivered to the District through five interties and two emergency connections. An earthquake may cause structural failure at the interties and emergency connections, potentially causing water loss from pipe breakage or cracking.

[3] Rainbow Municipal Water District. (May 2020). *2020 Water Shortage Contingency Plan*. https://wuedata.water.ca.gov/public/uwmp_attachments/2768216788/Rainbow%202020%20WSCP%2Epdf

6.1.2 – Pipelines

The District's system includes 342 miles of distribution pipeline, ranging in diameter from 4-inch to 42-inches in diameter. Table 6.1 summarizes pipeline lengths by diameter. Ground shaking and liquefaction from earthquakes can cause pipes to crack at brittle joints and sink into the liquefied ground potentially causing significant sudden water loss, flood damage to nearby structures, and the inability to deliver water to some customers.

Table 6.1 – Pipeline Summary

Diameter (inches)	Length (miles)
4	4.8
6	66.0
8	125.6
10	18.5
12	48.7
14	20.6
16	24.8
18	13.9
20	10.7
22	0.6
24	5.8
27	0.3
30	0.8
36	0.4
42	0.5
Total	**342**

6.1.3 – Storage

The District has 4 reservoirs, three of which are operational, and 13 tanks, twelve of which are operational.

The three operational reservoirs are either concrete or asphalt lined. Reservoir failure from an earthquake can cause loss of control of water storage and downstream flooding of nearby structures.

There is one pre-stressed concrete tank, and the other 12 storage tanks are cylindrical above-ground steel tanks. Some common earthquakes effects on above ground tanks are structural stability failure, water sloshing inside the tank causing structural failure to the shell or roof, sliding off the foundation, cracking or shearing of walls for the concrete tank, and elephant foot buckling for steel tanks due to the overturning moment.

Table 6.2 lists the reservoirs and tanks by storage capacity. For security purposes, the designations and locations of storage infrastructure are considered sensitive and are therefore not disclosed in this plan.

Table 6.2 – Storage Summary

Tank or Reservoir	Capacity (MG)
Tank 1	0.6
Tank 2	1.5
Tank 3	3.0
Tank 4	3.5
Tank 5	4.0
Tank 6	4.0
Tank 7	4.0
Tank 8	4.0
Tank 9	4.0
Tank 10	4.0
Tank 11	4.0
Tank 12	6.0
Reservoir 1	22.8
Reservoir 2	151.5
Reservoir 3	203.7
Total	**420.6**

6.1.4 – Pump Stations

There are 14 booster pump station facilities, each with between one and four pumps. The pump station buildings are susceptible to structural damage from earthquakes, and pump operations may be impacted by earthquake associated power outages. Liquefaction of the soil underlying the structures may occur, causing the entire facility and its assets to lose bearing strength and collapse.

6.1.5 – Pressure Reducing Stations

There are 48 pressure reducing stations, each with one or more hydraulically controlled valves. In the event of an earthquake, these valves could fail causing transmission failure and localized flooding.

6.1.6 – Telemetry

The District has a centralized Supervisory Control and Data Acquisition (SCADA) system to monitor and control the distribution system facilities. Earthquakes commonly cause power outages due to damage to power lines, transformers, and generators which could disrupt SCADA functionality.

6.1.7 – Power

The District receives its power supply from San Diego Gas & Electric (SDG&E). The District is subject to any associated earthquake impacts to SDG&E's facilities serving the District.

6.2 – Mitigation and Resilience Measures

6.2.1 – Mitigation and Resilience for Water System Assets

To mitigate the threat of earthquakes to District interties, reservoirs, storage tanks, distribution pipelines, booster pumps, emergency pumps, emergency connections, and other District buildings, the District may first consider conducting a complete structural assessment of the assets. This evaluation can identify the high-risk assets that should take priority for replacement or retrofits in the future. Assets associated with source water resilience, such as aqueducts, shall be addressed by EMWD and MWD independently.

6.2.2 – Operational Strategies to Improve Water System Resilience

Given the District's dependence on a wholesaler, improving reliability and redundancy may help strengthen preparedness and reduce response times in case of earthquake impacts to EMWD or MWD systems.

The District may consider identifying additional interconnectivity strategies between nearby systems, such as City of Oceanside, Carlsbad Municipal Water District, Vista Irrigation District, and Fallbrook Public Utilities District to maximize reliability and resiliency. Although EMWD supplies are considered reliable, improved interconnection with other systems could help address an earthquake event that may impact some or all of the District's facilities.

The District may consider identifying and updating lists of priority water customers (e.g., hospitals, dialysis clinics, schools) to develop a plan to restore water service to those customers first. Back-up supplies of water (bulk water delivery or bottled water supplies) should also be identified and documented in the ERP.

Because earthquakes may impact multiple utilities simultaneously, it is recommended that the District establish coordination with SDG&E to foster better communication and response times immediately after an earthquake. Sharing information with the power utility regarding critical asset locations could help facilitate faster power recovery to high-priority assets. Locations of back-up generators and fuel reserves should be updated regularly and included with the ERP.

6.2.3 – Emergency Response Planning

The District should review and update its ERP to ensure all earthquake procedures, equipment lists, and emergency contacts are current. The ERP specifically addresses earthquakes and procedures. To supplement this, the EPA's Earthquake Incident Action Checklist can serve as a helpful guide for emergency planning and response (see Appendix E).

Finally, it is recommended that all District staff review the ERP, understand where the emergency operations center (EOC) is located, how it will be activated, and what their role is during an earthquake emergency. Desktop training and exercises for seismic scenarios are suggested.

Chapter 7 – Communication Protocols

Water Code Section 10632

(a) Every urban water supplier shall prepare and adopt a water shortage contingency plan as part of its urban water management plan consists of each of the following elements:

(5) Communication protocols and procedures to inform customers, the public, interested parties, and local, regional, and state governments, regarding, at a minimum, all of the following:

(A) Any current or predicted shortages as determined by the annual water supply and demand assessment described pursuant to Section 10632.1.

(B) Any shortage response actions triggered or anticipated to be triggered by the annual water supply and demand assessment described pursuant to Section 10632.1.

(C) Any other relevant communications

Timely and effective communication is a key element of water shortage contingency planning implementation. The District's communication protocols and procedures in the event of a water shortage are intended for activation only with District Board authorization. Under a water shortage condition, the District would assess the actual water supply and demand information and conditions to determine whether activating the WSCP is warranted. If activation is warranted, the General Manager will call for an emergency Board meeting to request District Board authorization, if needed. The District would recommend activation of the appropriate stage and request District Board authorization to initiate the measures necessary to achieve the appropriate demand reduction target. The public would be encouraged to understand and be involved in the decision-making process and provide feedback to the District Board on such an action.

The list below outlines the specific communication methods to inform customers, the public, interested parties, and local, regional, and state government of any current or anticipated water shortage stage and the associated water demand reduction actions:

- Customers, the public, and other interested parties:
    - Announcements on District website homepage
    - Press releases via the River Village News
    - Public information and awareness program with workshops, park signage, water bill inserts, and educational programs at schools
- Local, regional, and state government
    - Email officials at cities and counties impacted by the water shortage
    - Email or place phone call to designated officials at regional and state level (DWR)

Chapter 8 – Compliance and Enforcement

> ***Water Code Section 10632 (a)(6)***
>
> *For an urban retail water supplier, customer compliance, enforcement, appeal, and exemption procedures for triggered shortage response actions as determined pursuant to Section 10632.2.*

The District adopted Ordinance No 16-10: *An Ordinance of Rainbow Municipal Water District Adopting a Drought Response Conservation Program* in June 2016 which provides a description of penalties and the District's authority to fine or terminate water service. The ordinance will be revised in accordance with the water shortage stages, demand reduction actions, and other measures outlined in this WSCP. The ordinance will go before the District's Board for approval after the WSCP has been revised and adopted.

8.1 – Ensuring Ordinance Compliance

When water shortage stages are enacted, the District will ensure compliance with the ordinance by launching education and communication programs with District customers. If violations are identified, the fines described in Section 8.2 may apply if the offender has already been issued a warning.

8.2 – Enforcement of Demand Reduction Actions

Any person who uses, causes to be used, or permits the use of water in violation of the ordinance is guilty of an offense punishable as outlined below. Each day that a violation of the ordinance occurs is a separate offense.

Similarly, the District will ensure compliance with and enforce provisions of the WSCP reduction actions taken at each shortage level as noted in Table 5.1 by the following means:

- Prior to issuing administrative fines for violations, the District will first conduct public outreach and issue a warning to customers not in compliance. The District will provide the customer with a fact sheet about water shortage demand reduction actions to explain why the measures are in place.
- Administrative fines may be levied for each subsequent violation, with increasing fees as follows:
    - $100 for a first violation.
    - $200 for a second violation within one year from occurrence of the first violation.
    - $500 for each additional violation within one year of the first violation.
- Installation of a flow-restricting device in the meter.
- Violations may be prosecuted as a misdemeanor punishable by imprisonment in the

county jail for not more than 30 days or by a fine not exceeding $1,000, or by both as provided in CWC section 377.

- Willful violations of the mandatory conservation measures and water use restrictions applicable during a Level 6 Drought Emergency condition may be enforced by discontinuing service to the property at which the violation occurs, as provided by CWC section 356.

All remedies provided for herein shall be cumulative and not exclusive.

8.3 – Exemptions and Appeals

If, due to unique circumstances, a specific requirement of this WSCP would result in undue hardship and disproportionate impact to a District customer, then an exemption may be granted or conditionally granted by following the procedures detailed below.

1. Request an Exemption or Appeal. The customer shall submit a letter to the District requesting an exemption or appeal.
2. Provide supporting documentation. The exemption application shall be accompanied by photographs, maps, drawings, and other information, including a written statement of the applicant.
3. Basis is found to support exemption. An exemption shall be granted only if the District finds, based on the information provided in the application, supporting documents, any additionally requested information, and the District's records of water use information for the property, all of the following:
    a. The exemption does not grant special privilege inconsistent with those available to all other District customers.
    b. Unique circumstances specific to the applicant are found to have a disproportionate impact on the property or use that exceeds the impacts to customers generally.
    c. The granted exemption will not cause harm to adjacent properties and will not impede the District's ability to fulfill the purpose of the WSCP.

The rationale and reason for the exemption request is not common, recurrent, or general in nature.

Approval Authority. The General Manager shall exercise approval authority and act upon any completed application no later than 30 days after submittal and may approve, conditionally approve, or deny the exemption. The applicant requesting the exemption shall be promptly notified in writing of any action taken. Unless specified otherwise at the time an exemption is approved, the variance applies to the subject property during the term of the mandatory shortage response.

Appeals to the District Board of Directors. An applicant may appeal a decision or condition of the General Manager on a variance application. The appeal must be in the form of a written request for a hearing and shall state the grounds for the appeal. At a public meeting, the District Board of Directors shall act as the approval authority and review the appeal. The decision of the District Board of Directors is final.

Chapter 9 – Legal Authorities

Water Code Section 10632 (a)(7)

(A) A description of the legal authorities that empower the urban water supplier to implement and enforce its shortage response actions specified in paragraph (4) that may include, but are not limited to, statutory authorities, ordinances, resolutions, and contract provisions.

(B) A statement that an urban water supplier shall declare a water shortage emergency in accordance with Chapter 3 (commencing with Section 350) of Division 1.

(C) A statement that an urban water supplier shall coordinate with any city or county within which it provides water supply services for the possible proclamation of a local emergency, as defined in Section 8558 of the Government Code.

Water Code Section Division 1, Section 350

Declaration of water shortage emergency condition. The governing body of a distributor of a public water supply, whether publicly or privately owned and including a mutual water company, shall declare a water shortage emergency condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.

The District's legal authority to enforce demand reduction measures during water shortages is codified by local ordinance, Rainbow Drought Ordinance 16-10: An Ordinance of Rainbow Municipal Water District Adopting a Drought Response Conservation Program.

The District shall declare a water shortage emergency condition in accordance with CWC Chapter 3 (commencing with Section 350) of Division 1 as stated below:

> *Declaration of water shortage emergency condition. The governing body of a distributor of a public water supply, whether publicly or privately owned and including a mutual water company, shall declare a water shortage emergency condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.*

The District shall coordinate with any city or county within which it provides water supply services for the possible proclamation of a local emergency under California Government Code, California Emergency Services Act (Article 2, Section 8558.)

Chapter 10 – Financial Consequences

Water Code Section 10632(a)(8)

A description of the financial consequences of, and responses for, drought conditions, including, but not limited to, all of the following:

(A) A description of potential revenue reductions and expense increases associated with activated shortage response actions described in paragraph (4).

(B) A description of mitigation actions needed to address revenue reductions and expense increases associated with activated shortage response actions described in paragraph (4).

(C) A description of the cost of compliance with Chapter 3.3 (commencing with Section 365) of Division 1.

10.1 – Financial Impacts

Upon implementation of a shortage stage and the associated reduction actions, the District anticipates that revenues generated from the quantity charge component of customers' bills would be reduced proportionately to the water shortage percentage. In addition to reduced revenues, the District may also experience increased expenses due to the need for staff to carry out monitoring and enforcement actions identified by each shortage stage.

10.2 – Mitigation Action

Throughout extended water shortage periods, the District would attempt to avoid rate adjustments. Potential mitigation actions include:

- Use of financial reserves - The District has financial reserves to address decreased water sales during a water shortage. See Appendix F for the District's Cash Reserves Policy.
- Postponement of capital improvements - The District could delay work on non-essential capital improvements until water sales become more sustainable.

10.3 – Reporting Cost of Compliance

Water Code Section 10632(a)(8)

(C) A description of the cost of compliance with Chapter 3.3 (commencing with Section 365) of Division 1.

Water Code Section 366

(a) During periods described in subdivision (a) of Section 367, excessive water use is prohibited by a residential customer in a single-family residence or by a customer in a multiunit housing complex in which each unit is individually metered or submetered by the urban retail water supplier.

(b) Each urban retail water supplier shall establish a method to identify and discourage excessive water use, through one of the following options:

(1) Establishing a rate structure, subject to applicable constitutional and statutory limitations, that includes block tiers, water budgets, or rate surcharges over and above base rates for excessive water use by a residential water customer.

(2)(A) Establishing an excessive water use ordinance, rule, or tariff condition, or amending an existing ordinance, rule, or tariff condition, that includes a definition of or a procedure to identify and address excessive water use by metered single-family residential customers and customers in multiunit housing complexes in which each unit is individually metered or submetered and may include a process to issue written warnings to a customer and perform a site audit of customer water usage prior to deeming the customer in violation.

(2)(B) For the purposes of subparagraph (A), excessive water use shall be measured in terms of either gallons or hundreds of cubic feet of water used during the urban retail water supplier's regular billing cycle. In establishing the definition of excessive use, the urban retail water supplier may consider factors that include, but are not limited to, all of the following:

(i) Average daily use.

(ii) Full-time occupancy of households.

(iii) Amount of landscaped land on a property.

(iv) Rate of evapotranspiration.

(v) Seasonal weather changes.

(C)(i) A violation of an excessive use ordinance, rule, or tariff condition established pursuant to subparagraph (A) shall result in an infraction or administrative civil penalty. The penalty for a violation may be based on

conditions identified by the urban retail water supplier and may include, but is not limited to, a fine of up to five hundred dollars ($500) for each hundred cubic feet of water, or 748 gallons, used above the excessive water use threshold established by the urban retail water supplier in a billing cycle.

(C)(ii) Any fine imposed pursuant to this subparagraph shall be added to the customer's water bill and is due and payable with that water bill.

(C)(iii) Each urban retail water supplier shall have a process for nonpayment of the fine, which shall be consistent with due process and reasonably similar to the water supplier's existing process for nonpayment of a water bill.

(D)(i) Consistent with due process, an urban retail water supplier shall establish a process and conditions for the appeal of a fine imposed pursuant to subparagraph (C) whereby the customer may contest the imposition of the fine for excessive water use.

(D) (ii) As part of the appeal process, the customer shall be provided with an opportunity to provide evidence that there was no excessive water use or of a bona fide reason for the excessive water use, including evidence of a water leak, a medical reason, or any other reasonable justification for the water use, as determined by the urban retail water supplier.

(D) (iii) As part of the appeal process, the urban retail water supplier shall provide documentation demonstrating the excessive water use.

(c)(1) The provisions of subdivision (b) do not apply to an urban retail water supplier that is not fully metered in accordance with Section 527. An urban retail water supplier shall comply with the provisions of subdivision (b) when all of the water supplier's residential water service connections are being billed based on metered water usage.

(2) An urban retail water supplier that is not fully metered shall prohibit water use practices by an ordinance, resolution, rule, or tariff condition that imposes penalties for prohibited uses of water supplied by the water supplier. The urban retail water supplier may include a process to issue written warnings prior to imposing penalties as well as increased penalty amounts for successive violations.

Water Code Section 367

(1) During a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on statewide drought conditions to an urban retail water supplier that has moved to a stage of action in response to a local water supply shortage condition under the

water supplier's contingency plan pursuant to paragraph (1) of subdivision (a) of Section 10632 that requires mandatory water use reductions.

(2) To an urban retail water supplier during a period in which the water supplier has moved to a stage of action in response to a local water supply shortage condition under the water supplier's contingency plan pursuant to paragraph (1) of subdivision (a) of Section 10632 that requires mandatory water use reductions.

(3) To an urban retail water supplier affected during a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on local drought conditions.

For the District to ensure its customers comply with the ordinance and CWC Chapter 3.3 (Excessive Residential Water Use During Drought) additional costs will be incurred. These costs are associated with the increased costs for monitoring and enforcement of water use reduction measures.

Chapter 11 – Monitoring and Reporting

Water Code Section 10632(a)(9)

For an urban retail water supplier, monitoring and reporting requirements and procedures that ensure appropriate data is collected, tracked, and analyzed for purposes of monitoring customer compliance and to meet state reporting requirements.

The District will monitor and report implementation of the WSCP by collecting, tracking, and analyzing appropriate data for the purposes of monitoring reduction in customer water demands, customer compliance, and meeting state reporting requirements. Potable water use figures are recorded daily by District staff. The District operates its water system on a computerized supervisory control and data acquisition (SCADA) system, which allows instantaneous and continuous viewing of water system conditions and facility responses.

During a Shortage Level 1 or 2, District staff would compare the daily and monthly water distribution totals to the target distribution totals to verify that the appropriate reduction goal is being met. The District's Engineering and CIP Program Manager would then review the monthly distribution reports and determine if further action is required to meet demand reduction goals. Monthly distribution reports shall be sent to the District Board. If reduction goals are not met, the District's Engineering and CIP Program Manager would notify the District Board so that corrective action is considered and/or taken.

During a Shortage Level 3 and higher, the procedure described above would be followed, with the addition of issuing a weekly distribution report to the General Manager.

Chapter 12 – WSCP Refinement Procedures

Water Code Section 10632 (a)(10)

Reevaluation and improvement procedures for systematically monitoring and evaluating the functionality of the water shortage contingency plan in order to ensure shortage risk tolerance is adequate and appropriate water shortage mitigation strategies are implemented as needed.

As part of the District's commitment to ensuring reliable supplies, the WSCP will be adopted by the District Board and made available to the public.

12.1 – Refinement Procedures

The WSCP is routinely updated to ensure water demand reduction actions and supply augmentation measures continue to accurately reflect the District's planned response to water shortage outages.

Experience with recent drought conditions and recommendations from EMWD for regional consistency in water shortage contingency planning also played a role in the revisions to this WSCP.

Review and update of the WSCP shall occur in parallel with the update of the UWMP, at a minimum of every five years. However, the WSCP may also be updated independently of the UWMP and with greater frequency, at the District's discretion.

12.2 – Adoption, Submittal, Availability, and Amendment Procedures

Water Code Section 10632 (c)

The urban water supplier shall make available the water shortage contingency plan prepared pursuant to this article to its customers and any city or county within which it provides water supplies no later than 30 days after adoption of the water shortage contingency plan.

Water Code Section 10642.

…Prior to adopting either [UWMP and WSCP], the urban water supplier shall make both the plan [UWMP] and water shortage contingency plan available for public inspection and shall hold a public hearing or hearings thereon…After the hearing or hearings, the plan [UWMP] or water shortage contingency plan shall be adopted as prepared or as modified after the hearing or hearings.

Water Code Section 10640.

(b) …The supplier shall likewise periodically review the water shortage contingency plan as required by paragraph (10) of subdivision (a) of Section 10632 and any amendments or changes required as a result of that review shall be adopted pursuant to this article [Article 3 Sections 10640 -10645]

Water Code Section 10644(a)(2)(b)

If an urban water supplier revises its water shortage contingency plan the supplier shall submit to the department a copy of it water shortage contingency plan prepared pursuant to subdivision (a) of Section 10632 [required elements of a WSCP] no later than 30 days after adoption, in accordance with protocols for submission and using electronic reporting tools developed by the department.

The updated WSCP shall be adopted, submitted, and made available as part of the same process for the 2025 UWMP per the CWC requirements. During each WSCP review and update process, the revised WSCP will go through internal review prior to adoption by the District's Board. The WSCP must be reviewed and adopted prior to or in conjunction with the UWMP review and adoption process. The WSCP may also be periodically amended independently of the UWMP, as needed. In either instance, the public review period and adoption process follows that which is defined in Government Code 6066. The associated notifications for the public hearing process and the Board adoption resolution for the WSCP are provided as appendices to the UWMP.

The updated WSCP shall be made available on the District's website no later than 30 days after it is adopted. The WSCP shall also be available as an appendix to the UWMP document, which will be posted to the District's website and DWR's public Water Use Efficiency data portal website. The UWMP and its WSCP appendix will also be submitted to the California State Library and be available for review in hardcopy format in the District's offices during normal working hours.

Chapter 13 – Submittal Tables

Electronic data and information related to the content of this chapter are included in the following WUE Tables.

- Submittal Table 8-1: Cross-reference for Standard vs Supplier Shortage Levels Water Code Section 10632(a)(3)(B)
- Submittal Table 8-2 Retail: Supply Augmentation and Other Actions | Water Code Section 10632(a)(4)(A),(C) and (E)
- Submittal Table 8-3 Retail: Demand Reduction Actions | Water Code Section 10632(a)(4)(B) and (E)

Copies of these tables may be found in Appendix A.

List of Appendices

Appendix A – Water Use Efficiency (WUE) Tables

Appendix B – Annual Assessment Tables

Appendix C – Projected Dry Year Demands

Appendix D – MWD 2014 Water Supply Allocation Plan (WSAP)

Appendix E – EPA's Earthquake Incident Action Checklist

Appendix F – Section 5.03.220 | Cash Reserves Policy

Appendix A – Water Use Efficiency (WUE) Tables

Submittal Table 8-1: Cross-reference for Standard vs Supplier Shortage Levels, Water Code Section 10632(a)(3)(B)

Submittal Table 8-3 Retail: Demand Reduction Actions, Water Code Section 10632(a)(4)(B),(D), and (E)

Submittal Table 8-1: Cross-reference for Standard vs Supplier Shortage Levels **Water Code Section 10632(a)(3)(B)**			
☐	Check the box if the Supplier uses the Standard six levels of water shortage. Proceed to the next table.		
Standard Shortage Levels	**Percent Shortage Range**	**Suppliers Shortage Levels**	**Percent Shortage Range**
1	Up to 10%	Up to 90% of WSA	96.7% to 100% of unconstrainted demand
2	Up to 20%	Up to 80% of WSA	93.3% to 96.7% of unconstrained demand
3	Up to 30%	Up to 70% of WSA	90% to 93.3% to of unconstrained demand
4	Up to 40%	Up to 60% of WSA	86.7% to 90% of unconstrained demand
5	Up to 50%	Up to 50% of WSA	83.3% to 86.7% of unconstrained demand
6	>50%	Less than 50% of WSA	Less than 83.3% of unconstrained demand
NOTES: Impact to RMWD is the maximum retail adjustment per Table 1 (Shortage Allocation Index) of the MWD 2014 Water Supply Allocation Plan (WSAP).			

Submittal Table 8-3 Retail: Demand Reduction Actions **Water Code Section 10632(a)(4)(B),(D), and (E)**					
	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions **Drop down list** These are the only categories that will be accepted by the WUEdata online submittal tool. Select those that apply.	How much is this going to reduce the shortage gap?		Additional Explanation or Reference (OPTIONAL)	Penalty, Charge, or Other Enforcement? **For Retail Suppliers Only** Drop Down List
		Volume or Percentage Drop down	Shortage Gap Reduction Value (May be a range) (AF)		
Add additional rows as needed					
1 through 5	Offer Water Use Surveys	Volume	124	In coordination with EMWD, extent program to customers. (1% of ADD)	No
1 through 5	Provide Rebates on Plumbing Fixtures and Devices	Volume	83	In coordination with EMWD, offer rebates and devices to customers. (1% of non-AG)	No
1 through 5	Provide Rebates for Landscape Irrigation Efficiency	Volume	83	In coordination with EMWD, offer rebates and devices to customers. (1% of non-AG)	No
1 through 5	Provide Rebates for Turf Replacement	Volume	167	In coordination with EMWD, offer rebates. (2% of non-AG)	No
1 through 5	Reduce System Water Loss	Volume	124	Accelerate implementation of leak detection and repair program. (1% of ADD)	No
1 through 5	Water Features - Restrict water use for decorative water features, such as fountains	Volume	17	Prohibit the use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system. (0.2% of non-AG)	Yes
2 through 5	Landscape - Restrict or prohibit runoff from landscape irrigation	Volume	42	Enforce normal runoff prohibition. (0.5% of non-AG)	Yes
2 through 5	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	Volume	62	Repair all leaks within seventy-two (72) hours of notification by the District unless other arrangements are made with the General Manager. (0.5% of ADD)	Yes
2 through 5	Landscape - Prohibit certain types of landscape irrigation	Volume	6	Prohibit the irrigation with potable water of ornamental turf on public street medians. (10% of Institutional)	
2 through 5	Landscape - Limit landscape irrigation to specific days	Volume	457	Limit residential and commercial landscape irrigation to no more than three (3) assigned days per week on a schedule established by the General Manager and posted by the District. (10% of Residential and Commercial)	Yes
3 through 5	Landscape - Prohibit certain types of landscape irrigation	Volume	137	Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system governed by section 5 (b) (1), on the same schedule set forth in section 5 (b) (1) by using a bucket, hand-heldhose with positive shut-off nozzle, or low-volume non-spray irrigation. (3% of Residential and Commercial)	Yes
4 through 5	Landscape - Limit landscape irrigation to specific times	Volume	417	Limit lawn watering and landscape irrigation using sprinklers to no more than ten (10) minutes per watering station per assigned day. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to weather-based controllers, drip/micro-irrigation systems and stream rotor sprinklers. (5% of non-AG)	Yes
5	CII - Restaurants may only serve water upon request	Volume	4	Prohibit the serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased. (0.5% of Commercial Family)	Yes
5	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water	Volume	37	Stop washing vehicles except at commercial carwashes that re-circulate water, or by high pressure/low volume wash systems. (0.3% of ADD)	Yes
5	Other - Prohibit use of potable water for washing hard surfaces	Volume	83	Prohibit the application of potable water to driveways and sidewalks. (1% of non-AG)	Yes
5	Moratorium or Net Zero Demand Increase on New Connections	Volume	26	No new potable water service shall be provided, no new temporary meters or permanent meters shall be provided, and no statements of immediate ability to serve or provide potable water service (such as, will serve letters, certificates, or letters of availability) shall be issued, unless (1) a valid, unexpired building permit has already been issued for the project; (2) In the opinion of the District Board of Directors the project is necessary to protect the public's health, safety, and welfare; or (3) The applicant provides substantial evidence of an enforceable binding commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of the District. (40% of Construction)	Yes
5	Landscape - Limit landscape irrigation to specific days	Volume	229	Limit residential and commercial landscape irrigation to no more than two (2) assigned days per week on a schedule established by the General Manager and posted by the District. (5% of Residential and Commercial)	Yes
6	Other	Volume	2,471	The District may establish up to a 20% reduction in water allocation for any property served by the District. (20% of ADD)	Yes
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.					
NOTES: As a reduction target for Level 5, 16.7% of a normal year is appoximately 2,063 AF.					

Appendix B – Annual Assessment Tables

Table 1. Annual Assessment Information	
Type of Supplier (Required to check one or two)	
Supplier is a Wholesaler	
Supplier is a Retailer	
If you are both a wholesaler and retailer, will you be submitting two separate reports or a combined report?	Number of Reports
Year Covered By This Shortage Report (Required)	
Start: July 1,	YYYY
End: June 30,	YYYY+1
Volume Unit for Reported Supply and Demand: *(Must use the same unit throughout)*	MG
Supplier's Annual Assessment Planning Cycle (Required)	
Start Month:	
End Month:	
Data Interval:	
Water Supplier's Contact Information (Required)	
Water Supplier's Name:	Water_Supplier_Name
Contact Name:	
Contact Title:	
Street Address:	
ZIP Code:	
Phone Number:	(XXX)XXX-XXXX
Email Address:	
Report Preparer's Contact Information *(if different from above)*	
Preparer's Organization Name:	
Preparer's Contact Name:	
Phone Number:	(XXX)XXX-XXXX
Email Address:	
Supplier's Water Shortage Contingency Plan	
WSCP Title	
WSCP Adoption Date	MM/DD/YYYY
Other Annual Assessment Related Activities	
Activity	**Timeline/Outcomes/Links/Notes**
Annual Assessment/ Shortage Report Title:	Optional
Annual Assessment / Shortage Report Approval Date:	MM/DD/YYYY
Other Annual Assessment Related Activities:	Optional
(Add rows as needed)	

= From prior tables
= Auto calculated

Table 2: Water Demands[1]

Use Type			Start Year: YYYY						Volumetric Unit Used[2]: MG						
Drop-down list May select each use multiple times These are the only Use Types that will be recognized by the WUEdata online submittal tool (Add additional rows as needed)	Additional Description (as needed)	Level of Treatment for Non-Potable Supplies **Drop-down list**	Projected Water Demands - Volume[3]												
			Jul	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Total by Water Demand Type**
Demands Served by Potable Supplies															
															0
															0
															0
															0
															0
															0
															0
															0
															0
															0
Total by Month (Potable)			0	0	0	0	0	0	0	0	0	0	0	0	0
Demands Served by Non-Potable Supplies															
															0
															0
															0
															0
															0
Total by Month (Non-Potable)			0	0	0	0	0	0	0	0	0	0	0	0	0

Notes: List considered factors impacting demands

[1]Projections are based on best available data at time of submitting the report and actual demand volumes could be different due to many factors.
[2]Units of measure (AF, CCF, MG) must remain consistent.
[3]When opting to provide other than monthly volumes (bi-monthly, quarterly, or annual), please see directions on entering data for

Optional (for comparison purposes)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Last year's total demand													0
Two years ago total demand													0
Three years ago total demand													0
Four years ago total demand													0

	= From prior tables
	= Auto calculated

Table 3: Water Supplies[1]

Water Supply	Start Year: YYYY	Volumetric Unit Used[2]: MG													
Drop-down List May use each category multiple times.These are the only water supply categories that will be recognized by the WUEdata online submittal tool (Add additional rows as needed)	Additional Detail on Water Supply	Projected Water Supplies - Volume[3]												Water Quality **Drop-down List**	Total Right or Safe Yield* (optional)
		Jul	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Total by Water Supply Type**	
Potable Supplies															
														0	
														0	
														0	
														0	
														0	
														0	
														0	
														0	
														0	
														0	
Total by Month (Potable)		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Potable Supplies															
														0	
														0	
														0	
														0	
														0	
Total by Month (Non-Potable)		0	0	0	0	0	0	0	0	0	0	0	0	0	0

Notes: List hydrological and regulatory conditions, infrastructure capabilities, and plausible constraints which may impact the water supplies

[1]Projections are based on best available data at time of submitting the report and actual supply volumes could be different due to many factors.
[2]Units of measure (AF, CCF, MG) must remain consistent.
[3]When opting to provide other than monthly volumes (bi-monthly, quarterly, or annual), please see directions on entering data for Projected Water Supplies in the Table Instructions.

Optional (for comparison purposes)	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Total**
eAR Reported Total Water Supplies													**0**

	= Auto calculated
	= From prior tables
	= For manual input

Table 4(P): Potable Water Shortage Assessment[1]	**Start Year:** YYYY						**Volumetric Unit Used[2]:** MG						
	Jul	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun[3]**	**Total**
Anticipated Unconstrained Demand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00
Anticipated Total Water Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00
Surplus/Shortage w/o WSCP Action	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% Surplus/Shortage w/o WSCP Action													
State Standard Shortage Level	0	0	0	0	0	0	0	0	0	0	0	0	0
Planned WSCP Actions[4]													
Benefit from WSCP: Supply Augmentation													0.0
Benefit from WSCP: Demand Reduction													0.0
Revised Surplus/Shortage with WSCP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% Revised Surplus/Shortage with WSCP													

[1]Assessments are based on best available data at time of submitting the report and actual volumes could be different due to many factors.
[2]Units of measure (AF, CCF, MG) must remain consistent.
[3]When optional monthly volumes aren't provided, verify Tables 2 and 3 use the same columns for data entry and are reflected properly in Table 4 and make sure to use those same columns to enter the benefits from Planned WSCP Actions. Please see directions on the shortage balancing exercise in the Table Instructions. If a shortage is projected, the supplier is highly recommended to perform a monthly analysis to more accurately identify the time of

	= Auto calculated
	= From prior tables
	= For manual input

Table 4(NP): Non-Potable Water Shortage Assessment[1]	**Start Year:** YYYY						**Volumetric Unit Used[2]:** MG						
	Jul	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun[3]**	**Total**
Anticipated Unconstrained Demand: Non-Potable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00
Anticipated Total Water Supply: Non-Potable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Surplus/Shortage w/o WSCP Action: Non-Potable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% Surplus/Shortage w/o WSCP Action: Non-Potable													
Planned WSCP Actions[4]													
Benefit from WSCP: Supply Augmentation													0.0
Benefit from WSCP: Demand Reduction													0.0
Revised Surplus/Shortage with WSCP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% Revised Surplus/Shortage with WSCP													

[1]Assessments are based on best available data at time of submitting the report and actual volumes could be different due to many factors.
[2]Units of measure (AF, CCF, MG) must remain consistent.
[3]When optional monthly volumes aren't provided, verify Tables 2 and 3 use the same columns for data entry and are reflected properly in Table 4 and make sure to use those same columns to enter the benefits from Planned WSCP Actions. Please see directions on the shortage balancing exercise in the Table Instructions. If a shortage is projected, the supplier is highly recommended to perform a monthly analysis to more accurately identify the time of

Table 5: Planned Water Shortage Response Actions			July 1, YYYY		to June 30, YYYY+1	
Anticipated Shortage Level Drop-down List of **State Standard Levels** (1 - 6) and Level 0 (No Shortage)	**ACTIONS[1]: Demand Reduction, Supply Augmentation, and Other Actions. (Drop-down List)** These are the only categories that will be accepted by the WUEdata online submittal tool. Select those that apply.	Is action already being implemented? **(Y/N)**	How much is action going to reduce the shortage gap? **(Optional)**		When is shortage response action anticipated to be implemented[2]?	
			Enter Amount	*(Drop-down List) Select % or Volume Unit*	*Start Month*	*End Month*
Add additional rows as needed						
NOTES: Notes Section to be used only for clarifying details, and not for listing specific actions. Actions must be entred into table rows						

[1]If you plan Supply Augmentation Actions then you must enter WSCP Benefits from Supply Augmentation Actions into Table 4. If you plan Demand Reduction Actions then you must enter WSCP Benefits from Demand Reduction Actions into Table 4.

[2]If an Action is planned to be implemented in multiple non-contiguous periods of the year, please make separate entries on multiple rows for the same action spanning the different implementation periods.

Appendix C – Projected Dry Year Demands

Description	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Total
AD (Domestic Ag)	570.8	536.8	400.9	332.9	231.0	163.0	176.7	217.5	292.2	394.2	428.1	509.6	4,253.7
AG (Agriculture)	632.2	594.5	444.1	368.8	255.8	180.6	195.7	240.9	323.6	436.5	474.1	564.5	4,711.2
CM (Commercial)	124.2	116.9	87.2	72.4	50.3	35.5	38.5	47.3	63.6	85.8	93.2	110.9	925.7
CN (Construction)	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	95.2
IS (Institutional)	9.1	8.6	6.8	5.9	4.6	3.6	3.8	4.3	5.3	6.8	7.2	8.3	74.1
MF (Multi-Family)	52.1	50.4	43.8	40.6	35.6	32.2	33.0	35.0	38.6	43.6	45.2	49.1	499.3
SF (Single Family)	545.4	519.4	415.2	363.2	285.2	233.1	243.5	274.7	332.0	410.0	436.2	498.6	4,556.4
Calculated losses	82.9	82.9	82.9	82.9	82.9	82.9	82.9	82.9	82.9	82.9	82.9	82.9	995.3
Total	2,024.6	1,917.4	1,488.9	1,274.7	953.4	738.9	782.0	910.5	1,146.2	1,467.7	1,574.8	1,831.8	16,110.9

Description	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	Total
AD (Domestic Ag)	563.7	530.0	395.9	328.8	228.2	161.1	174.5	214.8	288.5	389.2	422.8	503.2	4,200.4
AG (Agriculture)	627.8	590.5	441.0	366.2	254.2	179.4	194.4	239.2	321.4	433.6	470.9	560.6	4,678.8
CM (Commercial)	123.6	116.4	86.8	72.2	50.1	35.4	38.2	47.1	63.3	85.4	92.8	110.4	921.6
CN (Construction)	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	104.5
IS (Institutional)	9.0	8.5	6.6	5.7	4.4	3.5	3.8	4.3	5.2	6.6	7.0	8.1	72.7
MF (Multi-Family)	52.0	50.3	43.7	40.4	35.5	32.2	32.9	34.8	38.5	43.4	45.1	49.0	497.9
SF (Single Family)	550.4	524.2	419.1	366.6	287.8	235.3	245.7	277.3	335.0	413.8	440.1	503.1	4,598.4
Calculated losses	90.2	90.2	90.2	90.2	90.2	90.2	90.2	90.2	90.2	90.2	90.2	90.2	1,082.6
Total	2,025.4	1,918.7	1,492.0	1,278.8	959.0	745.8	788.3	916.4	1,150.8	1,471.0	1,577.6	1,833.3	16,156.9

Description	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29	Mar-29	Apr-29	May-29	Jun-29	Total
AD (Domestic Ag)	556.7	523.5	390.9	324.7	225.3	159.0	172.3	212.0	285.0	384.4	417.4	497.0	4,148.2
AG (Agriculture)	623.6	586.6	438.0	363.7	252.5	178.2	193.1	237.5	319.3	430.6	467.7	556.8	4,647.5
CM (Commercial)	123.4	116.0	86.6	71.9	49.9	35.2	38.2	46.9	63.2	85.2	92.6	110.1	919.1
CN (Construction)	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	112.3
IS (Institutional)	9.0	8.5	6.6	5.7	4.4	3.5	3.8	4.3	5.2	6.6	7.0	8.1	72.7
MF (Multi-Family)	51.9	50.2	43.7	40.3	35.4	32.1	32.8	34.7	38.4	43.3	45.0	48.9	496.5
SF (Single Family)	555.2	528.7	422.8	369.7	290.3	237.3	247.9	279.6	338.0	417.4	444.0	507.5	4,638.4
Calculated losses	97.5	97.5	97.5	97.5	97.5	97.5	97.5	97.5	97.5	97.5	97.5	97.5	1,170.0
Total	2,026.6	1,920.2	1,495.4	1,283.0	964.6	752.2	794.8	922.0	1,155.8	1,474.3	1,580.5	1,835.2	16,204.6

Description	Jul-29	Aug-29	Sep-29	Oct-29	Nov-29	Dec-29	Jan-30	Feb-30	Mar-30	Apr-30	May-30	Jun-30	Total
AD (Domestic Ag)	549.5	516.8	386.0	320.6	222.4	157.0	170.0	209.3	281.3	379.5	412.1	490.6	4,095.1
AG (Agriculture)	619.3	582.4	435.0	361.3	250.6	176.9	191.6	236.0	316.9	427.6	464.5	552.9	4,615.0
CM (Commercial)	122.9	115.4	86.3	71.6	49.7	35.1	38.0	46.8	62.9	84.8	92.0	109.6	915.1
CN (Construction)	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	121.7
IS (Institutional)	8.7	8.3	6.5	5.7	4.4	3.5	3.6	4.2	5.2	6.5	6.9	7.9	71.5
MF (Multi-Family)	51.7	50.1	43.6	40.3	35.4	32.1	32.8	34.7	38.2	43.2	44.9	48.8	495.6
SF (Single Family)	560.2	533.4	426.5	373.1	292.9	239.5	250.1	282.2	341.0	421.2	447.9	512.1	4,680.0
Calculated losses	104.9	104.9	104.9	104.9	104.9	104.9	104.9	104.9	104.9	104.9	104.9	104.9	1,258.9
Total	2,027.4	1,921.4	1,498.9	1,287.7	970.5	759.2	801.2	928.2	1,160.6	1,477.7	1,583.3	1,836.9	16,252.9

Description	Jul-30	Aug-30	Sep-30	Oct-30	Nov-30	Dec-30	Jan-31	Feb-31	Mar-31	Apr-31	May-31	Jun-31	Total
AD (Domestic Ag)	542.4	510.0	380.9	316.4	219.6	155.0	167.8	206.6	277.7	374.5	406.8	484.3	4,041.8
AG (Agriculture)	615.0	578.5	432.0	358.8	249.0	175.8	190.3	234.3	314.9	424.7	461.4	549.1	4,583.7
CM (Commercial)	122.3	115.1	85.9	71.4	49.5	35.0	37.8	46.5	62.7	84.4	91.7	109.2	911.4
CN (Construction)	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	129.5
IS (Institutional)	8.7	8.3	6.5	5.7	4.4	3.5	3.6	4.2	5.2	6.5	6.9	7.9	71.5
MF (Multi-Family)	51.6	49.9	43.4	40.2	35.2	32.0	32.6	34.6	38.2	43.0	44.7	48.6	494.1
SF (Single Family)	565.1	538.2	430.3	376.4	295.5	241.5	252.3	284.7	344.0	425.0	451.9	516.6	4,721.5
Calculated losses	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2	1,346.3
Total	2,028.1	1,923.0	1,502.0	1,291.8	976.2	765.7	807.6	933.8	1,165.6	1,481.1	1,586.3	1,838.7	16,299.8

Appendix D – MWD 2014 Water Supply Allocation Plan (WSAP)

Section 4: Water Supply Allocation Formula

Based on the guiding principle and considerations described in the WSDM Plan, Metropolitan staff and the member agencies developed a specific formula for allocating water supplies in times of shortage. The formula seeks to balance the impacts of a shortage at the retail level while maintaining equity on the wholesale level, and takes into account growth, local investments, changes in supply conditions and the demand hardening[11] aspects of non-potable recycled water use and the implementation of conservation savings programs. The formula, described below, is calculated in three steps: base period calculations, allocation year calculations, and supply allocation calculations.[12] The first two steps involve standard computations, while the third section contains specific methodology developed for this WSAP.

Base Period Calculations

The first step in calculating a water supply allocation is to estimate water supply and demand using a historical base period with established water supply and delivery data. The base period for each of the different categories of demand and supply is calculated using data from the fiscal years (July through June) ending 2013 and 2014.[13]

[11] Demand hardening is the effect that occurs when all low-cost methods of decreasing overall water demand have been applied (e.g., low-flow toilets, water recycling) and the remaining options to further decrease demand become increasingly expensive and difficult to implement.

[12] Detailed operational elements of these objectives and a numerical example are discussed in Appendix G: Water Supply Allocation Formula Example.

[13] Exceptions to this methodology are noted in the descriptions of base period calculations.

Base Period Local Supplies: Local supplies for the base period are calculated using a two-year average of groundwater production, groundwater recovery, Los Angeles Aqueduct supply, surface water production, and other imported supplies. Non-potable recycling production is not included in this calculation due to its demand hardening effect.

Base Period Wholesale Demands: Demands on Metropolitan for the base period are calculated using a two-year average of firm purchases and in-lieu deliveries to long-term groundwater replenishment, conjunctive use, cyclic, and supplemental storage programs.

Base Period Retail Demands: Total retail-level municipal and industrial (M&I) demands for the base period are calculated by adding the Base Period Wholesale Demands and the Base Period Local Supplies. This estimates an average total demand for water from each agency.

Base Period Mandatory Conservation Credit: Metropolitan allows a consultation process that enables member agencies to describe mandatory water use restrictions and/or rationing restrictions that were in place within their service areas during the Base Period. Restrictions may vary among agencies but include restricted water uses, fines, and water budget or penalty based rate structures that are enacted by the governing body of the member agency or retail agency. Following the consultation process, Metropolitan staff will recommend adjustments based on evidence of reduced GPCD. To qualify for an adjustment, GPCD reductions would have to be observed that are beyond those expected from the agency's ongoing conservation efforts and trends.

Allocation Year Calculations

The next step in calculating the water supply allocation is estimating water needs in the allocation year. This is done by adjusting the base period estimates of retail demand for population or economic growth and changes in local supplies.

Allocation Year Retail Demands: Total retail M&I demands for the allocation year are calculated by adjusting the Base Period Retail Demands for baseline inflation and growth.

Baseline Inflation Adjustment: Baseline inflation occurs when non-potable recycling or conservation is developed after the Base Period. The development of these supplies reduces actual demands for water in the Allocation Year. Because non-potable-recycling and conservation are excluded from the WSAP formula, the actual need for water in the Allocation year is overestimated. The Baseline Inflation Adjustment removes increases in non-potable recycling and conservation annually from the Base Period forward to better reflect the true need for water in the Allocation Year.

Growth Adjustment: The growth adjustment is calculated using the estimated actual annual rate of population growth at the county level, as generated by the California Department of Finance, whenever possible. For years without complete data, the growth rate is calculated using an average of the three most recent years available. Growth will be allocated based on historical per capita water use during the Base Period, with a cap equal to Metropolitan's IRP Target for Water Use Efficiency. For

allocation years up to and including 2014, the cap will be 163 GPCD, and for allocation years 2015-2020 the cap will reduce linearly from 163 to 145 GPCD. On an appeals basis, member agencies may request that their adjustment be calculated using member agency level population growth. A weighted combination of actual population and actual employment growth rates may also be requested.

Allocation Year Local Supplies: Allocation Year Local Supplies include groundwater production, groundwater recovery, Los Angeles Aqueduct supply, surface water production, seawater desalination, and other imported supplies. Estimates of Allocation Year Local Supplies are provided by the member agencies upon implementation of a WSAP. If estimates are not provided, Metropolitan will use the sum of the Base Period Local Supplies and Base Period In-Lieu Deliveries as a default. Agencies may provide updated estimates at any time during the Allocation Year to more accurately reflect their demand for Metropolitan supplies.

Extraordinary Supplies: Under the WSAP formula, local supply production in the Allocation Year can either be designated as a "planned" supply, or as an "extraordinary" supply.[14] This is an important designation for a member agency because the two types of supplies are accounted for differently in the WSAP formula. Local supplies classified at Extraordinary Supply are only partially included (scaled depending on the WSAP Level) as local supplies. This has the effect of providing significantly more benefit to the member agency in terms of total water supply that is available to the retail customer.[15]

Allocation Year Wholesale Demands: Demands on Metropolitan for the allocation year are calculated by subtracting the Allocation Year Local Supplies from the Allocation Year Retail Demands.

Water Supply Allocation Calculations

The final step is calculating the water supply allocation for each member agency based on the allocation year water needs identified in Step 2. The following table displays the elements that form the basis for calculating the supply allocation. Each element and its application in the allocation formula are discussed below.

Table 1: Shortage Allocation Index

(a) Regional Shortage Level	(b) Wholesale Minimum Percentage	(c) Maximum Retail Impact Adjustment Percentage
1	92.5%	2.5%
2	85.0%	5.0%
3	77.5%	7.5%
4	70.0%	10.0%

[14] Appendix H: Board Policy Principles on Determining the Status of Extraordinary Supply lists the key Board principles used in determining if a supply qualifies as an Extraordinary Supply.

[15] See Appendix G: Water Supply Allocation Formula Example for specific allocation formulae.

5	62.5%	12.5%
6	55.0%	15.0%
7	47.5%	17.5%
8	40.0%	20.0%
9	32.5%	22.5%
10	25.0%	25.0%

Regional Shortage Level: The WSAP formula allocates shortages of Metropolitan supplies over ten levels.

Wholesale Minimum Allocation: The Wholesale Minimum Allocation ensures a minimum level of Metropolitan supplied wholesale water service to each member agency.

Maximum Retail Impact Adjustment: The purpose of this adjustment is to ensure that agencies with a high level of dependence on Metropolitan do not experience disparate shortages at the retail level compared to other agencies when faced with a reduction in wholesale water supplies. The Maximum Retail Impact Percentage is prorated on a linear scale based on each member agency's dependence on Metropolitan at the retail level. This percentage is then multiplied by the agency's Allocation Year Wholesale Demand to determine an additional allocation.

Conservation Demand Hardening Credit: The Conservation Demand Hardening Credit addresses the increased difficulty in achieving additional water savings at the retail level that comes as a result of successful implementation of water conserving devices and conservation savings programs. To estimate conservation savings, each member agency will establish a historical baseline Gallons Per Person Per Day (GPCD) calculated in a manner consistent with California Senate Bill SBx7-7.[16] Reductions from the baseline GPCD to the Allocation Year are used to calculate the equivalent conservation savings in acre-feet. The Conservation Demand Hardening Credit is based on an initial 10 percent of the GPCD-based Conservation savings plus an additional 5 percent for each level of Regional Shortage set by the Board during implementation of the WSAP. The credit will also be adjusted for:

- The overall percentage reduction in retail water demand
- The member agency's dependence on Metropolitan

The credit is calculated using the following formula:

Conservation Demand Harding Credit = Conservation Savings x (10% + Regional Shortage Level Percentage) x (1 +((Baseline GPCD – Allocation Year GPCD)/Baseline GCPD)) x Dependence on MWD Percentage

[16] California Department of Water Resources, February 2011, "Methodologies for Calculating Baseline and Compliance Urban Per Capita Water Use. Available at: http://www.water.ca.gov/wateruseefficiency/sb7/docs/MethodologiesCalculatingBaseline_Final_03_01_2011.pdf

This provides a base demand hardening credit equal to 10 percent of conservation savings and increases the credit as deeper shortages occur, which is when conservation demand hardening has a bigger impact on the retail consumer. The credit also increases based on the percentage of an agency's demand that was reduced through conservation. This accounts for increased hardening that occurs as increasing amounts of conservation are implemented. Lastly, the credit is scaled to the member agency's dependence on Metropolitan to ensure that credits are being applied to the proportion of water demand that is being affected by reductions in Metropolitan supply.

Minimum Per-Capita Water Use Credit: This adjustment creates a minimum per capita water use threshold. Member agencies' retail-level water use is compared to two different thresholds. The proposed minimum thresholds are based upon compliance guidelines established under Senate Bill X7-7.

- 100 GPCD total water use
- 55 GPCD residential water use

Agencies that fall below either threshold under the WSAP will receive additional allocation from Metropolitan to bring them up to the minimum GPCD water use level. If an agency qualifies under both thresholds, the one resulting in the maximum allocation adjustment will be given.[17] To qualify for this credit, member agencies must provide documentation of the total agency level population and the percent of retail level demands that are residential; no appeal is necessary.

Total WSAP Allocation: The allocation to an agency for its M&I retail demand is the sum of the Wholesale Minimum Allocation, the Retail Impact Adjustment, the Conservation Demand Hardening Credit, and the Minimum Per-Capita Water Use Credit.[18]

Total Metropolitan Supply Allocations: In addition to the WSAP Allocation described above, agencies may also receive separate allocations of supplies for and seawater barrier and groundwater replenishment demands. Allocations of supplies to meet seawater barrier demands are to be determined by the Board of Directors independently but in conjunction with the WSAP. Separating the seawater barrier allocation from the WSAP allocation allows the Board to consider actual barrier requirements in the Allocation Year and address the demand hardening issues associated with cutting seawater barrier deliveries. According to the principles outlined for allocating seawater barrier demands, allocations should be no deeper than the WSAP Wholesale Minimum Percentage implemented at that time.

The WSAP also provides a limited allocation for drought-impacted groundwater basins based on the following framework:[19]

[17] See Appendix J: Per Capita Water Use Minimum Example for specific minimum per-capita water use credit formulae and example.
[18] See Appendix G: Water Supply Allocation Formula Example for specific allocation formulae.
[19] See Appendix L: Groundwater Replenishment Allocation for more information.

1. Metropolitan staff will hold a consultation with the requesting member agency and the appropriate groundwater basin manager to document whether the basin is in one of the following conditions:
    a. Groundwater basin overdraft conditions that will result in water levels being outside normal operating ranges during the WSAP allocation period; or
    b. Violations of groundwater basin water quality and/or regulatory parameters that would occur without imported deliveries
2. An allocation is provided based on the verified need for groundwater replenishment. The allocation would start with a member agency's ten-year average purchases of imported groundwater replenishment supplies (excluding years in which deliveries were curtailed). The amount would then be reduced by the declared WSAP Regional Shortage Level.

Appendix E – EPA's Earthquake Incident Action Checklist

Incident Action Checklist – Earthquake

The actions in this checklist are divided up into three "rip & run" sections and are examples of activities that water and wastewater utilities can take to: prepare for, respond to and recover from an earthquake. For on-the-go convenience, you can also populate the "My Contacts" section with critical information that your utility may need during an incident.

Earthquake Impacts on Water and Wastewater Utilities

An earthquake is caused by the shifting of tectonic plates beneath the Earth's surface. Ground shaking from moving geologic plates collapses buildings and bridges, and sometimes triggers landslides, avalanches, flash floods, fires and tsunamis. The strong ground motion of earthquakes has the potential to cause a great deal of damage to drinking water and wastewater utilities, particularly since most utility components are constructed from inflexible materials (e.g., concrete, metal pipes). Earthquakes create many cascading and secondary impacts that may include, but are not limited to:

- Structural damage to facility infrastructure and equipment
- Water tank damage or collapse
- Water source transmission line realignment or damage
- Damage to distribution lines due to shifting ground and soil liquefaction, resulting in potential water loss, water service interruptions, low pressure, contamination and sinkholes and/or large pools of water throughout the service area
- Loss of power and communication infrastructure
- Restricted access to facilities due to debris and damage to roadways



FEMA

The following sections outline actions water and wastewater utilities can take to prepare for, respond to and recover from an earthquake.

Example of Water Sector Impacts and Response to an Earthquake

East Bay Municipal Utility District Mitigates Earthquake Impacts

Following the 1989 Loma Prieta earthquake, the East Bay Municipal Utility District (EBMUD) in Oakland, California, began developing a comprehensive seismic program to increase their ability to recover from earthquake impacts and reduce water and wastewater service interruptions. Taking a proactive approach, EBMUD was the first US water utility to comprehensively retrofit its service area facilities to address seismic weaknesses.

The utility began by assessing its entire water distribution network to determine areas of improvement. Upgrades included installation of flexible joints and hoses to minimize pipe ruptures and to facilitate rerouting of water around broken pipes. The utility also created alternative transmission routes for pipes that cross fault zones.

EBMUD did a great deal of work to reinforce aqueducts to make them more resilient to earthquake impacts, including strengthening levees at aqueduct crossings and pipe foundations at river crossings, reinforcing pipe joints on buried portions of pipe, and strengthening pipe support structures on elevated portions of the aqueduct. The utility is also designing aqueduct interconnections to create bypasses around damaged segments after a levee failure or earthquake. These bypasses allow the utility to continue providing service to customers while permanent repairs are being made.

Since 1989, EBMUD has invested more than $350 million in their seismic program, which has been primarily funded by bonds that are being repaid through a seismic surcharge on customers' water bill of just over one dollar per month for single-family residential homes.

Source: EBMUD's 2011 "Earthquake Readiness: Protecting Life Safety and Public Health"

Actions to Prepare for an Earthquake

Planning

- [ ] Review and update your utility's emergency response plan (ERP) and ensure all emergency contacts are current.
- [ ] Conduct briefings, training and exercises to ensure utility staff is aware of all preparedness, response and recovery procedures.
- [ ] Identify priority water customers (e.g., hospitals), obtain their contact information, map their locations and develop a plan to restore those customers first.
- [ ] Develop an emergency drinking water supply plan and establish contacts (potentially through your local emergency management agency [EMA] or mutual aid network) to discuss procedures, which may include bulk water hauling, mobile treatment units or temporary supply lines, as well as storage and distribution.
- [ ] Conduct a hazard vulnerability analysis in which you review historical records to understand the past frequency and intensity of earthquakes and how your utility may have been impacted. Consider taking actions to mitigate seismic impacts to the utility, including those provided in the "Actions to Recover from an Earthquake: Mitigation" section.
- [ ] Complete pre-disaster activities to help apply for federal disaster funding (e.g., contact state/local officials with connections to funding, set up a system to document damage and costs, take photographs of the facility for comparison to post-damage photographs).

Coordination

- [ ] Join your state's Water/Wastewater Agency Response Network (WARN) or other local mutual aid network.
- [ ] Coordinate with WARN members and other neighboring utilities to discuss:
  - Outlining response activities, roles and responsibilities and mutual aid procedures (e.g., how to request and offer assistance)
  - Conducting joint tabletop or full-scale exercises
  - Obtaining resources and assistance, such as equipment, personnel, technical support or water
  - Establishing interconnections between systems and agreements with necessary approvals to activate this alternate source. Equipment, pumping rates and demand on the water sources need to be considered and addressed in the design and operations
  - Establishing communication protocols and equipment to reduce misunderstandings during the incident
- [ ] Coordinate with other key response partners, such as your local EMA, to discuss:
  - How restoring system operations may have higher priority than establishing an alternative water source
  - Potential points of distribution for the delivery of emergency water supply (e.g., bottled water) to the public, as well as who is responsible for distributing the water
- [ ] Understand how the local and utility emergency operations center (EOC) will be activated and what your utility may be called on to do, as well as how local emergency responders and the local EOC can support your utility during a response. If your utility has assets outside of the county EMA's jurisdiction, consider coordination or preparedness efforts that should be done in those areas.
- [ ] Ensure credentials to allow access will be valid during an incident by checking with local law enforcement.

Actions to Prepare for an Earthquake *(continued)*

Communication with Customers

- [ ] Develop outreach materials to provide your customers with information they will need after an earthquake (e.g., clarification about water advisories, instructions for private well and septic system maintenance and information about earthquake mitigation).
- [ ] Review public information protocols with local EMA and public health/primacy agencies. These protocols should include developing water advisory messages (e.g., boil water) and distributing them to customers using appropriate mechanisms, such as reverse 911.

Facility and Service Area

- [ ] Inventory and order extra equipment and supplies, as needed:
  - Motors
  - Fuses
  - Chemicals (ensure at least a two week supply)
  - Cellular phones or other wireless communications device
  - Emergency Supplies
    - Tarps/tape/rope
    - Cots/blankets
    - First aid kits
    - Foul weather gear
    - Plywood
    - Flashlights/flares
    - Sandbags (often, sand must be ordered as well)
    - Bottled water
    - Batteries
    - Non-perishable food
- [ ] Ensure communication equipment (e.g., radios, satellite phones) works and is fully charged.
- [ ] Develop a GIS map of all system components and prepare a list of coordinates for each facility.
- [ ] Document pumping requirements and storage capabilities, as well as critical treatment components and parameters.
- [ ] Establish a seismically hardened or offsite facility to store essential records and equipment.
- [ ] Inspect utility for structural stability and consider implementing actions to improve the utility's ability to withstand damage from earthquakes, such as:
  - Secure fixtures, shelves and equipment
  - Anchor or stabilize utility equipment to withstand earthquake forces and movements
  - Reinforce, secure or improve utility transmission lines and connections to withstand earthquake forces, soil movements and differential settlements
  - Anchor or improve tank structures to withstand earthquake forces and movements

Personnel

- [ ] Identify essential personnel and ensure they are trained to perform critical duties in an emergency (and possibly without communication), including the shut down and start up of the system.
- [ ] Establish communication procedures with essential and non-essential personnel. Ensure all personnel are familiar with emergency evacuation and shelter in place procedures.
- [ ] Pre-identify emergency operations and clean-up crews. Establish alternative transportation strategies if roads are impassable.

Actions to Prepare for an Earthquake *(continued)*

- [ ] Consider how evacuations or limited staffing due to transportation issues (potentially all utility personnel) will impact your response procedures.
- [ ] Identify possible staging areas for mutual aid crews if needed in the response, and the availability of local facilities to house the crews.
- [ ] Encourage personnel, especially those that may be on duty for extended periods of time, to develop family emergency plans.

Power, Energy and Fuel

- [ ] Evaluate condition of electrical panels to accept generators; inspect connections and switches.
- [ ] Document power requirements of the facility.
- [ ] Confirm and document generator connection type, capacity load and fuel consumption. Test regularly, exercise under load and service backup generators.
- [ ] Contact fuel vendors and inform them of estimated fuel volumes needed if utility is impacted. Determine your ability to establish emergency contract provisions with vendors and your ability to transport fuel if re-fueling contractors are not available. Develop a backup fueling plan and a prioritization list of which generators to fuel in case of a fuel shortage.
- [ ] Collaborate with your local power provider and EOC to ensure that your water utility is on the critical facilities list for priority electrical power restoration, generators and emergency fuel.



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Notes:

Actions to Respond to an Earthquake

Planning

- [ ] For coastal communities with an increased risk for tsunami activity following an earthquake; review the Tsunami Incident Action Checklist for more information.

Coordination

- [ ] Notify your local EMA and state regulatory/primacy agency of system status.
- [ ] If needed, request or offer assistance (e.g., water buffalos, water sampling teams, generators) through mutual aid networks, such as WARN.
- [ ] Assign a representative of the utility to the incident command post or the community's EOC.

Communication with Customers

- [ ] Notify customers of any water advisories and consider collaborating with local media (television, radio, newspaper, etc.) to distribute the message. If emergency water is being supplied, provide information on the distribution locations.

Facility and Service Area

Overall

- [ ] Conduct damage assessments of the utility to prioritize repairs and other actions.
- [ ] Check that back-up equipment and facility systems, such as controls and pumps, are in working order, and ensure that chemical containers and feeders are intact.

Drinking Water Utilities

- [ ] Inspect the utility and service area for damage. Identify facility components (e.g., valve boxes) and fire hydrants that have been buried, are inaccessible or have been destroyed.
- [ ] Investigate drinking water wells for damage caused by liquefaction. This could result in the loss of storage for groundwater or ground subsidence.
- [ ] Ensure pressure is maintained throughout the system and isolate those sections where it is not.
- [ ] Isolate and control leaks in water transmission and distribution piping.
- [ ] Turn off water meters at destroyed homes and buildings.
- [ ] Monitor water quality, develop a sampling plan and adjust treatment as necessary.
- [ ] Notify regulatory/primacy agency if operations and/or water quality or quantity are affected.
- [ ] Utilize pre-established emergency connections or setup temporary connections to nearby communities, as needed. Alternatively, implement plans to draw emergency water from pre-determined tanks or hydrants. Notify employees of the activated sites.

Notes:

Actions to Respond to an Earthquake *(continued)*

Wastewater Utilities

- [ ] Inspect the utility and service area, including lift stations, for damage, downed trees, and power availability. Inspect the sewer system for debris and assess the operational status of the mechanical bar screen. If necessary, run system in manual operation.
- [ ] Notify regulatory/primacy agency of any changes to the operations or required testing parameters.

Documentation and Reporting

- [ ] Document all damage assessments, mutual aid requests, emergency repair work, equipment used, purchases made, staff hours worked and contractors used during the response to assist in requesting reimbursement and applying for federal disaster funds. When possible, take photographs of damage at each work site (with time and date stamp). Proper documentation is critical to requesting reimbursement.
- [ ] Work with your local EMA on the required paperwork for public assistance requests.

Personnel

- [ ] Account for all personnel and provide emergency care, if needed. Caution personnel about known hazards resulting from earthquakes.
- [ ] Deploy emergency operations and clean-up crews (e.g., securing heavy equipment). Identify key access points and roads for employees to enter the utility and critical infrastructure; coordinate the need for debris clearance with local emergency management or prioritize it for employee operations.

Power, Energy and Fuel

- [ ] Use backup generators, as needed, to supply power to system components.
- [ ] Monitor and plan for additional fuel needs in advance; coordinate fuel deliveries to the generators.
- [ ] Maintain contact with electric provider for power outage duration estimates.

Notes:

Actions to Recover from an Earthquake

Coordination

- [ ] Continue work with response partners to obtain funding, equipment, etc.

Communication with Customers

- [ ] Assign a utility representative to continue to communicate with customers concerning a timeline for recovery and other pertinent information.

Facility and Service Area

- [ ] Complete damage assessments.
- [ ] Complete permanent repairs, replace depleted supplies and return to normal service.



FEMA

Documentation and Reporting

- [ ] Compile damage assessment forms and cost documentation into a single report to facilitate the sharing of information and the completion of state and federal funding applications. Visit EPA's web-based tool, Federal Funding for Utilities—Water/Wastewater—in National Disasters (Fed FUNDS), for tailored information and application forms for various federal disaster funding programs.
- [ ] Develop a lessons learned document and/or an after action report to keep a record of your response activities. Update your vulnerability assessment, ERP and contingency plans.
- [ ] Revise budget and asset management plans to address increased costs from response-related activities.

Mitigation

- [ ] Identify mitigation and long-term adaptation measures that can prevent damage and increase utility resilience. Consider impacts related to earthquakes when planning for system upgrades (e.g., replacing pipes, wellheads and water tanks to address seismic weaknesses).

Notes:

My Contacts and Resources

CONTACT NAME	UTILITY/ORGANIZATION NAME	PHONE NUMBER
	Local EMA	
	State EMA	
	State Primacy Agency	
	WARN Chair	
	Power Utility	

Planning

- Incident monitoring:
  - USGS recent earthquake activity map (U.S. Geological Survey [USGS])
  - NOAA National Weather Service tsunami alerts (National Oceanic and Atmospheric Administration [NOAA])
- Earthquake Resilience for Water and Wastewater Utilities (EPA)
- Earthquake Hazards Program (USGS)
- National Seismic Hazard Maps (USGS)
- Earthquake Hazard Maps (FEMA)
- Earthquake ShakeMap (USGS)
- California ShakeMaps (CaDC)
- Planning for an Emergency Drinking Water Supply (EPA)
- Emergency Response Plan Template (EPA)
- All-Hazard Consequence Management Planning for the Water Sector (Water Sector Emergency Response Critical Infrastructure Partnership Advisory Council [CIPAC] Workgroup)
- Utility Risk Assessment Tool (EPA)
- Tabletop Exercise Tool for Water Systems (EPA)
- How to Develop a Multi-Year Training and Exercise (T&E) Plan (EPA)
- Make a Plan (FEMA)

Coordination

- Water/Wastewater Agency Response Network (WARN) (EPA)

Communication with Customers

- Communication During Emergencies (EPA)
- Community Resilience (EPA)

Facility and Service Area

- Response On-The-Go Mobile Application (EPA)
- Oregon Earthquake Resiliency Plan (see Chapter 8: Water and Wastewater Systems) (Oregon Seismic Safety Policy Advisory Commission)
- Seismic Guidelines for Water Pipelines (American Lifelines Alliance)

Power, Energy, and Fuel

- Power Resilience Guide (EPA)
- Power Outage Incident Action Checklist (EPA)
- EPA Region 1 Water/Wastewater System Generator Preparedness Brochure (EPA)

Documentation and Reporting

- Federal Funding for Utilities In National Disasters (Fed FUNDS) (EPA)
- FEMA Public Assistance Factsheet (EPA)
- Reimbursement Tips for the Water Sector (EPA)

Mitigation

- Earthquake Publications: Building Designers, Managers and Regulators (FEMA)
- IS-323: Earthquake Mitigation Basics for Mitigation Staff (FEMA)
- HAZUS: FEMA's Methodology for Estimating Potential Losses from Disasters (FEMA)
- Earthquake Hazard Mitigation Handbook (Federal Emergency Management Agency [FEMA])
- Mitigation Ideas (FEMA)

Appendix F – Section 5.03.220 | Cash Reserves Policy

Section 5.03.220
Cash Reserves Policy

5.03.220.01 Purpose

The purpose of the RMWD 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 provide for stable water and wastewater rates to minimize rate shock on customers. Adequate reserves and sound financial policies promote RMWD's bond ratings in the capital markets and lower the cost of capital, provide financing flexibility, as well as help avoid potentially restrictive debt covenants. This Reserve Policy shall cover all reserve funds of the District.

5.03.220.02 Categories, Funding Timeframe Goal, and Level of Priority

The following comprise the main categories of reserves, their respective funding goal timeframes, and level of prioritization to receive unrestricted water and wastewater revenue to meet their reserve targets.

Categories –

1. Liquidity (Minimum Target)– these reserves are essential to the basic functioning of the District as they are intended to meet basic cash flow requirements to meet operating and debt obligations. They receive the highest priority of being funded by net revenues.
    a. Funding Timeframe Goal – Within 3 years.
    b. Actions for consideration to meet timeframe goal – budget very conservatively, retain unexpected savings or additional revenues, raise liquidity through debt if fiscally prudent, obtain additional non-rate revenues, and strongly consider raising rates.
    c. Reserves in this category in order of priority:
        i. Working Capital (Operating) Reserve
        ii. Debt Service Reserve
2. Stabilization (Target) – these reserves address certain and frequent risks of higher than anticipated expenses, or lower than anticipated revenues, to provide for stable rates and smooth rate transitions when overall rate requirements are increasing over a multi-year period. These reserves receive the next highest overall priority in being funded by net revenues.
    a. Funding Timeframe Goal – Within 10 years.
    b. Actions for consideration to meet timeframe goal – budget conservatively, retain unexpected savings or additional revenues, and consider raising rates, if necessary.
    c. Reserves in this category in order of priority:
        i. Rate Stabilization Reserve
        ii. Capital Replacement Reserve
3. Contingency (Maximum Target) – these reserves address known significant but less frequent risks, such as major disasters, or projects where a dedicated funding set aside is desired. These reserves receive the lowest priority for funding,
    a. Funding Timeframe Goal – Generally within 20 years.
    b. Actions for consideration to meet timeframe goal – These reserves are discretionary in nature and are usually funded by the intentional retention of unexpected savings or additional revenues.
    c. Reserves in this category in order of priority:
        i. Special Project Reserve (if any)
        ii. Emergency Reserve

5.03.220.03 Administrative Requirements

The District's Chief Financial Officer and/or the General Manager will present the status of the cash reserves and a plan to reach reserve targets within Funding Timeframe Goals at least annually to the Budget and Finance Committee and the Board of Directors, as part of the budget review process.

Available cash reserves for the sake of this policy shall constitute total cash and investments not externally restricted for other purposes. Each reserve target listed in this Policy is calculated and applicable for both Water and Wastewater Funds.

Restricted reserves, such as debt service reserves held by a trustee, may be established from time to time and are set based on the terms of contracts with funding providers, or other externally imposed restrictions as applicable, and are otherwise governed by those agreements or external restrictions, separate than this Policy.

5.03.220.04 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.

5.03.220.05 Debt Service Reserve (unrestricted)

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 available to pay debt service that are held in trust according to debt agreements. 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.

5.03.220.06 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.

5.03.220.07 Capital Facility Replacement Reserve

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 the 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.

5.03.220.08 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 an 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, or other sources as determined by the Board.

5.03.220.09 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.

5.03.220.10 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 water system benefitting 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. Any funds in this reserve are accounted for separately than the Liquidity, Stabilization, or Contingency reserve targets outlined in this Policy.

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
APRIL 28, 2026**

1. CALL TO ORDER - The Regular Meeting of the Board of Directors of the Rainbow Municipal Water District on April 28, 2026, was called to order by President Hamilton at 1:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Hamilton presided.

2. ROLL CALL:

Present: Directors Hamilton, Mack, Townsend-Smith, Hoffman, Irvine

Also Present: General Manager Wiley, Legal Counsel Smith, Administrative Services Manager Harp, Information Technology Manager Khattab, District Secretary Quintanar, Administrative Analyst Weber, Chief Operations Manager Gutierrez, Finance Manager Shilkov, Engineering & CIP Manager Williams, Sr. Project Manager Tamimi, Administrative Analyst Montano, Safety and Risk Management Officer Johnson, Deputy Operations Manager Coffey, Utility Worker III Demary, Sr. Wastewater Utility Worker Lopez, Human Resources Specialist Ramirez, Wastewater Superintendent Zuniga, Information Technology Technician Melton, Systems Operator Cancino, SCADA Technician Buntin, Utility Worker III Hand, Information Technology Specialist Espino, Construction/Maintenance Supervisor Nunez, Public, Sr. Fleet Mechanic Del Rio, Utility Line Locator Sjuneson, Sr. Meter Services Technician Taylor, Customer Service Representative Snyder

Also Present in Person, Via Teleconference or Video Conference: Administrative Analyst Barrow, Robert Porr, Adam Bauer (Fieldman), Jon Monday, Julie Johnson, Donnie Dabbs, Rodney Smith, Public

3. PLEDGE OF ALLEGIANCE

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

There were no changes.

5. APPROVAL OF THE AGENDA

Motion: To approve the Agenda as presented.
Action: Approve, Moved by Director Mack, Seconded by Director Townsend-Smith
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Irvine, and Hoffman

6. PUBLIC COMMENT

Jon Monday addressed the Board to speak of excessive water pressure that has caused flooding inside and outside of his home. The recent flood in his home caused extensive damage and upon investigation it was determined that the water pressure on his property was at 180 psi. He expressed his displeasure with the denial of his claim for damages and urged the District to alert their customers of the need to monitor their pressure.

Julie Johnson addressed the Board to comment on the "Grow with the Flow" Plant Giveaway Program held at RMWD. It was an excellent community event, involving volunteers and high school students. She opined that it was very well organized and the communication about the program was excellent. She was impressed with the quality of the plants as well. In the goal of serving the community, Rainbow Water did an excellent job, with participation at all levels.

Donnie Dabbs, owner of Briggs Tree Company explained that he has been farming 150 acres for over 20 years, leasing property from Rainbow MWD for about 23 years. He spoke of previous discussions of his purchase of the property, which stalled for several reasons in years past. He relayed his continued interest in purchasing that property.

7. EMPLOYEE RECOGNITIONS

A. Justin Demary-20 Years

General Manager Wiley relayed that Justin is a leader; always responsive, reliable, and represents an excellent skill set that is critical for District operations. He received the pillar Ambassador Award at the previous awards banquet because he has exhibited a relentless pursuit for serving the District and our customers. Mr. Wiley congratulated him on reaching his 20 year milestone, presented him with a plaque and a custom-made belt buckle.

8. PUBLIC HEARING

A. Public Hearing Regarding Vacancy Rates in Each Bargaining Unit in Accordance with AB2561 and Annual Staffing Analysis

President Hamilton declared the public hearing open at 1:33 p.m. Administrative Services Manager Harp reported that the bargaining units were offered the opportunity to speak on this subject, but declined. She continued by reporting on turnover metrics, demographics, overtime, and Rainbow's unique recruiting and selection techniques. As of December 31, 2025, we had no vacancies. Of concern is the short tenure of staff between the ages of 25 and 34, lean staffing, succession planning, and overtime. She presented a multi-year staffing plan that includes additional staff and internal promotions. Costs associated with staffing recommendations will be incorporated into the draft budget for review and consideration.

With no other questions or comments offered, the hearing was closed at 2:12 p.m.

Motion: To approve Option 2, receive and file the report without approving staffing recommendations.
Action: Approve, Moved by Director Irvine, Seconded by Director Hoffman
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Irvine, and Hoffman

9. PRESENTATION

A. La Cañada Pipeline Replacement Project Update

Construction & Maintenance Supervisor Nunez provided a report on the progress with replacing 3,860 linear feet of existing 8" watermain located on La Cañada Road, between Hillrise, and Via Monserate. Staff performed this replacement project in-house, in phases. Staff has performed pipeline tie-ins, hydrant and service installations, pipe installation, potholing and installation of pressure reducing stations. Staff is also providing quality control inspections in accordance with the District's Standards & Specifications. Mr. Nunez acknowledged staff's dedication and hard work to make great progress and communicate with residents in the area.

10. CONSENT CALENDAR

A. APPROVAL OF:
1. March 24, 2026, Regular Board Meeting Minutes
2. April 7, 2026, Engineering & Operations Committee Meeting Minutes
3. April 14, 2026, Budget and Finance Committee Meeting Minutes
4. Notice of Completion and Acceptance of Minor Facilities Constructed by Customers (Districtwide)
5. Six (6) Year Update to the Sewer System Management Plan
6. Sewer Service Agreement with Neighborhood's Verdeaux at the Havens, LLC for the Havens Development (Division 1)
7. Joint Agreements to Improve Major Subdivisions for the Ocean Breeze Development Tract Map No. 5615-2 (Division 1)

Motion: To approve the Consent Calendar as presented, including the March 24, April 7, April 14, 2026, meeting minutes, NOCs, an update to the SSMP, a sewer service agreement with the Havens, and joint agreements for the Ocean Breeze development.
Action: Approve, Moved by Director Irvine, Seconded by Director Townsend-Smith
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Irvine, and Hoffman

President Hamilton called for a break at 2:23 p.m. and the meeting reconvened at 2:47 p.m.

11. ACTION ITEMS

A. Consider Award of a Construction Contract to LC Paving and Sealing, Inc. in the Amount of $345,366 for Paving Restoration Associated with the La Canada Pipeline Replacement Project (Division 3)

Motion: To approve
Action: Approve, Moved by Director Irvine, Seconded by Director Mack
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Irvine, and Hoffman

B. Consider Approval of the District's 5-Year Capital Improvement Project (CIP) Water & Wastewater Plan

Engineering and CIP Manager Williams acknowledged Engineering Department staff for their efforts to prepare the five-year project list and explained that each year, the list is reviewed and reprioritized as part of the budget planning process. The vast majority of the $40M in planned projects are rehabilitation and pipeline and valve replacements. The priority, funding methods, timing, regulations, and challenges for each of the proposed water and wastewater projects were relayed in detail, and staff answered questions. Some pipeline replacement projects and the isolation valve replacements will be completed in-house.

Director Mack suggested mailing a letter to local residents to inform them of upcoming projects.

Motion: To approve Option 1, to approve the District's 5-Year Water and Wastewater CIP Plan for incorporation into the Draft FY 26/27 Budget
Action: Approve, Moved by Director Irvine, Seconded by Director Hamilton
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Irvine, and Hoffman

C. Consider Adoption of an Ordinance Authorizing Amendment to the Administrative Code Chapter 5.09 – District Vehicle Policies

Safety and Risk Management Officer Johnson explained the efforts to update and condense several existing policies with language that would more efficiently enable future updates. President Hamilton requested the opportunity to review the redline.

Motion: To adopt Ordinance No. 26- Authorizing amendment to Chapter 5.09 of the Administrative Code – District Vehicle Policies
Action: Approve, Moved by Director Hamilton, Seconded by Director Townsend-Smith
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Irvine, and Hoffman

D. Consider Appointment of Two Bonsall Unified School District - Rainbow Municipal Water District Joint Powers Financing Authority (JPA) Representatives and an Alternate Director, and Adoption of an Ordinance Authorizing Amendment to Section 2.03.010 – Compensation

General Manager Wiley reminded the Board about recent action taken by Rainbow Water and the Bonsall Unified School District (BUSD) to create the JPA. He relayed that the BUSD Board of Trustees appointed two representatives and an alternate, and that the Superintendent was appointed as one of the regular representatives.

Director Hoffman nominated Director Irvine as a representative and Director Irvine nominated Director Hamilton as a representative and Director Hoffman as the alternate.

Motion: To appoint Directors Irvine and Hamilton as the BUSD-Rainbow JPA Representatives and Director Hoffman as the alternate representative.
Action: Approve, moved by Director Hoffman, Seconded by Director Mack
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Irvine, and Hoffman

E. Consider Adoption of a Resolution Authorizing a Memorandum of Understanding and Joint Community Facilities Agreement Related to a Proposed Community Facilities District to be Established by the Bonsall Unified School District-Rainbow Municipal Water District Joint Powers Financing Authority for the Neighborhoods Verdeaux at The Havens, LLC

General Manager Wiley explained that the Memorandum of Understanding presented is between the developer, BUSD and Rainbow Water. It defines the intent to form a Community Facilities District (CFD). It does not bind the District to form the CFD.

Motion: To adopt Resolution No.
Action: Approve, Moved by Director Hoffman, Seconded by Director Hamilton
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Irvine, and Hoffman

12. INFORMATION ITEMS

There were no questions about the information provided in the meeting packet.

13. REPORTS & COMMENTS

General Manager Wiley relayed his appreciation for the efforts of Amanda Weber, Ramon Zuniga, and Robert Gutierrez to complete the SSMP.

Along with the Mutual Services Agreement partners, an appropriations request package was prepared and United States Representative Issa has included it in his package. About $13.4M in water and wastewater projects were requested. District staff is also working on the solar energy evaluation and is reviewing newly received information from the Opterra group. Information on this effort will be presented to the Board in May. Water sales are on track with budget, as we are experiencing an average rainfall year. Metropolitan Water District (MWD) adopted its biannual Budget 2027-2028, which included a 6.2% per year increase.

Mr. Smith provided an overview of the update included in the meeting packet regarding a Court of Appeal decision confirming that an EIR's water supply assessment need only provide decisionmakers with sufficient information to make an informed decision evaluating the pros, cons and risks of supplying a project's water needs.

Director Townsend-Smith requested a new appraisal of the property being leased to Donnie Dabbs. There was brief discussion regarding updated property information and discussion by the ad hoc committee.

General Manager Wiley shared that LAFCO has distributed a draft Municipal Service Review (MSR) of the San Diego County Water Authority (SDCWA) and offered to share it with those interested.

Recently, EMWD and WMWD have both arranged with the SDCWA for a transfer of 10,000 acre-feet of IAD water over the next twenty years.

14. REQUESTS TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

There were no requests.

15. SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING

Director Mack requested discussion of meeting item order on agendas. Several items will also be discussed in a future closed session.

16. CLOSED SESSION

The Board and appropriate staff adjourned to closed session at 3:41 p.m. to discuss:

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code Section 54956.8) Property: Water Purchase, Agency Negotiator Jake Wiley, Negotiating Partners: Eastern MWD/SDCWA, Under Negotiation: Agreement Terms

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code Section 54956.8) Property: Water Purchase, Agency Negotiator Jake Wiley, Negotiating Partners: Silvertip, Under Negotiation: Agreement Terms

C. CONFERENCE WITH LABOR NEGOTIATORS - Government Code §54957.6 and §54957 Agency Designated Representatives Jake Wiley and Karleen Harp; labor negotiations for: Rainbow Employee Association, & Rainbow Association of Supervisor and Confidential Employees

The Board reconvened to open session at 4:49 p.m. General Manager Wiley reported that there was no reportable action taken.

17. ADJOURNMENT - The meeting was adjourned at 4:49 p.m., to a regular meeting on May 26, 2026, at 1:00 p.m.

Hayden Hamilton, Board President

Terese Quintanar, District Secretary

MINUTES OF THE ENGINEERING AND OPERATIONS COMMITTEE MEETING OF THE RAINBOW MUNICIPAL WATER DISTRICT MAY 5, 2026

1. CALL TO ORDER – The Regular Engineering and Operations Committee (E&OC) Meeting was held in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028, with remote public participation information listed on the agenda. The meeting was called to order at 1:00 p.m.

Directors Present: Hoffman, Irvine

Staff Present: General Manager Wiley, Information Technology Manager Khattab, Chief Operations Officer Gutierrez, District Secretary Quintanar, Sr. Project Manager Tamimi, Finance Manager Shilkov, Administrative Analyst Barrow

Additional Attendees: Construction/Maintenance Supervisor Nunez, Rodney Smith, Opterra representatives Nancy Rorabaugh, Jeff Woldhuis, Sirsha Nerella, Jerry Portillo, Yiming Peng, and Shane Carlson, ERSC representatives Anthony Herda and Trent Brudin, Engineering and CIP Manager Williams, Safety and Risk Management Officer Johnson, Administrative Analyst Montano, Administrative Services Manager Harp

2. PUBLIC COMMENT

There were no requests to speak.

3. DISCUSSION ITEMS

A. Review Draft Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP)

Anthony Herda with ERSC provided the project purpose and reviewed the public drafts of the UWMP and WSCP. He explained the components of each plan, the commonalities of each, and the difference in which the plans are utilized. Pertaining to droughts, Rainbow will coordinate with Eastern Municipal Water District and the State of California drought regulations to declare a local drought, if and when appropriate. The updates to the plans every five years are intended to determine whether future supply will meet growth demands and to develop plans to address water shortages. Mr. Herda provided the recommendation to update Ordinance No. 16-10, to implement a leak detection and repair pilot program, and to consider conducting a Seismic and Vulnerability study. In addition, data contained in various tables within the reports will be provided to the State as required. Mr. Rodney Smith mentioned water storage agreements, water rights, and that the District's counsel may provide comment regarding future groundwater studies. The final drafts will incorporate any questions or pertinent information and will be presented for approval by the Board on May 26, 2026.

B. Review the Opterra Energy Services Proposed Projects

Opterra Energy Services representatives Nancy Rorabaugh, Jeff Woldhuis, Sirsha Nerella, Jerry Portillo, Yiming Peng, and Shane Carlson were present in person and online. Ms. Rorabaugh explained the process up to this point and the phases of the project. Opterra specializes in Comprehensive Energy programs. She provided a list of projects identified in Phase 1 of their Rainbow Water energy needs evaluation and relayed that time is of the essence regarding

obtaining Inflation Reduction Act Renewable Energy Grant funds. Through projected savings, Inflation Reduction Act funding, and financing, the District would realize approximately $460,000 in positive annual cash flow and approximately $62M in projected savings. Ms. Rorabaugh stated that Opterra guarantees power generation and would incorporate retrofits if needed. In addition, the District will not make a payment until solar installation is complete and energy savings are realized. If grant funds are not awarded, the solar project would have to be completed in 2027. Mr. Wiley relayed his understanding of how the projects are packaged and his concerns about long-term debt and risks. Other concerns include the drop in water demands, the need to expedite a contract with no guarantees of IRA grant funding, $15M in unplanned capital expenditure, and remaining Exit Fee debt obligations. Finance Manager Shilkov explained that, with several existing loans, it may be difficult to secure additional funding at this time. Ms. Rorabaugh stated that the District would be required to pay $3M by July 3, 2026, to secure the "safe harbor" percentage of materials. The IRA grant application cannot be submitted until construction is complete, and grant funds may only be awarded thereafter. Opterra representatives plan to present this information to the Board of Directors on May 26, 2026.

C. Notice of Completion and Acceptance of the Manual Transfer Switches at Morro Hills, Vallecitos, and Rainbow Hills Pump Stations Project (Divisions 2 & 5)

Engineering and CIP Manager Williams stated that this item is the Notice of Completion (NOC) for the three remaining remote transfer switches. It will be presented for approval at the May 26, 2026, Board Meeting.

D. Eagles Perch Project Update

Staff have been working on signage, notices to residents, and scheduling a town hall meeting. All title reports have been received and planning for placement of facilities within easements is underway. Sr. Project Manager Tamimi reached out to the seventeen affected residents and determined that ten easements are needed. In addition, the alignment was adjusted to minimize the required easements. Directors Irvine and Hoffman relayed interest in attending the town hall meeting.

4. ADJOURN - The meeting was adjourned at 2:37 p.m.

**MINUTES OF THE SPECIAL BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
RAINBOW MUNICIPAL WATER DISTRICT
MAY 12, 2026**

1. CALL TO ORDER - The Special Meeting of the Board of Directors of the Rainbow Municipal Water District on May 12, 2026, was called to order by President Hamilton at 1:00 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. President Hamilton presided.

2. ROLL CALL:

Present: Directors Hamilton, Mack, Townsend-Smith, Irvine, Hoffman

Also Present: Administrative Services Manager Harp, Information Technology Manager Khattab, District Secretary Quintanar, Finance Manager Shilkov, Engineering & CIP Manager Williams

**Also Present in Person,
Via Teleconference or
Video Conference:** General Manager Wiley, Safety and Risk Management Officer Johnson, Customer Service Representative Snyder

3. PLEDGE OF ALLEGIANCE

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

None were requested.

5. APPROVAL OF THE AGENDA

Motion: To approve the Agenda as presented.
Action: Approve, Moved by Director Irvine, Seconded by Director Mack
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

6. PUBLIC COMMENT

No public comments were made.

7. ACTION ITEM

A. Consider Adoption of a Resolution Authorizing the Execution of an Amended and Restated Joint Exercise of Powers Agreement Related to the Bonsall Unified School District – Rainbow Municipal Water District Joint Powers Financing Authority

General Manager Wiley explained the purpose of the amendments presented for consideration. The amendments include minor changes, including adding an alternate representative for each agency to the JPA Board and designating the Secretary position to be filled by either the Secretary to the Board of Trustees or the RMWD Secretary. In addition, language was added requiring the

Board of each member agency to approve the formation of new CFDs prior to consideration by the JPA.

Motion: To adopt Resolution No. 2026-05, Authorizing the Execution of an Amended and Restated Joint Exercise of Powers Agreement Related to the Bonsall Unified School District – Rainbow Municipal Water District Joint Powers Financing Authority
Action: Approve, Moved by Director Irvine, Seconded by Director Hamilton
Vote: Motion carried by unanimous vote (summary: Ayes = 5)
Ayes: Directors Hamilton, Mack, Townsend-Smith, Hoffman, and Irvine

8. PRESENTATION

A. Fiscal Year 2026/27 and Fiscal Year 2027/28 Draft Operating Budgets

General Manager Wiley explained that a two-year budget had been prepared due to improved certainty in long-term forecasting, now that SDG&E and MWD have adopted rates for the next few years. Rainbow's Cost of Service Study is also relevant for another two years. A two-year budget will align with long-term labor agreements, utility rates, and water cost projections, and will result in efficiencies for staff as well.

Finance Manager Shilkov acknowledged staff's efforts during this planning process and reviewed the budget preparation timeline. The budget overview indicated that the proposed rate increases are lower than originally estimated. Several cost saving measures are being implemented to reduce controllable costs and mitigate pass-through impacts before rate increases are considered. Detachment from the San Diego County Water Authority is a primary driver of cost savings for the District, as well as in-house pipeline replacement and software upgrades.

Cost drivers affecting the Water Fund include the San Diego County Consumer Price Index, SDG&E increases, an increase in MWD's water purchase price, an increase in CalPERS UAL, increased regulatory and compliance costs, and increased fuel costs. He explained MWD's new fixed charges in detail, which include a Treatment Peaking Capacity Charge, a Treatment Used Standby Capacity Charge and a Treatment Remaining Capacity Charge. Current debt obligations extend to 2035. However, in 2029 the Meter Replacement Loan will be paid, dropping the annual debt payment by $1.25M.

Administrative Services Manager Harp presented a multi-year staffing plan to address infrastructure and replacement needs, enhance technology capacity, and prepare for the planned growth in our community. Filling the Engineer position will boost the design work and steps required to expedite replacement and rehabilitation projects included in the approved CIP Budget. New positions would be incorporated gradually over the next three years. In addition, temporary staff is proposed short-term for the Finance and Information Technology departments, in FY 2027. In-house crews to perform pipeline replacements and valve installations will result in reduced contractor costs, water loss, leak response overtime, and claim risks.

Water Fund O&M expenditures, accounting for 87% of the General Fund, were reviewed and discussed. Water revenues and expenses are projected to total $53,427,007 for Fiscal Year 2027 and $55,160,006 for Fiscal Year 2028. Staff proposed a 5% increase in variable and fixed rates on January 1, 2027, and another 5% increase in variable and fixed rates on January 1, 2028. The proposed increases align with the Metropolitan Water District's timing for a 6.2% pass-through rate increase and are also less than half of the increase approved in the 2023 Cost of Service Study.

Discussion ensued about the balance between fixed and variable rate charges, maintaining reserve balances, debt obligation risks, CIP needs and Proposition 218 requirements. A request was made for staff to explore ways to shift more costs to the commodity side to provide ratepayers more control through conservation measures taken to conserve at home, and to return that information to the Board at the May 26, 2026 meeting.

Staff proposed a 13% increase to EDU fixed monthly charges in July of this year and again in July 2027, as previously adopted in the Board-approved 2023 five-year Cost of Service Study. The increases are needed to address rising costs from the City of Oceanside treatment plant and future debt repayment capacity required for major CIP projects, and to continue to recover from several years of foregoing rate increases in the past. Revenue and expenditures for Fiscal Year 2027 are projected to be $12,243,799, and $13,484,531 in Fiscal Year 2028.

Staff was commended for their efforts to reduce costs and maintain fiscal responsibility, and the request was repeated for alternative rate scenarios for fixed versus variable rate structures.

9. INFORMATION ITEMS

In regard to Item 9.A, Draft Policy for Credit Card Processing Service Fees, the Board reviewed and briefly discussed the proposed 2.95% service fee for credit card payments, intended to pass through processor fees rather than generate revenue. The proposed credit card service fee policy supports fiscal responsibility by reducing operating costs, improving cost recovery, and aligning optional payment processing costs with the customers who choose to use that payment method. If approved, customers will be notified via various methods.

10. ADJOURN The meeting was adjourned at 2:47 p.m.

Hayden Hamilton, Board President

Terese Quintanar, District Secretary

MINUTES OF THE COMMUNICATION AND CUSTOMER SERVICE COMMITTEE MEETING OF THE RAINBOW MUNICIPAL WATER DISTRICT MAY 19, 2026

1. CALL TO ORDER – The Regular Communication and Customer Service (C&CS) Meeting was held in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028, with remote public participation information listed on the Agenda. The meeting was called to order at 1:00 p.m.

Directors Present: Hamilton, Mack

Staff Present: General Manager Wiley, District Secretary Quintanar, Engineering and CIP Manager Williams, Administrative Analyst Weber, Administrative Services Manager Harp, Information Technology Specialist Espino, Meters & Customer Service Supervisor Cruz, Finance Manager Shilkov

Additional Attendees: Jim Kozak, Julie Johnson

2. PUBLIC COMMENT

James Kozak relayed appreciation for the level of maintenance and professionalism of Rainbow Water's service trucks and complimented staff for their upkeep of the fleet.

3. DISCUSSION ITEMS

A. Customer Service Call Metrics

Mr. Cruz reported that the average hold time has been consistently under 50 seconds, well under the one-minute goal. Average talk time has been about four minutes, with the goal to stay below five minutes. In January and February, there was a spike in call volume due to the final steps of detachment from the SDCWA. Total call volume has averaged about 800 calls per month. The majority of the calls are for payment of bills. Mr. Kozak suggested offering an incentive for customers to sign up for auto pay or make online payments.

B. Strategic Communications Plan Update

Ms. Weber reported on all of the accomplishments for the third quarter, focused on target audience engagement and content development, a debut of the new website layout, a customer survey at the Avocado Festival and Plant Giveaway event, and the agriculture, landscape workshops.

Quarter 4 will include updates to style guides and building a 3-month calendar content. A social media policy draft is under review, and the setup of an internal communications metrics dashboard will follow. Staff can now prioritize updates to content receiving higher traffic and click-through rates on the website. The District has twelve months of data. Ms. Julie Johnson suggested analysis of the five-year trend.

C. Water Use Efficiency Update

Ms. Weber described the new 2-year contract with Flume. Upfront cost for customers is $125, plus shipping. The rebate after installation is $50, for a total cost of $75, plus shipping. RMWD's program offers the largest rebate. Once the remaining devices of the current project are sold and installed, the new program will be implemented.

$1,393,950 in grant funds have been distributed to Rainbow customers through the CropSWAP Program. Many applicants were agricultural customers. Ms. Johnson mentioned training offered locally on growing coffee. Mr. Kozak relayed that the success with the CropSWAP program would be a great press release. Mr. Wiley added that agencies are working together to extend the program through MWD's conservation programs, which looks promising.

D. Community Events Update

Ms. Weber described the many events that have taken place this year, including the Student Calendar Contest, the March Agriculture Workshop, Read Across America, the Avocado Festival, the Plant Giveaway, and a spring blood drive. Coming in the second half of the year is the North County Fire Open House, high school speakers seires, fall blood drive, and the holiday food drive. The Agricultural Workshop was well attended, conducted at very low cost, included multiple guest speakers, and received positive feedback. Staff hopes to continue the workshops, in coordination with our neighboring agencies. She also provided a recap on the Avocado Festival, for which there were six staff and three high school student volunteers.

The Plant Giveaway program distributed over 900 plants, was MWD-grant funded and sourced from local nurseries. The event was highly organized and successful. Photos of plants incorporated into landscapes were submitted for a Landscape Contest. Ms. Johnson recommended expanding the program to enable the return of the plant containers to growers. Customer feedback was positive. Ms. Johnson asked if information could be shared regarding the level of participation, by division, and suggested sharing drought tolerant planting tips with the new developments planned for this area.

E. Newsletter Content Planning

This month, the Newsletter includes information on multi-agency responses to wildfires, highlights from the General Manager regarding District projects, announcements of the San Diego Farm Bureau Farm Tour Day and the ballot drop off box at Rainbow's District office, news about planting rebates, and a Rainbow Rundown featuring a recap of Board actions and an invitation to attend Rainbow's meetings. June's edition will feature information on the importance of growing native plants, the Plant Program recap, a credit card processing fee update, and a Rainbow Water Rundown. July's publication will include information water sources, supplies and the 2025 CCR, outdoor irrigation adjustments for this season, the Boys and Girls Club school supply drive, and a Rainbow Water Rundown.

Director Mack mentioned that it would be good for our name to be seen at the Del Mar Fair. Julie Johnson relayed that the Farm Bureau could provide more information on that.

F. Public Communications and Related Media Stories

Several articles were published by the Village News and covered by NBC 7 News. ACWA JPIA awarded the Rainbow Water with the H.R. LaBounty Safety Award. Director Mack added that he was present during the ACWA JPIA awards ceremony, where high remarks were heard.

The California Public Information Officials (CAPIO) awarded Rainbow Water with the 2026 Excellence in Public Information and Communication Award of Distinction. This award recognizes the most creative and effective public communications work among California public agencies. Approximately 500 applications were submitted for over a dozen award categories, and Rainbow Water was competing with cities, counties, water districts, transit agencies, public safety organizations, and other government entities statewide. Staff were congratulated and commended.

4. ADJOURN - The meeting was adjourned at 2:03 p.m.

RAINBOW
MUNICIPAL WATER DISTRICT

CONSENT CALENDAR
Item No. 9.A.5

BOARD OF DIRECTORS

May 26, 2026

SUBJECT

NOTICE OF COMPLETION AND ACCEPTANCE OF THE MANUAL TRANSFER SWITCHES AT MORRO HILLS, VALLECITOS, AND RAINBOW HILLS PUMP STATIONS PROJECT
(DIVISIONS 2 & 5)

BACKGROUND

The Rainbow Municipal Water District (District) owns and operates the Morro Hills, Vallecitos, and Rainbow Hills pump stations (MTS Project). The Morro Hills pump station serves the Morro Tank, the Vallecitos pump station serves the Vallecitos Tank, and the Rainbow Hills pump station serves the Rainbow Hills Reservoir. During both planned and unplanned power outages, and routine maintenance operations, staff must manually connect power from the portable generators to each pump station's electrical bus bar by the District's electrician. Especially during emergency conditions like a fire, this type of work is considered high risk, costly work for the District and requires an electrician to perform. The installation of a manual transfer switch (MTS) at each pump station allows any staff member to safely and easily connect to temporary generator power.

In 2022, the District contracted with Harris and Associates to provide design specifications and plans for the project. However, upon completion of the design, the project was placed on hold due to budgetary restrictions. The Project was funded within the FY25 & FY 26 Capital Improvement Program, therefore in April 2025, Harris and Associates was tasked to update the design and specifications to prepare the project for public bidding.

Following a public bidding process, Southern Contracting Company was the lowest responsible and responsive bidder. At the June 24, 2025 meeting, the Board awarded a construction contract to Southern Contracting Company for the construction of the MTS Project.

DESCRIPTION

On June 24, 2025, the District's Board of Directors awarded a construction contract to Southern Contracting Company in the amount of $320,000. One Change Order was issued for a credit to the District in the amount of $2,889 was approved by the General Manager bringing the contract total value to $317,611.

CONTRACT SUMMARY			
Original Contract Amount	**Previous Change Orders**	**Additional Contract days**	**Total Contract Amount**
$320,00	**CO-01: ($2,889)**	**0 Days**	**$317,611**

The project was constructed per the approved plans and specifications, inspected, tested according to the District's standards and are ready for acceptance. Upon acceptance by the Board, the improvements become part of the District's water and wastewater system and staff will take over operation of the newly constructed facilities. Warranty related maintenance falls under the purview of the Contractor until such time that the warranty period ends. Installation costs of $317,116 will be added to the District's Total Valuation along with all other costs associated with the project and a one (1) year warranty phase will commence upon the filing of the Notice of Completion (NOC).

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management.

ENVIRONMENTAL

In accordance with California Environmental Quality Act (CEQA) guidelines Section 15378, the action before the Board of filing a Notice of Completion and accepting facilities does not constitute a "project" as defined by CEQA. Previous Board action addressed the CEQA requirements on the construction project.

BOARD OPTIONS/FISCAL IMPACTS

The construction costs of the improvements, totaling $317,611 will be added to the District's asset valuation. The final amount of other costs associated with the project will be added to the District's asset valuation once year-end financials have been completed.

Option 1:

- Accept the Manual Transfer Switches at Morro Hills, Vallecitos, and Rainbow Hills Pump Stations project infrastructure
- Approve filing the Notice of Completion
- Add installation costs of $317,611 to the District's valuation
- Make a finding that the action herein does not constitute a "project" as defined by CEQA.

Option 2:

- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.

Chad Williams 05/26/2026
Engineering & CIP Program Manager

Attachment(s): Project Site Maps

RECORDING REQUESTED BY:

Rainbow Municipal Water District

WHEN RECORDED RETURN TO:

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

MAIL TAX STATEMENTS TO:

NO FEE REQUIRED PER GOVERNMENT CODE SECTION 27383

SECTION 00687

NOTICE OF COMPLETION

To: County of San Diego
1600 Pacific Highway, Suite 103
San Diego, CA 92101

Date: 05/27/2026

Project/Contract No.: 600058/25-16

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

Date of Completion: 04/23/2026

RMWD Board Acceptance: 05/26/2026

OWNER'S ESTATE OF INTEREST:

Easement _____ Fee Owner X Encroachment Permit _____

Other (describe)

CONTRACTOR FOR WORK OF IMPROVEMENT AS A WHOLE:

Name: Southern Contracting Company

Address: 559 N. Twin Oaks Valley Road San Marcos, CA 92069

TITLE OF PROJECT: **MANUAL TRANSFER SWITCHES FOR THE MORRO HILLS, VALLECITOS, & RAINBOW HILLS PUMP STATIONS**

DESCRIPTION OF PROJECT: all labor, materials, and equipment to install one (1) manual transfer switch at each of the following three (3) pump stations: Morro Hills, Vallecitos, and Rainbow Hills.

ADDRESS OF THE SITE(s):	**Morro Hills PS:** located west of the intersection of Morro Hills Road and San Jacinto Circle East. Fallbrook, CA 92028 **Vallecitos PS:** located off Rainbow Valley Blvd, 2718 Rainbow Valley Blvd., Fallbrook, CA 92028 **Rainbow Hills PS:** located off Old Highway 395, 933 Rainbow Valley Blvd., Fallbrook, CA 92028

This Notice is given for (check one):

X Completion of the work of improvement as a whole.
Completion of a contract for a particular portion of the work of improvement (per Cal. Civ. Code § 8186).

If this notice is given only of completion of a contract for a particular portion of the work of improvement, the name and address of the direct contractor under that contract is:

Final payment will be made to the above contractor on or after thirty-five (35) calendar days from the recording date of this Notice of Completion, except where otherwise provided for by law.

VERIFICATION

I, the undersigned state that I am the General Manager of the Rainbow Municipal Water District, the public agency authorizing the Work of Improvement referred to in the foregoing Notice of Completion; that I have executed such Notice of Completion on behalf of such public agency and likewise make this verification on behalf of said public agency; and that I have read said Notice of Completion and know the contents thereof and the facts therein stated are true of my own knowledge.

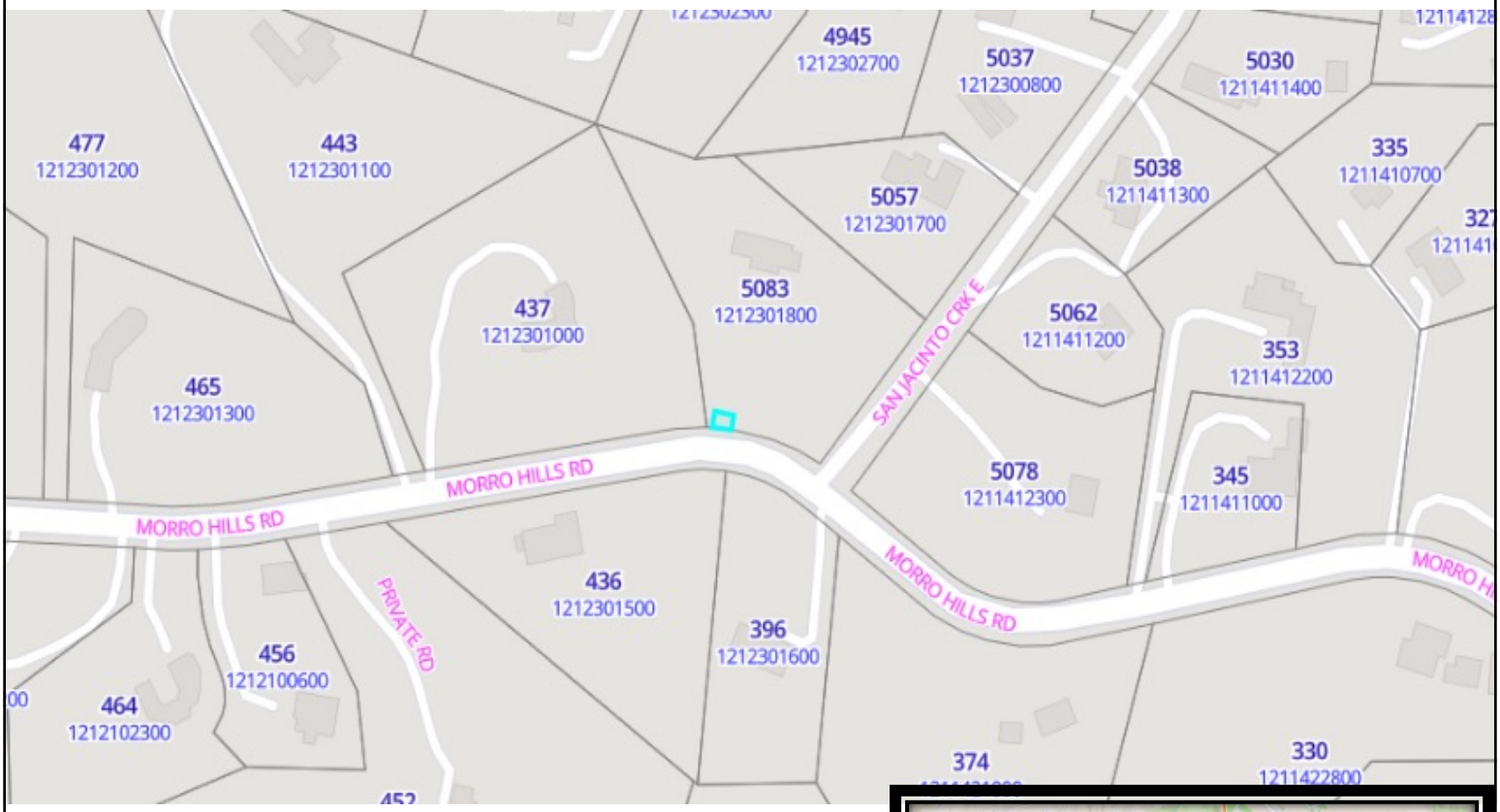
I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

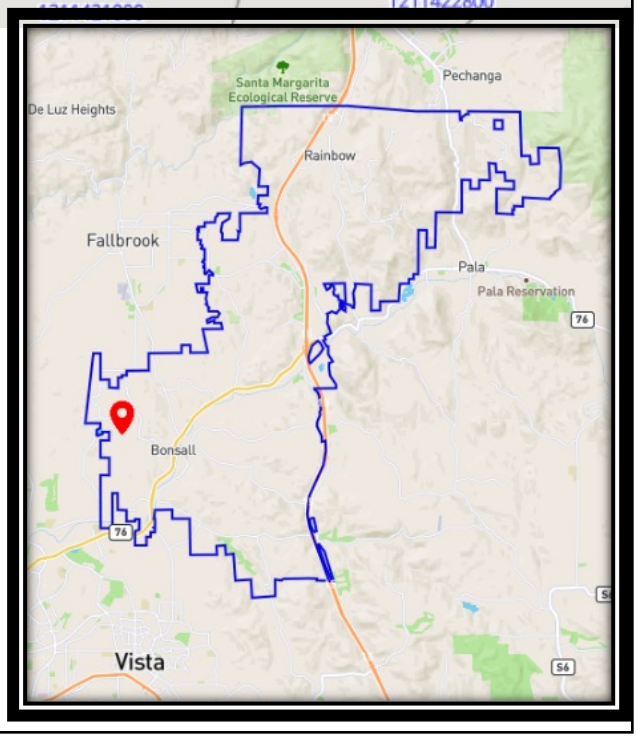
May 26, 2026

Jake Wiley, General Manager
Rainbow Municipal Water District

END OF SECTION 00687

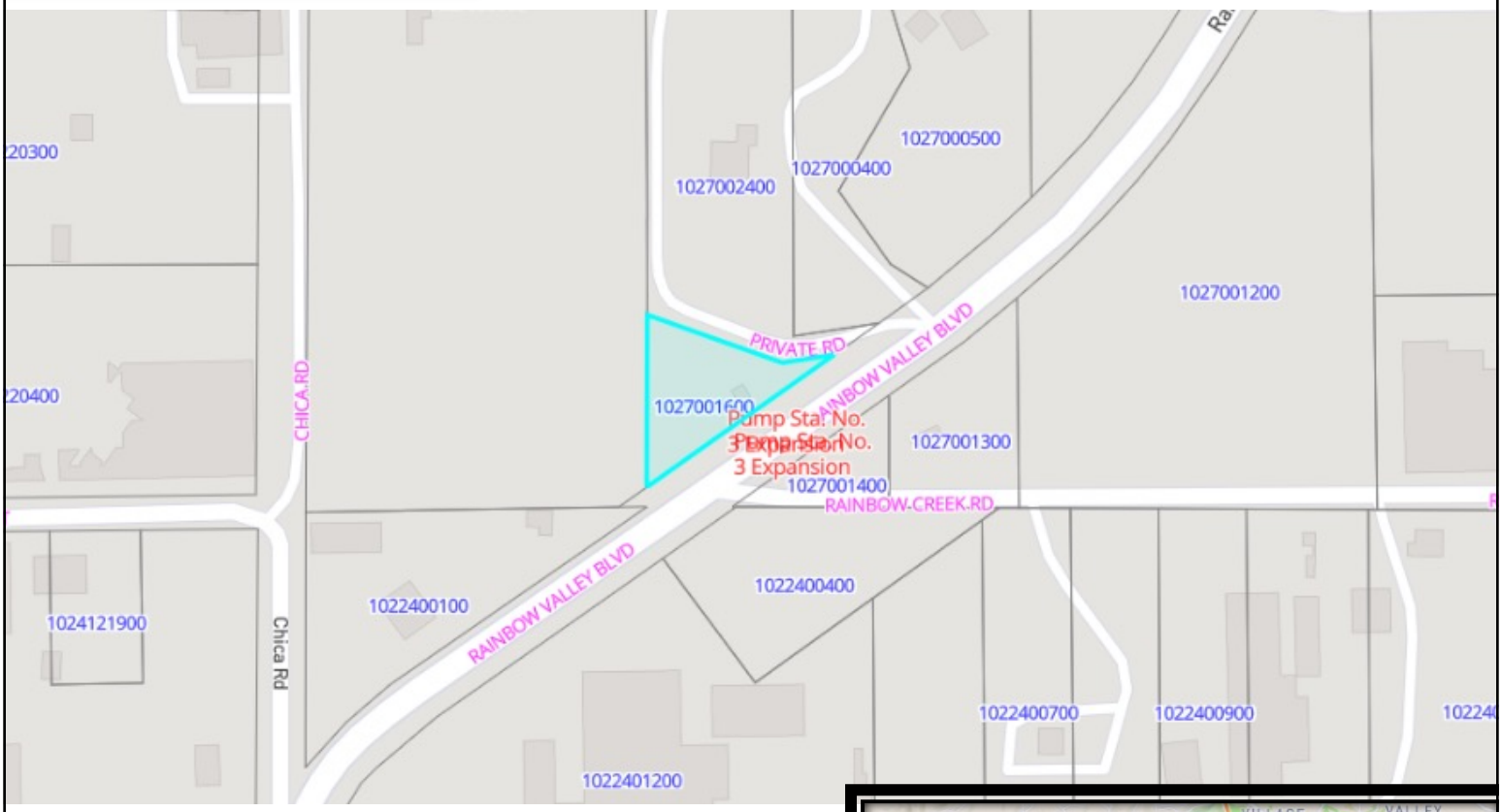
MANUAL TRANSFER SWITCHES – MORRO HILLS PUMP STATION PROJECT NO. 600058

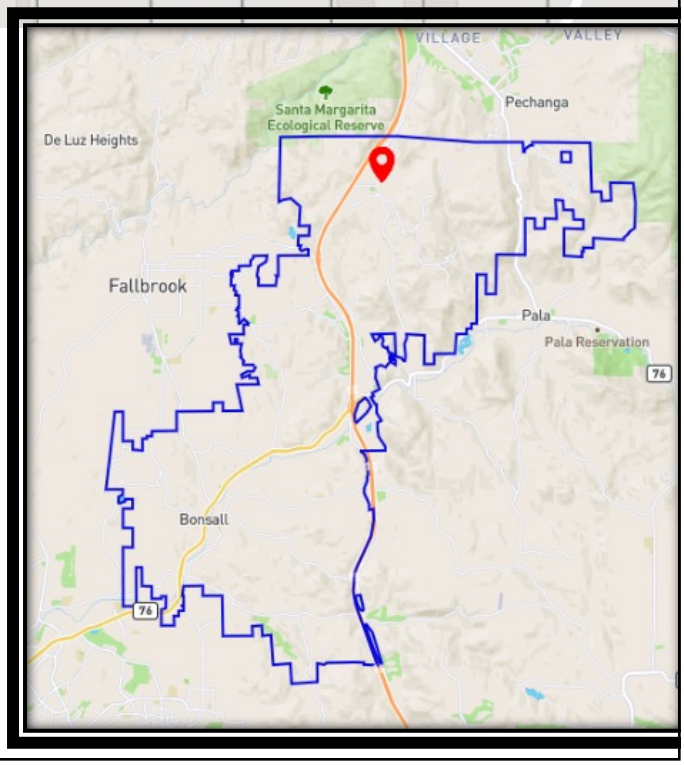




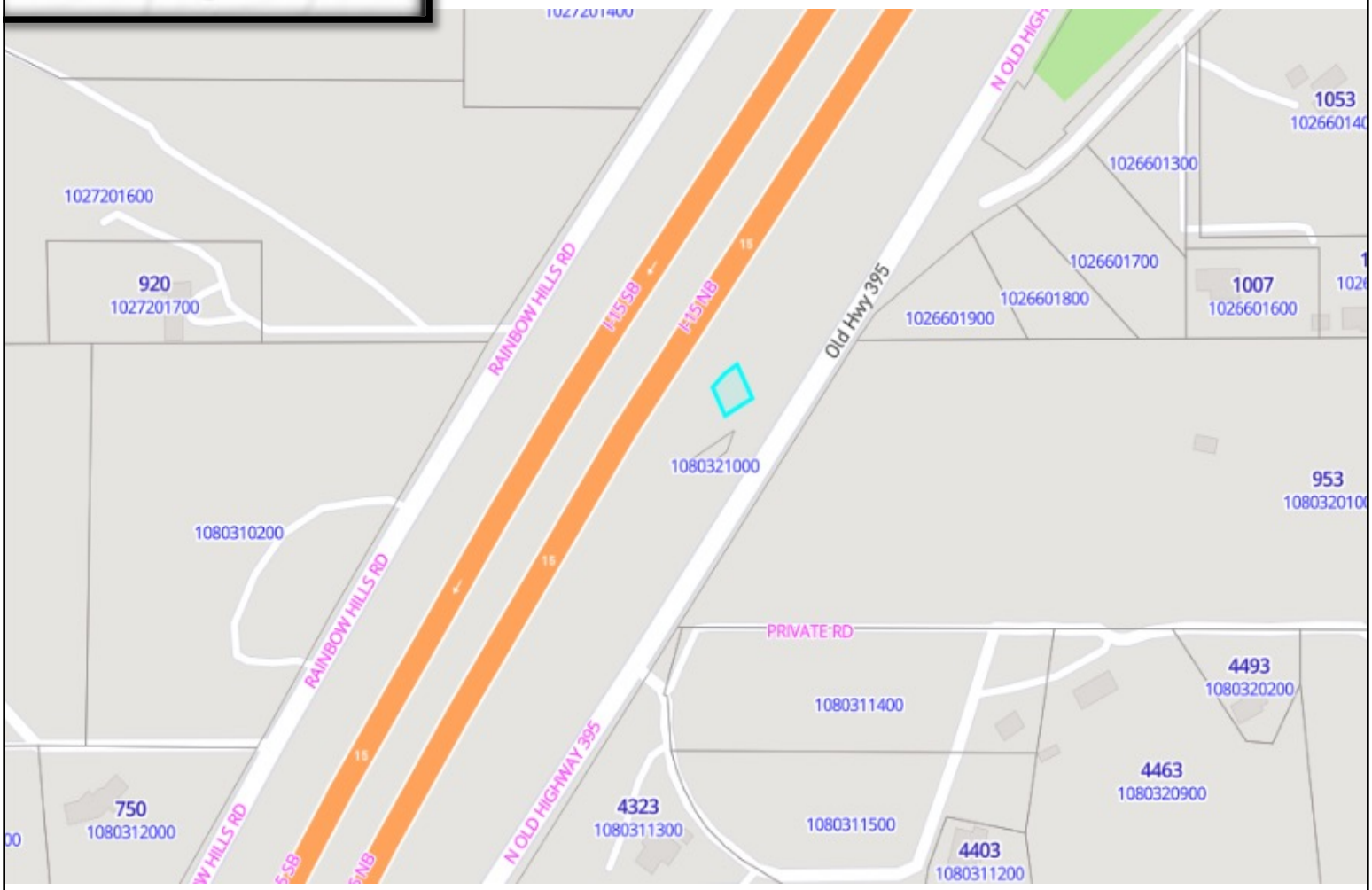


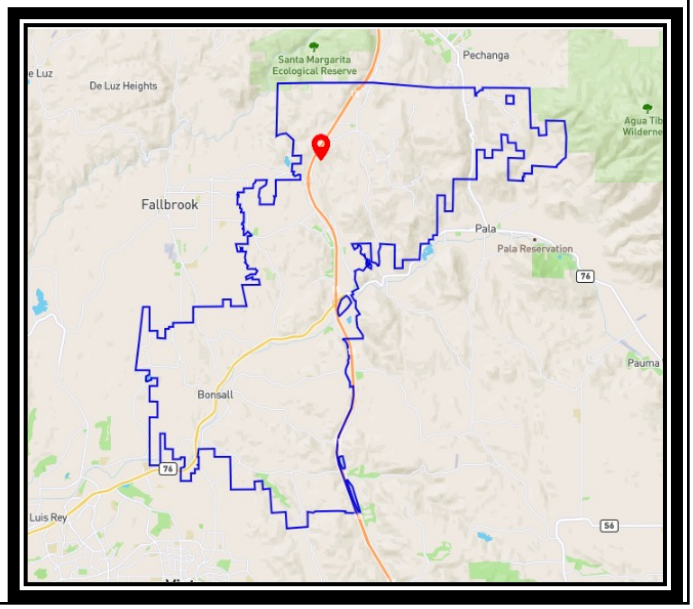
MANUAL TRANSFER SWITCHES – VALLECITOS PUMP STATION PROJECT NO. 600058





MANUAL TRANSFER SWITCHES – RAINBOW HILLS PUMP STATION PROJECT NO. 600058





RAINBOW
MUNICIPAL WATER DISTRICT

BOARD ACTION
Item No.10.A

Board of Directors

May 26, 2026

SUBJECT

CONSIDER APPROVAL OF AWARD OF CONTRACT WITH ROGERS ANDERSON MALODY & SCOTT LLP (RAMS) FOR INDEPENDENT AUDITING SERVICES

BACKGROUND

Rainbow Municipal Water District has partnered with the same audit firm for the past six years, and it is considered best practice to periodically test the market to ensure strong competition, fresh perspectives, and continued audit quality. The District issued a Request for Proposals (RFP) for independent auditing services for a five-year term beginning with the fiscal year ending June 30, 2026. Eight firms responded to the District's RFP, and seven proposals were fully responsive.

The District's annual audit must be conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and all applicable governmental accounting and reporting requirements. Each year, the District prepares an Annual Comprehensive Financial Report (ACFR) and has historically submitted it to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. Maintaining award-quality ACFRs remains a priority, requiring an auditor with strong governmental accounting expertise and experience supporting ACFR preparation and review.

Because the District operates with a lean accounting staff, the selected audit firm must provide clear Prepared-by-Client (PBC) instructions, timely communication, and sufficient engagement team depth to minimize disruption to daily operations. This need is heightened by the District's planned implementation of a new Enterprise Resource Planning (ERP) system, which will require audit support related to data conversion, system reporting, internal controls, financial statements, and user access.
Seven firms submitted complete proposals.

Staff evaluated each proposal based on governmental audit experience, ACFR and GFOA qualifications, knowledge of GASB standards, Single Audit capability (if needed), staffing depth, communication practices, technology and ERP familiarity, pricing, and overall value. Following a comprehensive review, staff identified the two strongest firms, Rogers Anderson Malody & Scott LLP (RAMS) and Nigro & Nigro (NN), for interviews to further assess technical expertise, ACFR support, communication and workflow approach, and ability to assist the District through the ERP transition.

DESCRIPTION

Following a comprehensive evaluation of all submitted proposals and subsequent finalist interviews, staff determined that RAMS offers the strongest overall alignment with the District's technical, operational, and strategic needs. Staff is recommending Board approval to award a five-year professional services agreement for independent auditing services, covering fiscal years ending June

30, 2026 through June 30, 2030. The agreement includes annual financial statement audits, State Controller reporting, and support for the preparation and review of the District's Annual Comprehensive Financial Report (ACFR).

RAMS demonstrated substantial governmental audit experience, strong familiarity with water and special district financial reporting, and deep expertise in ACFR preparation and GFOA award standards. Their proposed engagement team includes experienced reviewers with active involvement in GFOA and CSMFO, as well as ongoing training in GASB requirements and governmental auditing practices.

The firm also distinguished itself in areas especially important to the District over the next audit cycle, including proactive communication, clear Prepared-by-Client (PBC) workflows, and the staffing depth needed to support a lean accounting team. This is particularly critical as the District implements its new ERP system, where RAMS' demonstrated capabilities in technology-related audit work, internal controls, data conversion, and system-driven financial reporting will provide meaningful value.

While both firms interviewed were qualified to perform the work, staff concluded that RAMS provides the best overall value, given technical expertise, ACFR quality support, staffing structure, and readiness to assist the District through the upcoming ERP transition. Based on these factors, staff recommends awarding the five-year auditing contract to RAMS.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

In accordance with CEQA Guidelines Section 15378, the action before the Committee is an administrative and fiscal action that does not constitute a "project" as defined by CEQA and further environmental review is not required at this time.

BOARD OPTIONS/FISCAL IMPACTS

The Board of Directors may:

OPTION 1. Authorize execution of a professional services agreement with RAMS for independent auditing services for fiscal years ending June 30, 2026, through June 30, 2030, subject to final contract negotiations and approval as to form by legal counsel, renewable on an annual basis. The proposed RAMS fee schedule is as follows:

Fiscal Year	Audit of Annual Financial Statements	State Controller Report	Total Not-to-Exceed Fee
FY 2026	$38,500	$1,500	$40,000
FY 2027	$39,660	$1,550	$41,210
FY 2028	$40,850	$1,600	$42,450
FY 2029	$40,850	$1,650	$42,500
FY 2030	$42,080	$1,700	$43,780

Single Audit services, if necessary, would be billed separately in accordance with the proposal. Sufficient funding for audit services will be included in the applicable fiscal year operating budgets.

The District will save approximately $5,510 per year compared to the current auditor, LSL's proposal, over the next five years. Over the five-year period, the total cost savings would be approximately $26,810.

OPTION 2. Request additional information from staff before awarding a contract.

STAFF RECOMMENDATION

Staff recommends Option 1.

ATTACHMENTS

1. Request for Proposals for Independent Auditing Services
2. RAMS Proposal for Professional Auditing Services
3. RAMS Cost Proposal

Konstantin Shilkov, CPA — May 26, 2026
Chief Financial Officer

Request for Proposal

Independent Auditing Services 2026-2030



RAINBOW
MUNICIPAL WATER DISTRICT

RESPONSES REQUESTED
BY 4:00 PM
APRIL 14, 2026

RAINBOWMWD.CA.GOV

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INDEPENDENT AUDITING SERVICES

Request for Proposals

Rainbow Municipal Water District (the "District") is soliciting proposals from qualified certified public accounting firms to provide independent auditing services for a five-year term beginning with the fiscal year ending June 30, 2026.

Background and District Overview

Rainbow Municipal Water District is a municipal water district organized under the Municipal Water District Act of 1911 and located in northern San Diego County, California. The District provides water distribution and wastewater collection services to the communities of Rainbow, Bonsall, Pala Mesa, and portions of Fallbrook and Vista.

The District's service area covers approximately 82 square miles and serves approximately 23,000 residents. Water supplies are primarily purchased from the San Diego County Water Authority and delivered through the District's distribution system to residential, agricultural, commercial, and institutional customers.

The District is governed by a five-member elected Board of Directors. Day-to-day operations are managed by the General Manager and supported by approximately 58 full-time employees across operations, engineering, customer service, and administration.

The District's annual operating budget is approximately $50 million, with additional capital improvement project expenditures varying by fiscal year.

The District currently serves approximately 9,200 customer accounts, including residential, agricultural irrigation, commercial, and institutional customers. The District operates and maintains an extensive water distribution and wastewater collection infrastructure system, including pipelines, pumping facilities, storage reservoirs, and related facilities.

District Financial Information

The following information is provided to assist proposers in preparing their proposals and understanding the context of the scope of work associated with this engagement.

Fiscal Year
The District's fiscal year runs from July 1 through June 30.

Financial Reporting
The District prepares an Annual Comprehensive Financial Report (ACFR) in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) pronouncements.

Fund Structure
The District operates primarily as **an enterprise fund,** providing water distribution and wastewater collection services. The District maintains multiple funds to support its operations and capital improvement programs, including water and wastewater enterprise funds and capital project funds.

Financial Systems
The District maintains its accounting records using a computerized financial management system. Supporting schedules and documentation required for the audit are prepared by District staff. ***A new ERP system implementation is anticipated during the term of the services sought.***

Federal Financial Assistance
The District does not typically expend federal funds above the threshold requiring a Single Audit. If federal expenditures exceed applicable thresholds during the audit period, the District may request additional audit services in accordance with federal requirements.

Prior Audit Results
The District has consistently received unmodified ("clean") audit opinions on its financial statements and has been recognized by the Government Finance Officers Association (GFOA) for excellence in financial reporting.

Board Presentation
The selected auditor will be expected to present the final audit results to the District's Board of Directors at a regularly scheduled Board meeting following completion of the audit.

PROJECT OBJECTIVES AND SCOPE OF SERVICES

The objective of this engagement is to obtain independent auditing services from a qualified certified public accounting firm to perform annual financial statement audits for the Rainbow Municipal Water District for fiscal years ending June 30, 2026, through June 30, 2030. The selected auditor will provide an independent opinion on the fair presentation of the District's financial statements and evaluate the District's internal control environment and compliance with applicable laws, regulations, and policies. The District prepares its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) applicable to governmental entities and follows the pronouncements of the Governmental Accounting Standards Board (GASB). The District operates primarily as an enterprise fund and prepares an Annual Comprehensive Financial Report (ACFR) each year.

The selected firm shall perform the services described below.

1. Financial Statement Audit.

The auditor shall conduct an annual audit of the District's financial statements and express an opinion as to whether the financial statements are fairly presented in accordance with GAAP and applicable GASB standards.

The audit shall be conducted in accordance with:

- Generally Accepted Auditing Standards (GAAS)
- Government Auditing Standards issued by the Comptroller General of the United States
- Generally Accepted Accounting Principles (GAAP) for governmental entities
- Applicable Governmental Accounting Standards Board (GASB) pronouncements
- California State Controller reporting requirements for special districts

The audit shall include examination of the following components of the District's financial statements:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements
- Required Supplementary Information

2. Annual Comprehensive Financial Report

The auditor shall review the District's Annual Comprehensive Financial Report (ACFR) and perform the procedures necessary to issue an audit opinion on the financial statements contained within the report. The auditor shall coordinate with District staff on required disclosures, the implementation of accounting standards, and the presentation of financial information.

The District annually submits its ACFR to the Government Finance Officers Association (GFOA) for consideration under the Certificate of Achievement for Excellence in Financial Reporting Program. The auditor shall provide assistance and recommendations necessary to ensure the report continues to meet the program's requirements.

3. Annual Report of Financial Transactions of Special Districts

The auditor shall prepare and submit the Annual Report of Financial Transactions of Special Districts to the California State Controller's Office, pursuant to Government Code Section 26909. The report shall be completed within the required statutory deadlines and submitted to the District for review prior to transmittal.

4. Internal Control Evaluation

As part of the audit process, the auditor shall obtain an understanding of the District's internal control structure and evaluate the design and effectiveness of key internal controls related to financial reporting. The auditor shall identify any material weaknesses, significant deficiencies, or opportunities for improvement.

5. Management Letter

The auditor shall prepare a separate management letter summarizing observations and recommendations related to:

- Internal control structure
- Accounting policies and procedures
- Financial reporting processes
- Compliance with District policies
- Opportunities for operational improvements

The management letter shall be presented to District management and discussed during the exit conference.

6. Compliance Review

The audit shall include a review of compliance with relevant laws, regulations, and District policies that may have a material effect on the financial statements. This may include review of compliance with the District's investment policy and other financial management policies.
The District does not currently anticipate requiring a Single Audit under federal requirements; however, the auditor should identify if federal funding thresholds are exceeded during the audit period.

7. Audit Conferences

The selected auditor shall conduct the following meetings with District staff:

- Pre-Audit Conference
  Prior to the start of fieldwork, the auditor shall meet with District staff to discuss the audit plan, timing of fieldwork, required schedules, and responsibilities of both parties.
- Exit Conference
  Upon completion of fieldwork, the auditor shall conduct an exit conference with District management to review audit findings, internal control observations, and any recommendations.

8. Board of Directors Presentation

The auditor shall present a summary of the final audit report to the District's Board of Directors at a regularly scheduled Board meeting. The presentation shall include a discussion of the audit opinion, financial results, internal control observations, and any significant accounting issues identified during the audit.

9. Deliverables

At the conclusion of each annual audit, the auditor shall provide the following deliverables to the District:

- Independent Auditor's Report
- Final audited financial statements
- Management letter
- Required communications with those charged with governance
- Electronic copies of all reports and supporting documents

The auditor shall coordinate closely with District staff to ensure the audit is completed within the required reporting deadlines and presented to the Board of Directors in a timely manner.

ANTICIPATED WORK PLAN AND TARGET TIMELINE

The District anticipates that the selected auditor will follow a structured work plan that allows for the timely completion of the annual audit while minimizing disruption to District operations. The following timeline represents the District's preferred schedule for the audit engagement for each fiscal year.

Engagement Execution

Upon selection and approval by the District, the audit engagement will be formally executed. During this phase, the auditor will coordinate with District management to finalize the engagement letter, confirm the audit approach, establish communication protocols, and identify schedules and documentation required from District staff.

Target Timeline: May 2026

Interim Fieldwork

The auditor may conduct interim fieldwork prior to the fiscal year end. Interim procedures typically include reviewing internal controls, performing preliminary analytical procedures, and testing selected transactions. Conducting interim work improves the efficiency of the year-end audit and allows early identification of potential issues.

Target Timeline: May to June of each year

Year-End Fieldwork

Year-end audit fieldwork will occur after the close of the fiscal year and completion of the District's preliminary financial close. During this phase, the auditor will test account balances, review financial statement disclosures, evaluate internal controls, and verify supporting documentation for financial statement amounts.

Target Timeline: September of each year

Draft ACFR Review

Following completion of fieldwork, the auditor will review the draft Annual Comprehensive Financial Report (ACFR) prepared by District staff and provide the Independent Auditor's Report. District management and the auditor will coordinate to address any review comments, finalize disclosures, and prepare the final report.

Target Timeline: October of each year

Board Presentation

The auditor shall present the results of the annual audit to the District's Board of Directors at a regularly scheduled meeting. The presentation will summarize the audit opinion, financial results, internal control observations, and any recommendations for improvements.

Target Timeline: November to December of each year

Summary of Target Schedule

Phase	Target Timeline
Engagement Execution	May 2026
Interim Fieldwork	May to June
Year-End Fieldwork	September
Draft ACFR Review	October
Board Presentation	November to December

The District expects the selected auditor to maintain regular communication with District staff throughout the engagement to ensure the audit is completed efficiently and in accordance with all applicable reporting deadlines.

AUDIT ASSISTANCE PROVIDED BY DISTRICT STAFF

District staff will assist the selected auditor to facilitate the efficient completion of the audit engagement. The District's Finance Department will prepare schedules, reports, and supporting documentation commonly required for governmental audits.

The District will provide, at a minimum, the following information and assistance:

- Trial balances and general ledger reports
- Financial statement schedules and supporting documentation
- Bank reconciliations and investment schedules
- Accounts receivable and accounts payable schedules
- Capital asset listings and depreciation schedules
- Debt schedules and supporting documentation
- Pension and OPEB reporting schedules and actuarial reports
- Budget and financial variance reports
- Copies of Board resolutions, agreements, and other relevant documents

District staff will also make available personnel from the Finance Department and other departments, as necessary, to respond to audit inquiries and provide clarification regarding financial transactions or operational processes.

The District's Finance Department operates with a **lean staffing structure**, consisting of **four accounting staff members** responsible for financial reporting, accounting operations, and support of other District financial functions. Due to the limited size of the accounting team, the District will rely on the selected auditor to perform the majority of the audit procedures independently and to provide clear guidance regarding required documentation and audit schedules.

Effective **coordination, planning, and scheduling** will be essential to ensure the audit is completed efficiently and within the established timeline. The District expects the selected auditor to provide a **Prepared by Client (PBC) request list** well in advance of fieldwork so that staff can prepare required documentation in a timely manner.

In addition, District staff currently operate under a **hybrid work schedule**, with some employees working remotely on designated days. The selected auditor should plan audit coordination and meetings accordingly and be prepared to conduct portions of the audit remotely using secure electronic document exchange and virtual meetings when appropriate.

The District will provide suitable workspace for audit staff during on-site fieldwork if required and will coordinate scheduling to ensure timely access to records and staff.

PROPOSAL REQUIREMENTS

The proposal should include the following sections for easy reference. At the consultant's discretion, additional sections deemed necessary for a complete proposal may be added.

Understandinthe g of Project and the Project Delivery Timeline

The proposal shall include a detailed explanation of the audit engagement from the proposer's perspective. The proposer should not simply reiterate the contents of this Request for Proposals. The information should demonstrate the firm's understanding of governmental auditing standards, financial reporting requirements for special districts, and relevant industry practices.
If the proposer recommends an audit approach that differs from the anticipated work plan and project timeline outlined in this Request for Proposals, those recommendations should be presented within this section.

1. **Project Approach:** The proposal shall describe the management approach and logistics necessary to accomplish the work described in the Scope of Services. This section should include a description of the firm's audit methodology, planning procedures, and coordination with District staff.

2. **Detailed Scope of Work:** The proposal shall be responsive to the provided Scope of Services and contain sufficient detail to demonstrate that the work can be accomplished efficiently and in a timely manner.

    a. Describe the work activities and audit procedures to be performed, including timelines, milestones, and key deliverables.

    b. Provide a description of the information, schedules, and support expected from District staff during the audit process.

    c. Identify the principal or engagement partner who will serve as the Project Manager and have direct and continuing responsibility for the engagement.

    d. Project Schedule: The proposal shall include a schedule aligned with the Scope of Services and anticipated completion dates for each phase of the audit.

QUALIFICATIONS OF THE AUDITOR AND PROJECT TEAM

To be considered for this engagement, the proposing firm must meet the following minimum qualifications.

Firm Overview: Provide a description of the auditing firm, including organizational structure, location of principal offices, number of professional personnel, and other relevant information, including the following:

- **Licensing:** The proposer must be a firm of Certified Public Accountants licensed to practice in the State of California. The firm must also be authorized to perform governmental auditing services.

- **Government Auditing Standards:** The firm must have experience conducting audits in accordance with Government Auditing Standards (Yellow Book) issued by the Comptroller General of the United States.

- **Peer Review:** The firm must have undergone a peer review within the past three years as required by Government Auditing Standards. A copy of the most recent peer review report and letter of comments, if any, must be included with the proposal.

- **Independence:** The proposing firm must be independent of the District as defined by generally accepted auditing standards and Government Auditing Standards. The firm must disclose any potential conflicts of interest that may affect its independence.

- **Governmental Audit Experience:** The firm must demonstrate substantial experience auditing local government entities, including special districts, municipal utilities, or enterprise funds. Experience auditing water or wastewater utilities will be considered advantageous.

Professional Staff
The engagement partner and key personnel assigned to the audit must possess appropriate professional qualifications and experience in governmental accounting and auditing. The proposal shall include the identification and background of the project team members, including the following information:

- **Professional Qualifications of Project Team:** Provide a summary of each team member's qualifications and certifications for the engagement. The project team shall include the engagement partner, audit manager, and other staff with significant involvement in the audit. For each team member, describe their level of responsibility, scope of work, and relevant experience with governmental audits.

Estimated Project Costs

The District requests that proposers provide a clear and transparent fee structure for the audit services described in this RFP. Proposals should include a total all-inclusive annual fee for each fiscal year of the engagement covering fiscal years ending June 30, 2026 through June 30, 2030. The proposed fee should include all direct and indirect costs associated with the engagement, including travel, administrative costs, and out-of-pocket expenses.

The fee proposal should include:

1. **Annual Financial Statement Audit**
   • Estimated personnel hours by staff classification
   • Hourly billing rates by staff level
   • Total annual audit fee
2. **Preparation of Annual Report of Financial Transactions**
   • Estimated cost associated with preparing and filing the report with the California State Controller's Office.
3. **Management Letter and Internal Control Review**
   • Costs associated with internal control review and preparation of the management letter.

4. **Board Presentation**
   • Costs associated with preparing and presenting the audit results to the District's Board of Directors.
5. **Optional Services (if applicable)**
   • Additional advisory services
   • Implementation guidance related to new GASB pronouncements
   • Other audit-related consulting services requested by the District.

The District encourages proposers to provide a multi-year pricing schedule showing the proposed fee for each fiscal year of the engagement.

List of Client References

Please provide a list of clients for whom your firm has performed similar governmental auditing services within the last five years. Include:

- **Client Names**
- **Project Descriptions**
- **Contact Information for References**

Proposal Formatting

Proposals shall be concise, well-organized, and free of errors. Proposals should clearly demonstrate the proposer's qualifications and experience performing governmental audit services. Each proposal shall be signed by an individual authorized to execute the legal document on behalf of the proposing firm.

Pre-Submittal Activities

No pre-proposal meeting is planned for this Request for Proposals.

Questions concerning this RFP should be submitted in writing by email with the subject line **"Audit Services RFP"** to kshilkov@rainbowmwd.ca.gov:

RAINBOW MUNICIPAL WATER DISTRICT
ATTN: Konstantin Shilkov, CPA, Chief Financial Officer
3707 Old Highway 395
Fallbrook, CA 92028

Proposal Submission Requirements

Interested consultants should submit their proposals electronically by 4:00 PM on April 14, 2026, to kshilkov@rainbowmwd.ca.gov and cc JWiley@rainbowmwd.ca.gov. Proposals must be submitted in PDF format and include all sections this RFP outlines. It is recommended to call 760-505-0161 to confirm receipt of emailed proposals.

Evaluation Criteria

Proposals will be evaluated based on the following criteria:

- **Experience and qualifications in performing governmental audits**
- **Demonstrated expertise with enterprise fund accounting and GASB reporting**
- **Proposed methodology and audit approach**
- **Cost and fee structure**
- **References from prior clients**

The District anticipates selecting a firm based on the proposals received, but reserves the right to interview selected firms.
If necessary, the District will negotiate final terms with the selected firm. If the District cannot reach an agreement with the highest-ranked firm, negotiations may be terminated and initiated with the next-ranked firm.

After negotiating a fair and reasonable agreement, the General Manager may execute the contract, or if the contracted amount exceeds the District's approval authority, the General Manager will make a recommendation to the District's Board of Directors for final approval.

SPECIAL CONDITIONS

District Rights

This RFP does not commit the District to awarding a contract, defraying any costs incurred in preparing a proposal under this RFP, or procuring or contracting for work. All proposals submitted in response to this RFP become the property of the District, are public records, and may, as such, be subject to public review.

The District reserves the right to cancel, modify, withdraw, extend, in part or in its entirety, this RFP, including, but not limited to, the selection schedule, submittal date, and submittal requirements. The District reserves the right to reject all proposals and terminate the project. If the District cancels or revises the RFP, rejects all proposals, or terminates the project, all proposers will be notified in writing by the District.

The selected consultant will be required to sign a Professional Services Agreement (Exhibit A) and to provide the insurance certificates and all other required documentation within ten (10) calendar days of notification of selection.

The District reserves the right to investigate the qualifications of any proposer, verify the information provided, and request additional evidence of qualifications to perform the work outlined in this RFP. At its sole discretion, the District may:

- Appoint a selection committee and evaluation teams, and consult external experts to review proposals.
- Approve or deny the use of specific subcontractors or changes in proposals.
- Revise evaluation criteria or methods before the proposal deadline and notify all registered proposers of any changes. If these changes are significant, the District may extend the deadline.
- Hold meetings or exchange correspondence with proposers to clarify or improve proposal evaluations. If individual meetings are held, all responsive proposers will have the same opportunity.
- Gather additional data from any source to improve the understanding and evaluation of proposals.
- Disqualify proposals that fail to meet RFP requirements, but may waive minor omissions or irregularities at its discretion.
- Reject proposals from teams that alter their submissions after the deadline without following proper procedures or obtaining written approval.
- Reject proposals.

ADDENDUM A: PROFESSIONAL SERVICES AGREEMENT

PROJECT: External Audit Services
Contract No. 25-01

THIS AGREEMENT ("Agreement") is made and entered into this _____ day of Month, 2025 by and between the RAINBOW MUNICIPAL WATER DISTRICT, a municipal water district, hereinafter designated as "DISTRICT", and _____, a California corporation [or other type of organization], hereinafter designated as "CONSULTANT"

RECITALS

A. DISTRICT desires to obtain Professional Consulting Services from an independent contractor for the Project named above.

B. CONSULTANT has submitted a proposal to provide professional services for DISTRICT in accordance with the terms set forth in this Agreement.

C. DISTRICT desires to contract with CONSULTANT as an independent contractor and CONSULTANT desires to provide services to DISTRICT as an independent contractor.

D. CONSULTANT has demonstrated its competence and professional qualifications necessary for the satisfactory performance of the services designated herein by virtue of its experience, training, education, and expertise.

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. PROFESSIONAL SERVICES PROVIDED BY CONSULTANT.

1.1. The professional services to be performed by CONSULTANT shall include the following:_____ _____. The scope of services is particularly defined in Exhibit "A", attached and made a part hereof. Any additional professional services will be requested in writing as outlined in Section 19.

1.2. In performing the services outlined in Exhibit "A", CONSULTANT shall work closely with DISTRICT'S General Manager or Authorized Representative and staff in performing services under this Agreement to receive clarification as to the result that DISTRICT expects to be accomplished by CONSULTANT. The General Manager or Authorized Representative shall be DISTRICT'S authorized representative in interpreting and enforcing all services performed in connection with this Agreement.

1.3. CONSULTANT represents that its employees have the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of DISTRICT. This means CONSULTANT can fulfill the requirements of this Agreement. Failure to perform all services required under this Agreement constitutes a material breach of the Agreement.

2. TERM AND TIMING REQUIREMENTS.

2.1. This Agreement will become effective on the date stated above. It will continue in effect until the earlier completion of services provided for in this Agreement or until terminated as provided under Section 14 of this Agreement.

2.2. CONSULTANT'S performance of services under this Agreement shall be per the schedule outlined below unless otherwise modified in writing as outlined in Section 19. Failure by CONSULTANT to strictly adhere to these timing requirements may result in termination of this Agreement by DISTRICT.

Task	Due Date
Notice to Proceed	TBD
Progress Report	TBD
Final Submittal	TBD

2.3. CONSULTANT shall submit all requests for extensions of time for performance in writing to the General Manager or Authorized Representative no later than two (2) business days after the commencement of the cause of any unforeseeable delay beyond CONSULTANT'S control and in all cases before the date on which performance is due if possible. The General Manager or Authorized Representative shall review all such requests and may grant reasonable time extensions for unforeseeable delays beyond the consultant's control.

2.4. For all periods not specifically set forth herein, CONSULTANT shall respond in the most expedient and appropriate manner under the circumstances by telephone, hand delivery, e-mail, or mail.

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

4. INDEPENDENT CONTRACTOR.

4.1. CONSULTANT'S relationship to DISTRICT shall be that of an independent contractor in performing all services hereunder. DISTRICT will not exercise any control or direction over the methods by which CONSULTANT shall perform its services and functions. DISTRICT'S sole interest and responsibility is to ensure that the services covered in this Agreement are performed competently, satisfactorily, and legally. The parties agree that no services, act, commission, or omission of CONSULTANT or its employee(s) under this Agreement shall be construed to make CONSULTANT or its employee(s) the agent, employee, or servant of DISTRICT. CONSULTANT and its employee(s) are not entitled to receive from DISTRICT vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability, unemployment, or any other employee benefit.

4.2. CONSULTANT shall be solely responsible for paying all federal and state employment and income taxes, carrying workers' compensation insurance, and otherwise complying with all other employment requirements concerning CONSULTANT or its employee(s). CONSULTANT agrees to indemnify, defend, and hold DISTRICT harmless from any and all liability, damages, or

losses (including attorney's fees, costs, penalties, and fines) DISTRICT suffers as a result of CONSULTANT'S failure to comply with the foregoing.

4.3. CONSULTANT shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement. CONSULTANT represents and warrants that CONSULTANT customarily engages in the independently established trade and business of the same nature as the work to be performed under this Agreement.

4.4. CONSULTANT shall have no authority, express or implied, to act on behalf of, as an agent, or bind DISTRICT to any obligation unless specifically authorized in writing by the General Manager or Authorized Representative. If CONSULTANT'S services relate to an existing or future DISTRICT construction contract, CONSULTANT shall not communicate directly with, nor in any way direct the actions of, any bidder for that construction contract without the prior written authorization by the General Manager or Authorized Representative.

5. WORKERS' COMPENSATION INSURANCE. By CONSULTANT'S signature hereunder, CONSULTANT certifies that CONSULTANT is aware of the provisions of Section 3700 of the California Labor Code requiring every employer to be insured against liability for workers' compensation or to undertake self-insurance following the provisions of that code. CONSULTANT will comply with such provisions before commencing the performance of the services of this Agreement.

6. INDEMNIFICATION, HOLD HARMLESS AND DEFENSE.

6.1. All officers, agents, employees and subcontractors, and their agents, who are employed by CONSULTANT to perform services under this Agreement, shall be deemed officers, agents, and employees of CONSULTANT. To the extent and in any manner permitted by law, CONSULTANT shall defend, indemnify, and hold DISTRICT, its directors, officers, employees, authorized volunteers, and agents, and each of them free and harmless from any claims, demands, liability from loss, damage, or injury to property or persons, including wrongful death, that arise out of, pertaining to, or relate to the negligence, recklessness or willful misconduct of CONSULTANT, including CONSULTANT'S officers, employees and agents, in connection with the services required by this Agreement, including without limitation, the payment of reasonable attorneys' fees and costs. In no event shall the cost to defend charged to the CONSULTANT exceed the CONSULTANT'S proportionate percentage of fault, as determined by a court of law. The foregoing indemnity, hold harmless, and defense obligation of CONSULTANT shall apply except to the extent the sole negligence or willful misconduct of an indemnified party causes the loss, damage, or injury.

6.2. To the extent and in any matter permitted by law, CONSULTANT shall defend, indemnify, and hold DISTRICT, its directors, officers, employees, authorized volunteers, and agents, and each of them free and harmless from and against any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, related to or incident to a breach of any governmental law or regulations, compliance with which is the responsibility of CONSULTANT, except any violation of law due to the DISTRICT'S negligence or willful misconduct.

6.3. CONSULTANT shall defend, at CONSULTANT'S own cost, expense, and risk, any and all such aforesaid claims, suits, actions, or other legal proceedings of every kind that may be brought or instituted against DISTRICT or DISTRICT'S directors, officers, employees, authorized volunteers and agents, and each of them. DISTRICT shall be consulted regarding and approve of the selection of defense counsel.

6.4. CONSULTANT shall pay and satisfy any judgment, award, or decree that may be rendered against DISTRICT or its directors, officers, employees, authorized volunteers, and agents, and each of them, in any and all such aforesaid claims, suits, action, or other legal proceeding. CONSULTANT shall not agree, without DISTRICT'S prior written consent, to any settlement which would require DISTRICT to pay any money or perform some affirmative act, including in the case of intellectual property infringement any payment of money or performance of some affirmative act to continue using CONSULTANT Products.

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

7. LAWS, REGULATIONS AND PERMITS. CONSULTANT shall give all notices required by law and comply with all laws, ordinances, rules, and regulations pertaining to the conduct of the services required by this Agreement. CONSULTANT shall be liable for and bear all costs resulting from any violations of the law in connection with services furnished by CONSULTANT, except any violation of the law due to the DISTRICT'S negligence or willful misconduct.

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

9. INSURANCE.

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

9.1.1. **Coverage** – CONSULTANT shall maintain coverage at least as broad as the following:

9.1.1.1. Coverage for Professional Liability appropriate to CONSULTANT'S profession covering CONSULTANT'S wrongful acts, negligent actions, errors, or omissions. The retroactive date (if any) is to be no later than the effective date of this Agreement.

9.1.1.2. Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001).

9.1.1.3. Insurance Services Office Automobile Liability Coverage (Form CA 0001), covering Symbol 1 (any auto).

9.1.1.4. Workers' Compensation insurance as required by the State of California and Employer's Liability insurance.

9.1.2. **Limits** - CONSULTANT shall maintain limits no less than the following:

9.1.2.1. Professional Errors and Omissions Liability - One million dollars ($1,000,000) per claim and two million dollars ($2,000,000) annual aggregate.

9.1.2.2. Professional Errors and Omissions Liability is required if the CONSULTANT provides or engages in any type of professional services, including, but not limited to, engineers, architects, and construction management.

9.1.2.3. General Liability - One million dollars ($1,000,000) per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503 or ISO CG 2504, or the insurer's equivalent endorsement provided to DISTRICT) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.

9.1.2.4. Automobile Liability - One million dollars ($1,000,000) for bodily injury and property damage each accident limit.

9.1.2.5. Workers' Compensation insurance with statutory limits as required by California law and Employer's Liability insurance with a limit of no less than One Million Dollars ($1,000,000) per accident for bodily injury or disease.

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

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

9.2.2. CONSULTANT'S insurance shall be primary concerning the DISTRICT, its directors, officers, employees, and authorized volunteers for any claims related to the services provided hereunder. Any insurance, self-insurance, or other coverage maintained by DISTRICT, its directors, officers, or employees shall not contribute to it.

9.2.3. Each insurance policy specified above is to state or be endorsed to state that coverage shall not be canceled except after thirty (30) days prior written notice (ten (10) days for non-payment of premium) by U.S. mail has been provided to DISTRICT.

9.2.4. In the event any change is made in the insurance carrier, scope of coverage, or retroactive date of professional liability coverage required under this Agreement (if applicable), CONSULTANT shall notify DISTRICT before any changes become effective.

9.3. **PROFESSIONAL WARRANTY.**

9.3.1. CONSULTANT represents and warrants that: (a) the Professional Services will be performed in a professional and workmanlike manner with a degree of care, skill and

competence that is consistent with generally accepted industry standards reasonably expected of similar types of engagements, and (b) the Deliverables will substantially conform to the description and specifications outlined in Exhibit "A" for the specified period after delivery or if none stated, a period of XX days after the date of delivery ("Warranty Period"). To the extent any Professional Services or Deliverables do not substantially conform to the foregoing warranties, CONSULTANT shall promptly re-perform the Professional Services and/or resubmit the Deliverables. If after receiving notice of non-conformity, CONSULTANT determines that the Professional Services cannot be performed or the Deliverables cannot reasonably be delivered under the specifications within the Warranty Period, DISTRICT may elect to remedy or receive such Professional Services or Deliverable through another contractor, and CONSULTANT shall reimburse DISTRICT within 30 days of request by DISTRICT. This warranty will apply only if: (a) no modification, alteration, or addition has been made to the Deliverable(s) other than with CONSULTANT'S written consent; and (b) receives written notification of the breach during the applicable Warranty Period.

9.3.2. CONSULTANT warrants that any reports or other documents submitted by Contractor to Agency shall be complete, unambiguous, and in compliance with all applicable codes, ordinances, statutes, regulations, and laws.

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

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

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

9.7. **EVIDENCE OF INSURANCE.**

9.7.1. Before executing this Agreement, CONSULTANT shall furnish DISTRICT with original certificates and amendatory endorsements or copies of the applicable insurance language, effecting coverage required by this Agreement. All certificates and endorsements are to be received and approved by DISTRICT before services commence. However, failure to obtain the required documents before the services begin shall not waive the CONSULTANT'S obligation to provide them.

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

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

10. NO CONFLICT OF INTEREST. If CONSULTANT is providing services related to a DISTRICT project, CONSULTANT shall not be financially interested in any other contract necessary for undertaking the

project. For the limited purposes of interpreting this section, CONSULTANT shall be deemed a "district officer or employee", and this section shall be interpreted by California Government Code Section 1090. In the event that CONSULTANT becomes financially interested in any other contract necessary for the undertaking of the project, this Agreement shall be null and void, and DISTRICT shall be relieved of any responsibility whatsoever to provide compensation under the terms and conditions of any such contract for those services performed by CONSULTANT.

11. **OWNERSHIP OF DOCUMENTS.** All documents, drawings, reports, and specifications, including details, computations, code, scripts, workflows, and other documents prepared or provided by CONSULTANT under this Agreement shall be the property of DISTRICT. DISTRICT agrees to hold CONSULTANT free and harmless from any claim arising from any use, other than the purpose intended, of the documents and all preliminary sketches, schematics, preliminary plans, architectural perspective renderings, working drawings, including details, computations, and other documents, prepared or provided by CONSULTANT. CONSULTANT may retain a copy of all material produced under this Agreement to document their participation in this Project.

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

13. **COMPENSATION.**

13.1. For services performed by CONSULTANT under this Agreement, DISTRICT shall pay CONSULTANT per the schedule of billing rates outlined in Exhibit "A", attached hereto and incorporated herein by reference. CONSULTANT'S compensation for all services performed under this Agreement shall not exceed the total contract price of $_____. CONSULTANT shall perform no services above the total contract price without prior written approval of the General Manager or Authorized Representative. CONSULTANT shall obtain approval from the General Manager or Authorized Representative before performing any services that result in incidental expenses to the DISTRICT.

13.2. CONSULTANT shall maintain accounting records, including the following information:

13.2.1. The names and titles of employees or agents, the types of services performed, and the times and dates of all services performed in connection with the Agreement that are billed on an hourly basis are included.

13.2.2. All incidental expenses, including reproductions, computer printing, postage, mileage billed at the current Internal Revenue Service ("IRS") Rate, and subsistence.

13.3. CONSULTANT'S accounting records shall be made available to DISTRICT Finance Manager to verify billings within a reasonable time of the Finance Manager's request for inspection.

13.4. CONSULTANT shall submit monthly invoices to DISTRICT. DISTRICT will make partial payments to CONSULTANT not to exceed the total contract price within thirty (30) days of receipt of invoice, subject to the approval of the General Manager or Authorized

Representative. *Each application for partial payment shall be accompanied by a Progress Report summarizing the status of the services performed*.

13.5. DISTRICT reserves the right to withhold payments for services to cover potential or nonconforming services. Additionally, the DISTRICT may elect not to make a particular payment if any of the following exists:

13.5.1. CONSULTANT, with or without knowledge, misrepresented substantial and material nature concerning any information furnished to DISTRICT.

13.5.2. CONSULTANT took action without receiving DISTRICT'S prior approval as required under this Agreement.

13.5.3. CONSULTANT is in default of a term or condition of this Agreement.

13.6. CONSULTANT shall ensure that any official report generated under this Agreement shall comply with Government Code Section 7550.

14. TERMINATION OF AGREEMENT.

14.1. **TERMINATION FOR CAUSE.**

14.1.1. If DISTRICT ("demanding party") has a good faith belief that CONSULTANT is not complying with the terms of this Agreement or is deemed non-responsive or non-responsible, DISTRICT will give written notice of the default (with reasonable specificity) to CONSULTANT and demand the default to be cured within ten (10) calendar days of the notice. Responsive is defined as conforming with material requirements and responsible is defined as possessing the attributes of trustworthiness, quality, fitness, capacity, and experience to perform the contract satisfactorily.

14.1.2. If CONSULTANT fails to cure the default within ten (10) calendar days of the notice, or if more than ten (10) calendar days are reasonably required to cure the default, and CONSULTANT fails to give adequate assurance and due performance within ten (10) calendar days of the notice, DISTRICT may terminate this Agreement upon written notice to CONSULTANT. In the event of a material breach of any representation or term of this Agreement by CONSULTANT that is not curable or results in a threat to health or safety, DISTRICT may immediately terminate this Agreement by providing written notice and without a cure period.

14.1.3. Upon termination, DISTRICT will pay CONSULTANT for any services completed up to and including the date of termination of this Agreement, in accordance with the compensation Section 13. DISTRICT will be required to compensate CONSULTANT only for services performed in accordance with the Agreement up to and including the date of termination. DISTRICT shall not pay for loss profit or overhead/extended overhead fees and at its sole discretion may deduct fees for any non-conforming or non-complying work.

14.2. **TERMINATION FOR CONVENIENCE.**

14.2.1. DISTRICT will have the express right to terminate this Agreement at any time without cause by giving seven (7) consecutive days advanced written notice to CONSULTANT. This Agreement shall be automatically terminated without further action of any party upon expiration of the seven (7) day period.

14.2.2. Promptly upon receipt of any termination notice from the DISTRICT, CONSULTANT shall cease all further work and services, except as otherwise expressly directed by the

DISTRICT in the written termination notice. In the event the DISTRICT exercises its termination right, CONSULTANT shall be paid only for work and services performed and approved by the DISTRICT to the date this Agreement terminates. The DISTRICT will have the express right to withhold any payment otherwise due CONSULTANT to correct any labor or materials determined to be defective by the DISTRICT at the time of termination.

14.2.3. All plans, maps, drawings, reports, designs, or other writings of any type or nature prepared by CONSULTANT as a result of this Agreement shall become and remain the sole property of the DISTRICT. All such writings shall be provided to the DISTRICT not later than seven (7) consecutive days after termination of this Contract for any reason. All labor, supplies, work and materials provided by CONSULTANT in conjunction with this Agreement will become and remain the sole property of the DISTRICT.

15. ASSIGNMENT AND DELEGATION.

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

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

16. AUDIT DISCLOSURE. According to Government Code section 8546.7, if the Agreement is over ten thousand dollars ($10,000), it is subject to examination and audit of the State Auditor, at the request of DISTRICT or as part of any audit of DISTRICT, for three (3) years after final payment under the Agreement. CONSULTANT shall cooperate with any such examination or audit at no cost to DISTRICT.

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

18. INTERPRETATION OF THE AGREEMENT.

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

18.2. CONSULTANT shall be responsible for complying with all applicable local, state, and federal laws whether or not said laws are expressly stated or referred to herein.

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

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

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

20. DISPUTE RESOLUTION.

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

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

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

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

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

CONSULTANT: _____

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

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

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

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

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

CONSULTANT

By _____
CONSULTANT

_____
PRINT NAME

Date:_____

RAINBOW MUNICIPAL WATER DISTRICT

By _____
JAKE WILEY, GENERAL MANAGER

Date:_____

_____
Attest: District Secretary

April 14, 2026

Rainbow Municipal Water District

Proposal for Professional Auditing Services
For the fiscal years ending June 30, 2026 through 2030

Contact Persons:
Scott Manno, CPA, CGMA
smanno@ramscpa.net

Gardenya Duran, CPA, CGMA
gduran@ramscpa.net

909.889.0871

Prepared By
Rogers Anderson Malody & Scott, LLP
735 E Carnegie Drive, Suite 100
San Bernardino, CA 92408

License #2596
FEIN 95-2662063

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RAMS
CERTIFIED PUBLIC ACCOUNTANTS

April 14, 2026

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

We are pleased to respond, on behalf of Rogers, Anderson, Malody & Scott, LLP (RAMS), to your request for a proposal regarding professional auditing services. As a recognized industry leader and innovator for the past 78 years, our goal has been to provide honest, high-quality, and objective results to all our clients, including governmental organizations such as yours. This dedication has fueled our firm's tremendous organic growth while ensuring personalized, client-focused services, with some governmental clients being with us for over 25 years.

At RAMS, we are committed to achieving the highest quality audit in the most effective manner possible. We understand the complexities of performing governmental audits, which is why we have a dedicated team of auditors with specialized knowledge and experience to ensure our audits are planned and executed efficiently and effectively, providing you with the highest quality services.

Although we are a smaller, local firm, we bring the depth of experience, structure, and resources expected from a much larger organization. Our clients benefit from direct partner involvement, responsive service, and continuity of staff, while still receiving a disciplined audit approach, strong quality control standards, and the technical expertise necessary to perform complex governmental audits. This allows us to provide the personal attention of a small firm with the professionalism, capability, and audit quality typically associated with a larger firm.

We understand that the Rainbow Municipal Water District (the District) will review other proposals during this process, but we believe that RAMS is the exceptional choice for your audit for the following reasons:

Reputation: We have an established reputation in the governmental and not-for-profit accounting and auditing community for providing excellent, timely service with high-quality reporting.

Advanced Tools: We utilize Teammate Analytics, a suite of over 200 Computer Aided Audit Tools (CAATs), empowering our audit teams to perform powerful data analysis that enhances our substantive audit procedures and helps identify transactions or amounts indicative of potential fraud.

Risk-Based Approach: Our intelligent, risk-based audit (using CAAT) allows us to focus on key audit areas, increasing efficiency and resulting in a higher quality audit at a reasonable fee.

Experience: We currently provide auditing services to over 70 governmental agencies and not-for-profit organizations, including over 30 cities with enterprise activities and over 35 special districts.

Remote Capabilities: We have developed a comprehensive remote working environment for our audits. All our staff are equipped to work remotely effectively and efficiently, ensuring a quality audit.

Commitment to Deadlines: We are committed to meeting all reporting/auditing deadlines, resolving any issues encountered during your audit, and providing you with quality audit services.

Minimizing Stress: We understand the audit process can be stressful for you and your staff. We strive to make the audit process as trouble-free as possible by comprehensively planning and utilizing our staff and audit technologies efficiently and effectively while minimizing disruptions and miscommunications.

Personable Team: Our audit team members are personable and easy to work with, yet focused on the audit. Through open and responsive communication, we aim to minimize operational distractions for your staff while maximizing quality service.

Tel. 909-889-0871 | www.ramscpa.net | 735 E. Carnegie Dr. Suite 100, San Bernardino, CA 92408

Quality Control: We have an extensive internal quality control review process to ensure your financial reports meet the highest standards. Each report is prepared by the engagement team, reviewed by the engagement manager, and thoroughly examined by two partners and at least one professional proofreader.

Award-Winning Assistance: We have assisted many clients with the preparation of their Annual Comprehensive Financial Reports. All our clients who submitted reports for the GFOA award have received them. Our participation as a GFOA reviewer also indirectly benefits our clients in the quality review process.

Value for Investment: Our fee estimate provides a fair and reasonable investment, commensurate with the level of service provided and the experience of the audit team members. While we may not be the lowest bidder, our focus is on delivering the best value and high-quality services, pricing our engagements accordingly.

Our proposal is presented clearly, concisely, and in full accordance with the request for proposal. Rather than relying on excessive graphics or unnecessary content, we have focused on the information most relevant to your evaluation, including our firm's qualifications, the strength of our staff, our dynamic risk-based audit approach and procedures, and our reputation as a leader in governmental auditing.

Rogers, Anderson, Malody & Scott, LLP is properly licensed to practice in California, including all the professional staff assigned to this engagement. Mr. Manno, Partner and Mrs. Gardenya Duran, Partner, are authorized to represent the firm, submit the bid, and sign a contract with the District. They can be reached at 735 E Carnegie Drive, Suite 100, San Bernardino, CA 92408 or 909.889.0871. We understand the work to be done as listed in the section of this proposal titled "Services to be Provided," and we are committed to meeting any agreed-upon time frames. We currently sub-contract all Annual Financial Reports preparations to a third-party, Forvis Mazars.

Thank you for the opportunity to present our proposal to the District. We are committed to exceeding your expectations of an auditor and believe this proposal provides you with comprehensive information about our firm, service team members, and our customized audit approach. We look forward to establishing a long and mutually beneficial relationship with the District. Please feel free to contact us if you have any questions regarding this proposal.

Respectfully yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP

Scott Manno, CPA, CGMA
Partner

Firm Qualifications and Experience

About the firm

We were established in 1948, located at 735 E. Carnegie Drive, Suite 100, San Bernardino, California. As a comprehensive accounting firm, we offer a full spectrum of services. With over 78 years of public practice experience, we are one of the oldest, most trusted, and respected CPA firms in Southern California, specializing in auditing, accounting, and management advisory services for governmental agencies and not-for-profit organizations. Annually, we dedicate over sixteen thousand hours to our audit practice, encompassing cities, redevelopment successor agencies, water districts, other special districts, not-for-profit corporations, and joint power authorities. Our focus on government accounting and auditing is a primary commitment, ensuring we deliver top-quality services to local governments.

We recognize the importance of engaging auditors with a deep understanding of the complex and ever-evolving accounting and compliance issues that governments face today. Our firm boasts a rich history in governmental accounting and auditing, equipping us with invaluable experience, in-depth knowledge, and the technical expertise necessary to conduct high-quality governmental audits. This expertise enables us to provide exceptional service and effective solutions at competitive fees, reflecting our value to clients. Furthermore, our active participation in various industry associations ensures we stay updated on the latest issues in governmental accounting, auditing, and operations. We promptly share any valuable insights with our clients to enhance their benefit.

Our firm has a total of 57 people, which includes sixteen certified public accountants. The staff consists of six partners, nine managers, twelve supervisors/senior accountants, twenty-five staff accountants, and five support staff. The audit staff consists of thirty-seven members who devote over 80% of their time to municipal engagements. The engagement team assigned to the District's engagement will consist of the following full-time staff: one audit partner, one audit manager, one audit supervisor/senior, and two to three staff auditors.

Range of services

In addition to auditing services for governmental entities, our firm offers a wide range of other services, including:

- Internal control agreed-upon procedures
- Finance director and accounting support services
- Studies and evaluations of financial condition and fiscal policies
- Development and review of accounting policies and procedures
- Cash management studies
- Assistance with financing and public bond offerings

Additionally, we provide accounting, auditing, attest, and consulting services to both for-profit and not-for-profit entities. Our services also include tax preparation and consulting for individuals, corporations, and partnerships. We offer complimentary tax consultation services to our municipal audit clients.

Sub-consultants

In order to maintain a high quality of report preparation, we have partnered with Forvis Mazars to prepare/submit Annual Financial Transaction Reports and Annual Street Reports to the State Controller's office. We are committed to the overall quality of the reports and assist with providing the sub-consultants with as much assistance as possible to minimize cross-over for information requested for the audit and preparation of these reports. We have worked with Forvis Mazars for various years and have confidence in their ability to provide these services to the District.

Firm Qualifications and Experience (continued)

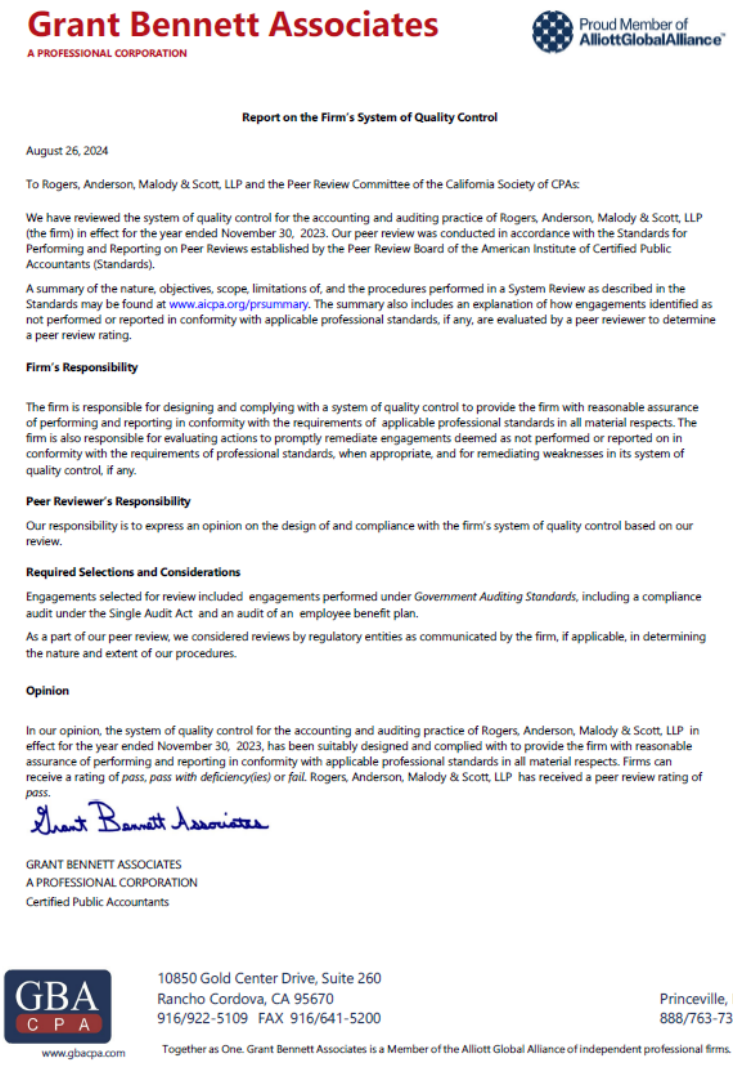
Equal Opportunity Employer

Our firm is an equal opportunity employer committed to providing employment opportunities to all qualified individuals, regardless of race, color, sex, religion, national origin, or disability. Our diverse staff represents a wide range of cultures and ethnic backgrounds. We offer advancement opportunities based on ability, skill, and desire to progress within the firm.

External quality control review

As a member of the AICPA Private Companies Practice Section, our firm has actively participated in the "Peer Review" program since 1993. Every three years, an independent firm of certified public accountants conducts an external review of our firm. This participation ensures that our engagements, firm policies, and audit procedures consistently meet the standards set by the AICPA, the Yellow Book, and the California State Board of Accountancy. Notably, throughout our participation in this program, our firm has consistently received pass ratings from the peer reviewers.

During each peer review, an independent firm assesses our policies and procedures and inspects a representative sample of engagement workpapers and reports, including those related to governmental entities and engagements subject to the Uniform Guidance. For the year ended November 30, 2023, our firm received a pass rating. This rating indicates that our auditing practices are suitably designed and complied with, providing reasonable assurance of performing and reporting in accordance with applicable standards. The results affirm that our custom audit approach and procedures are technically sound and compliant with all relevant standards.



Grant Bennett Associates
A PROFESSIONAL CORPORATION

Proud Member of AlliottGlobalAlliance

Report on the Firm's System of Quality Control

August 26, 2024

To Rogers, Anderson, Malody & Scott, LLP and the Peer Review Committee of the California Society of CPAs:

We have reviewed the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP (the firm) in effect for the year ended November 30, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP in effect for the year ended November 30, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Rogers, Anderson, Malody & Scott, LLP has received a peer review rating of *pass*.

Grant Bennett Associates

GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants

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Rancho Cordova, CA 95670
916/922-5109 FAX 916/641-5200

Princeville, HI
888/763-7323

Together as One. Grant Bennett Associates is a Member of the Alliott Global Alliance of independent professional firms.

Disciplinary action

Our firm has a spotless record with no disciplinary actions taken or pending against it by state regulatory bodies or professional organizations. Additionally, there has never been any pending or settled litigation, nor any civil or criminal investigations. We are also not aware of any federal or state desk reviews or field reviews of our audits in the last three years.

Firm Qualifications and Experience (continued)

Our firm has no record of substandard work.

In addition to external quality control reviews, our firm conducts annual in-house monitoring procedures that mirror the external peer review processes, ensuring ongoing compliance and quality in our audit and attest engagements.

Governmental Audit Quality Center

As a member of the American Institute of CPAs *Governmental Audit Quality Center* (GAQC), we at RAMS are dedicated to maintaining the highest quality standards. Our commitment to the GAQC membership requirements includes designating a partner responsible for the quality of our governmental audit practice, establishing rigorous quality control programs, conducting annual internal inspections, and publicly sharing our peer review report findings. Our goal is to continually enhance our quality initiatives to provide the highest quality audit services possible.

Being a part of the GAQC also grants us access to comprehensive resources that further improve the quality of your audit. Our membership ensures we receive timely information on technical, legislative, and regulatory matters, which we apply to your audit to ensure compliance with current standards and regulatory changes, benefiting our clients.

Engagement quality control

Our internal quality control review process ensures your audit meets the highest standards. Financial reports prepared by a senior member of the engagement team undergo multiple levels of review: first by the engagement manager/supervisor, followed by the engagement partner, and finally a technical review by the engagement Quality Control partner. Additionally, all reports are proofread by at least one professional staff member. All audit workpapers are reviewed by the in-charge auditor and the partner in charge of the engagement.

Single audit experience

Many of our municipal clients, as well as other governmental and not-for-profit clients, require audits in accordance with Uniform Guidance. Recently, we have conducted single audits for numerous entities.

Our specialized Single Audits Team is led by Partners and Managers who hold Intermediate and Advanced Single Audit Certifications from the AICPA, ensuring a successful and thorough engagement.

ACFR preparation

We have extensive experience in preparing Annual Comprehensive Financial Reports (ACFR). For the fiscal years ending June 30, 2023, and 2024, our team prepared over 20 ACFRs, with each entity receiving the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. For the fiscal year ending June 30, 2025, we prepared over 25 ACFRs for our clients for submission to the GFOA. Additionally, we have assisted many cities and special districts in developing their first-year reports for submission. Four of our audit partners and five of our managers/supervisory staff serve as technical reviewers for the GFOA award program. We ensure all ACFRs comply with the GFOA certificate program checklist and address any prior year comments to guarantee thorough and compliant reports.

Partner, Supervisory, and Staff Qualifications and Experience

The quality of service you receive hinges on the capabilities of the individuals assigned to your engagement and how effectively these personnel resources are organized. Our professionals are highly trained, knowledgeable, and have a deep understanding of the environment in which governmental and not-for-profit entities operate. This expertise is crucial for providing the District with an effective and efficient audit.

Our engagement team brings significant experience and a practical understanding of governmental accounting and auditing, combined with a broad business perspective. Each member has access to a wide range of technical resources and knowledge bases, enabling them to offer practical observations and effective solutions to the District.

Partner and supervisory staff involvement

Our partners and supervisory staff are actively and continuously involved in all aspects of their engagements. We believe that their involvement is a key aspect of the overall audit process. This includes being on-site for interim and year-end fieldwork, ensuring a proper, efficient, and effective audit with minimal disruption to your staff. The time spent on-site by partners and supervisory staff allows them to understand the District's accounting processes and procedures thoroughly. This understanding helps in evaluating and developing opportunities for efficiency and offering practical advice to improve your accounting processes and procedures.

All professionals on this engagement have extensive experience with audits similar to the District's, eliminating the need for the District to train our team.

Staff continuity

Maintaining continuity of audit staff is a principal concern for our firm. To retain our staff, we offer competitive wages, advancement opportunities, generous medical packages, a retirement plan, bonus opportunities, and educational benefits. While we strive for continuity, we acknowledge that staff changes may occur. We plan to provide consistent staff year to year, which is in the best interest of both the District and our firm. Continuity ensures an orderly, efficient, and less disruptive audit experience. In case of staff changes, principal supervisory and management staff, including engagement partners, managers, other supervisory staff, and specialists, may be replaced if they leave the firm or are promoted. However, the District reserves the right to accept or reject replacements.

Due to the significant involvement of our partners in all engagements, any staff transition would have a minimal impact on audit efficiency and effectiveness in subsequent years. Other audit personnel may be changed at the discretion of the District provided that the replacements have substantially the same or better qualifications/experience.

Partner, Supervisory, and Staff Qualifications and Experience (continued)

Continuing professional education

Our auditor specialists stay current in this technical practice area by adhering to, and typically exceeding, the continuing professional education requirements of *Government Auditing Standards* and the State Board of Accountancy guidelines. All professionals at our firm participate in continuing professional education (CPE) programs sponsored by various organizations, including the Government Finance Officers Association, the American Institute of Certified Public Accountants, the California State Society of Certified Public Accountants, the California Society of Municipal Finance Officers, and the Association of Government Accountants. These programs ensure our clients are serviced by the best-trained and most proficient government auditors and accountants available. We also provide in-house training conducted by our partners and senior staff using published resources. All staff are required to attend fraud and ethics training. Our goal is to provide professional staff with continuing education that exceeds the minimum standard of 80 hours over two years.

According to our firm's Quality Control document and *Government Auditing Standards* (GAS), all staff working on audits subject to GAS must complete CPE in line with GAS standards, requiring 24 hours directly related to governmental accounting and auditing.

To further increase our technical knowledge, we utilize resources such as the Governmental Audit Quality Center Annual Webcast Update, other relevant seminars, and monthly publications from the AICPA, the GFOA, and other sources. We also attend conferences and seminars sponsored by the GFOA, California Society of Municipal Finance Officers, California State Society of Certified Public Accountants, and the California Special Districts Association.

Assigned personnel

Our goal is to provide you with capable, competent, and personable individuals who possess an extensive background in governmental accounting and auditing and general business practices. This allows us to offer practical solutions and technical support, keeping you at the forefront of governmental accounting and helping you navigate complex issues.

Our engagement team has the managerial and supervisory experience to provide the District with a comprehensive audit of the highest quality while focusing on personal service. The resumes of the key engagement personnel assigned to the audit are presented below. These individuals will be assigned to the engagement for the entire contract period.

Scott W. Manno, CPA, CGMA – Partner, Engagement Partner

Scott will be the Engagement Partner for the engagement. He is licensed to practice as a certified public accountant in the State of California and brings over 29 years of public accounting experience, specializing in serving local governments. As the engagement partner, Scott will be responsible for the overall quality of the engagement, ensuring it is performed efficiently and effectively. He will directly oversee all engagement staff, assist in planning and performing the engagement, and review all workpapers and required reports prepared during the engagement. Scott, like all our partners, is a working partner and will be actively involved in all aspects of the engagement, ensuring a high standard of service and attention to detail throughout the process.

Gardenya Duran, CPA, CGMA – Partner, Concurring Partner

Gardenya will be the Concurring Partner. She is licensed to practice as a certified public accountant in the State of California and has over 15 years of practical, governmental accounting and auditing experience. As the concurring partner Gardenya will work directly with Scott in planning and performing the engagement. In addition, she will provide technical consultation for the engagement team.

Partner, Supervisory, and Staff Qualifications and Experience (continued)

Brianna Schultz, CPA, CGMA – Partner, Quality Control Reviewer

Brianna will be the Quality Control Reviewer. She is licensed to practice as a certified public accountant in the State of California. She has over 15 years of practical, governmental accounting and auditing experience. Brianna will be responsible for the final quality control review of all released opinions and related reports.

Evelyn Morentin-Barcena, CPA – Audit Manager

Evelyn is an Audit Manager with the firm. She is licensed to practice as a certified public accountant in the State of California. Evelyn has over 10 years' experience in providing accounting and auditing services for municipalities, special districts and various not-for-profit organizations. As an audit manager, she will work directly with the audit in-charge and partner, while supervising the engagement team during all phases of the engagement. In conjunction with the audit in-charge, she will also oversee the preparation of any required reports.

Devin Feldhut – Audit Senior

Devin is an Audit Senior with our firm, bringing four years of experience in providing accounting and auditing services to municipalities, special districts, and various not-for-profit organizations.

As an Audit Senior, Devin will work closely with the engagement partner and manager. He will be responsible for planning the audit, supervising the staff assigned to the engagement, and reviewing all workpapers prepared for the engagement. Additionally, he will oversee the preparation of any required reports, ensuring thoroughness and compliance with all standards.

Mr. Terry Shea, CPA – Consultant

Terry is a retired municipal audit partner with the firm providing consulting services. He is licensed to practice as a certified public accountant in the State of California. Terry has over 40 years of public accounting experience and has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various not-for-profit organizations. Terry will assist on an as needed basis with the engagement. In addition, he will provide technical consultation for the engagement team.

Staff level accountants

All our staff accountants working on governmental audits are highly qualified to perform these audits. Prior to the audit season, our staff undergoes rigorous training that covers all aspects of our audit process and programs, ensuring they have a solid foundation before starting fieldwork. Each staff member is encouraged to take on increased responsibilities in engagements they have previously worked on, enabling them to grow and continually enhance their skills and knowledge.

In summary, we emphasize the credentials of the professionals who will be directly responsible for the quality of service you will receive. Additionally, our audit team possesses an important, albeit intangible, attribute: the professionals assigned to your audits have previously worked together as a multi-disciplined team. This ensures a smooth, efficient, and effective audit process. We are committed to allocating the necessary resources to ensure continuity of personnel throughout our relationship with the District.

Partner, Supervisory, and Staff Qualifications and Experience (continued)

Engagement team resumes



Scott W. Manno, CPA, CGMA
Engagement Partner

Professional experience

Mr. Manno began his career with Thomas, Bigbie and Smith in 1996 after serving in the United States Army. He spent six years with the firm primarily working on audits of municipalities, special districts and redevelopment agencies as well as various not-for-profit organizations. He joined Rogers, Anderson, Malody & Scott, LLP in July 2001. Currently, Mr. Manno serves as a technical reviewer for the GFOA ACFR Award program and he is also on the GFOA Special Review Executive Committee. In addition, he is part of the California State Society of Certified Public Accountants Governmental Accounting which meets periodically to discuss current events, pronouncements, etc.

Education/licenses

Bachelor of Science, Business Administration – California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

Elsinore Valley Municipal Water District	Big Bear Area Regional Wastewater Agency	Beaumont-Cherry Valley Water District	Chino Basin Desalter Authority
Rubidoux Community Services District	Upper San Gabriel Municipal Water District	Running Springs Water District	Crestline Village Water District
West Valley Water District	Western Municipal Water District	Ventura Regional Sanitation District	Conejo Recreation and Park District
Saticoy Sanitary District	Pine Cove Water District	Idyllwild Water District	Valley Water Company

Mr. Manno has completed over 183 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

- State and Local Government Audit Planning Considerations
- Audits of State and Local Governments
- 2025 Government Accounting and Auditing Update
- Auditing Internal Controls for Governments

Professional affiliations

Mr. Manno is a member of the following organizations:

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- Association of Government Accountants (AGA)
- Association of Certified Fraud Examiners (ACFE)
- Government Finance Officers Association (GFOA)
- California Special Districts Association (CSDA)
- California Society of Municipal Finance Officers (CSMFO)

Partner, Supervisory, and Staff Qualifications and Experience (continued)



Gardenya Duran, CPA, CGMA
Concurring Partner

Professional experience

Mrs. Duran joined Rogers, Anderson, Malody & Scott, LLP in 2010. She works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations. Mrs. Duran has served as a technical reviewer for the GFOA ACFR Award program. Mrs. Duran specializes in advisory services gearing towards helping local governments restore their finance departments and compliance after staffing disruptions for governments, municipalities and various non-profit organizations. Prior to joining our firm, she was an Information Systems Technician in the U.S. Navy for nine years.

Education/licenses

Bachelor of Science, Business Administration – California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

Mission Springs Water District	March Joint Powers Authority	City of Aliso Viejo	City of Capitola
Upper San Gabriel Muni. Water District	Ventura Regional Sanitary District	City of San Bernardino	City of South Pasadena
San Bernardino Valley Municipal Water District	Saticoy Sanitary District	City of Redondo Beach*	City of West Covina*

Continuing professional education

Mrs. Duran has completed over 145 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- GASB Update - Recently issued Pronouncements
- Fundamental of Preparing an Annual Comprehensive Financial Report
- Single Audit Update
- Audits of State and Local Governments

Professional affiliations

Mrs. Duran is a member of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- Government Finance Officers Association (GFOA)
- California Society of Municipal Finance Officers (CSMFO)

Partner, Supervisory, and Staff Qualifications and Experience (continued)



Brianna Schultz, CPA, CGMA
Quality Control Partner

Professional experience

Mrs. Schultz began her career with Rogers, Anderson, Malody & Scott, LLP in 2014, and had over three years' experience with another public accounting firm serving the same industry. Currently, Mrs. Schultz serves as a technical reviewer for the GFOA ACFR Award program. During her time with the firm, she has worked primarily on audits of municipalities, special districts and redevelopment agencies, as well as various non-profit organizations.

Education

Bachelor of Science, Business Administration – California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

Elsinore Valley Municipal Water District	Beaumont-Cherry Valley Water District	San Bernardino Valley Municipal Water District	Triunfo Sanitation District
City of Glendora*	Mojave Water Agency	City of Hawthorne*	City of Sierra Madre*
City of La Verne*	City of Loma Linda*	City of South Pasadena*	City of West Covina*
City of La Mesa*	City of Baldwin Park	City of El Cajon*	

Mrs. Schultz obtained the AICPA's *Advanced Single Audit Certificate* in 2019 and the *Intermediate Single Audit Certificate* in 2017. She served as the contract Interim Accounting Manager for the City of Glendora in 2016 and the Senior Accountant for the City of Rancho Cucamonga in 2015. Additionally, she is a reviewer for the GFOA ACFR Program.

Continuing professional education

Mrs. Schultz has completed over 160 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

- Governmental Accounting and Auditing Conference
- Single Audit Update
- How to Implement GASBS 87 and Maintain Compliance

Professional Affiliations

Mrs. Schultz is a member of the following organizations:

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- Government Finance Officers Association (GFOA)
- California Society of Municipal Finance Officers (CSMFO)

Partner, Supervisory, and Staff Qualifications and Experience (continued)



Evelyn Morentin-Barcena, CPA
Audit Manager

Professional Experience

Mrs. Morentin-Barcena is an Audit Manager with the firm. She has over 10 years' experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As an audit manager, she will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports. Currently, Evelyn serves as a technical reviewer for the GFOA ACFR Award program.

Education

Bachelor of Arts, Business Administration – California State University, San Bernardino
Certified Public Accountant – State of California
Intermediate Single Audit Certificate – AICPA

Related Professional Experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

Elsinore Valley Municipal Water District	Beaumont-Cherry Valley Water District	Valley Water Company	Crestline Village Water District
Rubidoux Community Services District	March Joint Powers Authority	Ventura Regional Sanitation District	Crestline-Lake Arrowhead Water Agency
Saticoy Sanitary District	San Bernardino Valley Municipal Water District	Triunfo Water & Sanitation District	Idyllwild Water District

Continuing Professional Education

Mrs. Morentin-Barcena has completed over 120 hours of continuing professional education courses over the past two years of which the following select courses are relevant to this engagement:

- Governmental Accounting and Auditing Update: Single Audit Update
- 2025 Annual Governmental GAAP Update
- GASB Update

Professional affiliations

Mrs. Morentin-Barcena is a member of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- Government Finance Officers Association (GFOA)
- California Society of Municipal Finance Officers (CSMFO)

Partner, Supervisory, and Staff Qualifications and Experience (continued)



Devin Feldhut
Audit Senior

Professional experience

Mr. Feldhut joined Rogers, Anderson, Malody & Scott, LLP in 2022, primarily providing accounting and auditing services for municipalities, special districts, and various nonprofit organizations. As an audit senior, he will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, he will also be responsible for the preparation of any required reports.

Education

Bachelor of Arts, Business Administration – California State University, San Bernardino

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

Elsinore Valley Municipal Water District	East Valley Water District	Rubidoux Community Services District	Nipomo Community Services District
Rubidoux Community Services District	Wildomar Cemetery District	Riverside County Citrus Pest Control #2	Imperial County Citrus Pest Control #1
Beaumont-Cherry Valley Water District	San Bernardino Valley Municipal Water District	San Luis Rey Municipal Water District	Capistrano Bay Community Services District
Leucadia Water District	East Valley Water District	Las Virgenes Municipal Water District	Rubidoux Community Services District

Continuing professional education

Mr. Feldhut has completed over 92 hours of continuing professional education courses over the past two years of which the following select courses are relevant to this engagement:

- Ongoing Lease and Subscription Compliance
- Fundamentals of Preparing an ACFR
- Single Audit Update
- Internal Controls for Smaller Not-for-Profits and Governmental Entities

Professional affiliations

Mr. Feldhut is a member of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- California Society of Municipal Finance Officers (CSMFO)
- Government Finance Officers Association (GFOA)

References – Similar Engagements with Other Government Entities

Similar Engagements with Other Government Entities

Entity:	***Rosamond Community Services District***
Scope of work:	Financial Audit
Date:	Years ending June 30, 2015 - present
Engagement partner:	Mr. Scott Manno
Total hours:	240
Contact person:	Dr. Brad Rockabrand, Finance Director (661) 256-5812, brockabrand@rosamondcsd.com

Entity:	***San Bernardino Valley Municipal Water District***
Scope of work:	Financial Audit
Date:	Years ending June 30, 2004 - present
Engagement partner:	Mr. Brad Welebir
Total hours:	225
Contact person:	Mrs. Cindy Saks, Finance Manager, (909) 387-9224, cindys@sbvmwd.com

Entity:	***Big Bear Area Regional Wastewater Agency***
Scope of work:	Financial Audit/ACFR*
Date:	Years ending June 30, 2012 - present
Engagement partner:	Mr. Scott Manno/Mr. Brad Welebir
Total hours:	200
Contact person:	Ms. Christine Bennett, Finance Manager, (909) 584-4522, cbennett@bbarwa.org

Entity:	***Beaumont Cherry Valley Water District***
Scope of work:	Financial Audit/ACFR*
Date:	Years ending December 31, 2018 - present
Engagement partner:	Mrs. Brianna Schultz/Mr. Scott Manno
Total hours:	250
Contact person:	Mr. William Clayton, Senior Finance and Administrative Analyst (951) 845-9581, william.clayton@bcwd.org

Entity:	***Triunfo Water & Sanitation District***
Scope of work:	Financial Audit/ACFR*
Date:	Years ending June 30, 2020 - present
Engagement partner:	Mr. Scott Manno
Total hours:	150
Contact person:	Ms. Vickie Dragan, Director of Finance (805) 658-4649, vickiedragan@triunfowsd.com

Affirmative Statements

Statement of Independence

Rogers, Anderson, Malody & Scott, LLP is independent of the District and any component units, as defined by general standard number two of the generally accepted auditing standards, and by the second general standard for government auditing in the U.S. Government Accountability Office's *Government Auditing Standards*.

License to practice in California

Rogers, Anderson, Malody & Scott, LLP is licensed to practice in the State of California. Our key professional staff, which includes the partners, managers, and supervisors, are all certified public accountants licensed to practice in the State of California and follow all applicable Board of Accountancy standards.

Specific audit approach

Services to be provided

The District desires the auditor to express opinions on the fair presentation of the financial statements for the following: the Rainbow Municipal Water District, in accordance with generally accepted accounting principles.

In addition, we shall:

- Apply certain limited procedures related to Management's Discussion and Analysis and Required Supplementary Information and provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules, if applicable.
- Preparation and filing of the Annual Financial Transactions Report of Special Districts to the State Controller's Office.
- Review compliances with relevant laws, regulations and District policies that may have a material effect on the financial statements.
- If the entity exceeds the single audit threshold, we will perform a single audit over major programs compliance under the OMB Uniform Guidance.

Our audit(s) will be in accordance with:

- Generally Accepted Auditing Standards as promulgated by the American Institute of Certified Public Accountants, including requirements found in the most recent AICPA audit guide *Audits of State and Local Governments*.
- Government Auditing Standards issued by the Comptroller of the United States of America.
- Minimum Audit Requirements and Reporting Guidelines for California Special Districts, as required by the California State Controller's Office.
- Single Audit Act of 1984, as amended in 1996, if the single audit threshold is met.
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance), if the single audit threshold is met.
- Any other applicable standards for other items outlined in the Scope of Work to be performed and/or reports to be issued.

Reports to be issued:

- A report on the fair presentation of the financial statements in conformity with GAAP.
- A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* (material weaknesses or significant deficiencies).
- Prepare Management Letter that includes significant and less significant (i.e., reportable and non-reportable) recommendations for improvements to internal control.

Specific audit approach (continued)

- A report in compliance with requirements applicable to each major federal program and internal control over compliance in accordance with the *Uniform Guidance*, if the single audit threshold is met.
- We will issue reports to those charged with governance (SAS 114 letters) as required by auditing standards.

RAMS will also perform the following:

- Conduct a pre-audit and exit conference with management to discuss audit plans, and communicate any findings/recommendations.
- Present to the Board of Directors to discuss the audit opinion, results of the audit, internal control observations, and any significant issues identified during the audit.
- Make an immediate, written notification of all irregularities and illegal acts or indication of illegal acts of which we become aware to the following: Board of Directors, President and the District General Manager.
- Provide electronic copies of all reports and supporting documents.

Engagement approach

Our engagement approach for your audit is meticulously designed to ensure measurable progress and successful outcomes. This involves setting clear goals and maintaining frequent communication between the engagement partner, lead auditor, and the team. Our approach leverages our extensive knowledge and expertise in governmental accounting and auditing to identify and address key audit and accounting risks specific to the government sector. Each year's audit includes a complete reassessment of the control environment, enabling us to respond to any changes in risk assessment effectively.

Key components of our engagement approach

Knowledge and Experience: With over 78 years of auditing governmental entities of all sizes, we possess in-depth knowledge of the governmental environment. This enables us to perform efficient and effective audits, conduct detailed risk assessments, and identify significant audit risk areas within the District's control environment.

Intelligent Design: Utilizing advanced audit software and data analytic tools (Engagement and Teammate Analytics), we can analyze large volumes of data quickly, enhancing both the efficiency and effectiveness of our audits.

Professional Oversight: Our partners, managers, and supervisors have extensive experience in governmental audits, allowing us to design and execute audit strategies that are both effective and efficient.

Timeliness: Meeting deadlines is a professional commitment for us. We ensure that all required and agreed-upon deadlines are met.

Open Communication: Maintaining open lines of communication with all parties involved, including District management and staff, helps eliminate surprises and ensures a smooth audit process.

Availability: Our engagement team members are available year-round for any questions or additional consultation. District staff will have direct access to the partner, manager, and supervisory staff during and after the engagement.

Cost-Effectiveness: Our customized audit approach and experienced auditors help reduce overall audit costs while delivering effective audits and high-quality reports.

Specific audit approach (continued)

Risk-Based Approach: We perform detailed risk assessment procedures to understand the District and its environment, including internal controls. This forms the basis for our assessment of risks of material misstatement at the financial statement and relevant assertion levels. We may perform further audit procedures concurrently with risk assessment, as necessary.

As stated in our proposal, our primary objective is to conduct an audit of the financial statements in accordance with required auditing standards and to express an opinion on those statements. Our engagement approach also offers several value-added benefits at no additional cost:

Efficiency and Minimal Disruption: Our audits are designed to be efficient and effective, minimizing disruption to office operations.

Practical Observations and Recommendations: We provide practical observations and recommendations on internal control issues, accounting standards implementation, and related policies and procedures.

Operating Efficiency Opportunities: We identify opportunities for operating efficiencies that can help reduce the District's operating costs.

By employing this comprehensive engagement approach, we ensure that the District's audit is conducted with the highest standards of quality and professionalism.

Audit approach and proposed audit segmentation

The following is a summary of the audit team's approach for your engagement. The audit will be divided into the following segments:

Segment 1 - Interim Testing: Planning, Pre-Audit Administration, and Internal Control Testing

Objectives: During this phase, our principal objectives will be to gather information about the District and its environment, including its internal controls over financial reporting.

Approach:

- **Initial Meetings:**
  - Meet with the District's staff to determine convenient dates to begin our audit and to discuss the assistance to be provided by the District's staff.

- **Engagement Team Brainstorming:**
  - Hold brainstorming sessions with engagement team members to discuss the susceptibility of the District's financial statements to material misstatement and fraud.

- **Review and Evaluation:**
  - Review and evaluate the District's accounting and reporting processes by examining the prior year's audit workpapers, District-prepared documents such as budgets, in-house financial reports, previously issued financial statements, organizational charts, manuals, programs, policies and procedures manuals, and minutes of governance meetings.
  - Perform analytical procedures to enhance our understanding of the District and identify areas that may need further assessment and additional testing.

- **Regulatory Review:**
  - Review and retain copies of any pertinent local, state, and federal statutes, regulations, or charters that apply to the District.

Specific audit approach (continued)

- Obtain a full population of potential compliance areas to perform testing and select a random or stratified sample, utilizing our data analytic software, to ensure a true representation of the appropriate compliance requirements are being selected.

- **Internal Control Evaluation:**
  - Obtain a thorough understanding of the District's internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiries, and observation.
  - Evaluate the design of controls relevant to the audit and test controls, if control risk is to be assessed below maximum, by selecting a sample of transactions and reviewing supporting documentation.

- **Management Communication:**
  - Document and review any findings noted during the testing of internal controls with management.
  - Provide a preliminary management letter with recommendations for improving any weaknesses in operations and suggestions for enhancing the efficiency of the District's operations.

- **Audit Data Analytics:**
  - Utilize powerful audit data analytic software to analyze large amounts of data quickly and focus on areas/transactions that are red flagged.

IT General Controls:

- **Security Access Controls:**
  - Evaluate general system security settings, password parameters, processes for adding, deleting, and changing security access, access capabilities of various user types, access controls to networks and financial applications, data file access controls, and physical access to networks and servers.

- **Computer Operations:**
  - Evaluate backup and recovery processes and review procedures for identifying and handling operational problems.

- **System Development and Changes:**
  - Evaluate processes related to system development and system changes, if applicable.

- **Application Testing:**
  - Determine the necessity of testing application controls based on professional judgment during the planning stages of the engagement.

Audit Team: This phase will be performed by the audit senior and two to three staff accountants, under the direct supervision of the audit manager and partner.

This comprehensive approach ensures a thorough understanding of the District's financial environment and internal controls, setting a solid foundation for the audit.

Specific audit approach (continued)

Segment 2 - Year-End Testing: Substantive Testing

Objectives: During this phase, our primary objectives will be to assess the risk of material misstatement at the financial statement level and specific assertions, design overall responses to assessed risks and further audit procedures, perform substantive tests, and complete the audit while evaluating audit findings, if applicable.

Approach:

- **Risk Assessment and Audit Plan Development:**
  - Identify significant risks and develop a detailed audit plan using the results from Segment 1.

- **Design and Perform Substantive Tests:**
  - Design substantive tests of account balances tailored to the District's operations and assessed level of risk. Substantive procedures will include testing material balance sheet accounts, material revenue and expenditure/expense accounts, along with various analytical procedures, as necessary.
  - Confirm various accounts with outside parties (e.g., cash, investments).

- **Risk Evaluation:**
  - Determine whether our testing supports the initially assessed level of risk at both the financial statement level and the assertion level.

- **Audit Adjustments:**
  - If any proposed audit adjustments are noted, we will discuss and explain them in detail with the appropriate level of management before posting.

Audit Team: This phase will be performed by the senior accountant and two to three staff accountants, under the direct supervision of the audit manager and partner.

Segment 3 - Reporting: Report Preparation and Audit Conclusion (Workpaper Review)

Objectives: During this phase, our principal objectives will be to evaluate whether the financial statements, as a whole, are free from material misstatement, form an opinion(s), and issue our report.

Approach:

- **Material Misstatement Evaluation:**
  - Determine, based on our substantive testing and other procedures, whether the financial statements, as a whole, are free of material misstatement. This will provide the basis for our opinion(s).

- **Workpaper Review:**
  - Review all audit workpapers to ensure the audit was performed in accordance with required standards (GAAS, GAGAS, etc.) and prepare drafts of all required reports by the agreed-upon dates.

- **Quality Control Review:**
  - Conduct an independent review of the financial statement draft by the engagement's quality control partner and issue all reports by the agreed-upon dates.

Audit Team: This phase will be performed by the audit senior and one staff accountant, under the direct supervision of the audit manager and partner. Additionally, the engagement's quality control partner will perform a detailed quality control review of the financial statements.

Specific audit approach (continued)

Customization and Communication: The procedures listed above are general. After our initial review of the District and our detailed risk assessment, we will customize the engagement to address the specifics of the District and the audit itself. We will determine which procedures to perform based on our risk assessment. All our audits are customized to each entity, ensuring a complete, effective, and efficient audit. Our approach is founded on open communication, a strong knowledge of the District's operations, and detailed planning at the initial stages of the audit.

Timeliness and Resource Allocation: Our firm is dedicated to performing a timely audit engagement. Prior to the start of the audit, we will meet with District staff to agree on adequate timeframes for the performance of the audit and the release of the financial statements. We will allocate the necessary resources to meet these agreed-upon timeframes.

Level of staff and approximate number of hours assigned to each segment

Segment	Partner	Manager	Senior	Staff	Total
Segment 1	4	5	11	21	41
Segment 2	7	8	23	41	79
Segment 3	4	5	11	20	40
Totals	15	18	45	82	160

Sample sizes (including for compliance testing)

Our sample sizes will be determined in accordance with the AICPA's *Audit and Accounting Guide, Audit Sampling*, and will be selected using professional judgment or our TeamMate Analytics software, depending upon circumstance, as permitted by Statement on Auditing Standards. Our methods are designed to provide the most audit coverage without expending excess time. Our sample sizes will depend upon our preliminary assessment of control risk, our planned substantive testing and analytical procedures as well as our professional judgement.

We utilize our Computer Aided Audit Tools (CAAT) software, Teammate Analytics, to draw our audit samples. The software allows us to generate random samples, systematic samples, stratified samples, attributes samples as well as monetary unit samples (also called probability-proportional-to-size or dollar unit sampling).

Intelligent audit technology

Our audits leverage advanced technology through powerful software tools such as Engagement and Teammate Analytics. Additionally, all audit team members are connected wirelessly, enabling real-time information sharing. The benefits of our audit technologies include:

- **Teammate Analytics:** This suite of over 200 dynamic Computer Aided Audit Tools (CAATs) allows us to analyze large amounts of data in seconds. Using data directly from the District, we can search for duplicate checks, detect transactions during unusual hours or on holidays/weekends, perform Benford's Law analysis, and identify instances where a vendor has issued multiple invoices with sequential references, among many other tests. This empowers our audit teams to perform powerful and meaningful data analysis, enhancing our value-added services.

Specific audit approach (continued)

- **Customized Analytical Schedules:** We create our own analytical schedules to easily compare current balances to prior year balances and current vs. budget balances, significantly reducing the time required from District staff.
- **Real-Time Financial Statement Analysis:** Once your trial balances and financial statements are entered into our software, we can review your financial statements in the field, allowing us to notice and address any variances immediately.
- **Linked Financial Statement Schedules:** We link financial statement schedules directly to our audit software trial balances, enabling us to provide the District with fund financial statements almost immediately after importing the trial balances.
- **Audited Trial Balances:** We provide the District with audited trial balances that show the coding of the financial statement schedules, making it easier for District staff to review. These reports include each account coded to a specific financial statement line item/function and journal entries posted during the audit.

Analytical Procedures

To effectively utilize analytical procedures, industry background and knowledge are essential. With our firm's extensive experience and qualified staff, we possess the necessary knowledge to apply analytical procedures efficiently throughout our audit of the District.

- **Interim Phase:**
  - Compare current and prior year unadjusted balances to identify areas requiring additional analysis.
  - Compare current year actual amounts to the District's annual budget (both original and adopted).

- **Final Phase:**
  - Perform procedures similar to those in the interim phase.
  - Compare certain financial ratios for current and prior years.
  - Conduct reasonableness tests.
  - Investigate any significant variances further through inquiry and additional substantive testing until resolved to our satisfaction.

- **Post-Fieldwork:**
  - Compare current and prior year audited balances, considering expected relationships based on our knowledge of the District, similar entities, and the general economic environment.
  - Utilize additional analytical techniques such as trend analysis as needed.

Unlike other audit firms, we use analytical procedures to supplement, not supplant, our substantive testing, ensuring a thorough and comprehensive audit.

Identification of potential audit problems

One potential problem could be the implementation of any future GASBS. With our deep understanding of governmental accounting and auditing, constant training, and broad resources, we do not anticipate any issues during a GASB implementation. Our approach to any GASB statement implementation would be as follows: gain a thorough understanding of the pronouncement; determine applicability to the District; if applicable, discuss the statement and how it will affect the District with District staff; and provide guidance to District staff on the accounting and financial reporting implications.

Specific audit approach (continued)

Auditing in a remote environment

The evolution of technology has revolutionized the accounting and auditing profession, enabling us to provide high-quality services remotely with efficiency, precision, and timeliness. During the COVID-19 pandemic, our firm adapted quickly to a fully remote audit environment and developed processes that have since become integral to our standard approach. These advancements not only enhanced the quality of our audits but also resulted in significant efficiencies for both our team and our clients.

Remote Audit Approach

- **Technology Utilization:**
  - We use secure cloud-based platforms for document sharing and management, such as Engagement Organizer, ensuring client data remains safe and accessible.
  - Video conferencing tools (e.g., Zoom, Microsoft Teams) facilitate real-time communication with District staff, enabling collaborative discussions and efficient issue resolution.

- **Workflow and Communication:**
  - Regular Communication: We maintain routine contact with clients throughout all phases of the audit via email, phone calls, and video meetings.
  - Responsiveness: Our team prides itself on quick turnaround times for questions or issues, making remote collaboration as seamless as on-site interactions.

- **Flexibility for On-Site Presence:**
  - While we anticipate performing the majority of our work remotely, we understand that some aspects of the audit may benefit from an on-site presence. If desired, we will work with the District to determine an acceptable staffing level for in-person activities, balancing health, safety, and operational needs.

Benefits of Remote Auditing

- **Efficiency Gains:**
  - Remote auditing reduces the need for travel time, allowing both auditor and auditee to focus on the tasks at hand, resulting in faster turnaround on requests and issue resolution.
  - Immediate access to digital documents and records eliminates delays associated with physical transfers of information.

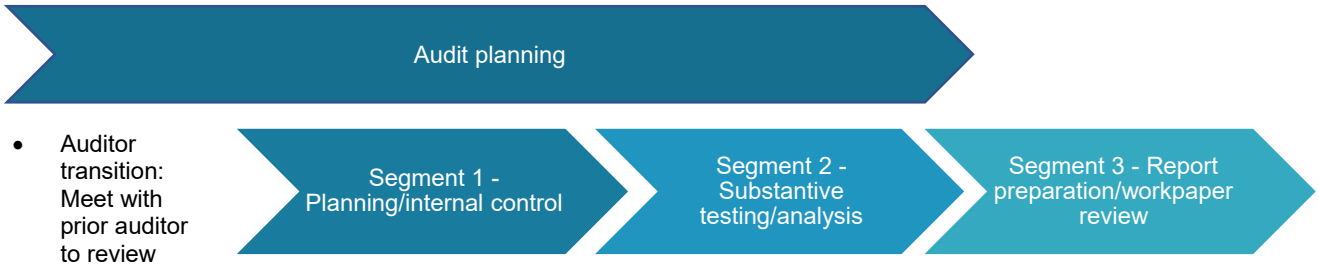
- **Enhanced Quality of Life:**
  - By minimizing travel, our staff can dedicate more time to client work and professional development, improving overall morale and productivity.

- **Environmental Impact:**
  - Reducing unnecessary travel decreases traffic congestion, lowers fuel consumption, and contributes to improved air quality in Southern California.

- **Year-Round Availability:**
  - Our remote-first approach fosters an ongoing partnership, encouraging clients to reach out throughout the year for guidance on matters that could impact the audit or their financial reporting.

Specific audit approach (continued)

Proposed audit timing



- Auditor transition: Meet with prior auditor to review workpapers.
- Entrance conference to meet with management for pre-audit planning.
- Preliminary risk assessment procedures.

Anticipated timing of each segment		
May/June	**September**	**October/November**
• Obtain an understanding of systems, internal controls, and current-year issues. • Assess and evaluate design and implementation of key internal controls (including IT related). • Perform tests of internal controls as needed. • Identify control deficiencies • Perform detailed risk assessment procedures. • Draft internal control comment letter. • Develop detailed audit plan – provide management with a detailed listing of items needed to perform the audit, including the timing of when items are needed.	• Perform substantive audit fieldwork, including substantive analytical procedures. • Consider whether audit evidence is sufficient to form an opinion. • Conduct exit conference with management to discuss proposed entries, internal control issues, etc.	• Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. • Review all workpapers. • Evaluate financial statements and note disclosures. • Perform final analytical procedures. • Draft required reports. • Issue final required reports by or before agreed upon date of December 15th of each year, provided that all previous milestones have been achieved. • Present to governing body as needed.

April 14, 2026

Rainbow Municipal Water District

Cost Proposal for Professional Auditing Services
For the Fiscal Year Ending June 30, 2026 through June 30, 2030

Contact Persons:
Scott Manno, CPA, CGMA
smanno@ramscpa.net

Gardenya Duran, CPA, CGMA
gduran@ramscpa.net

909.889.0871

Prepared By
Rogers Anderson Malody & Scott, LLP
735 E Carnegie Drive, Suite 100
San Bernardino, CA 92408

License #2596
FEIN 95-2662063

Rainbow Municipal Water District
Proposal for Professional Auditing Services
Cost Proposal

Cost summary

As highlighted in our technical proposal, we believe our fee estimate represents a fair and reasonable investment, aligned with the high level of service and expertise provided by our audit team members. While our bid may not be the lowest, our focus is on delivering the best value, and our pricing reflects this commitment.

We understand the importance of cost considerations and do not want fees to be a barrier in the District's selection of an auditor. We are open to discussing and negotiating fee-related matters to ensure they meet the District's needs and expectations.

In accordance with the Request for Proposal for Audit Services issued by the District, Rogers, Anderson, Malody & Scott, LLP hereby submits the following all-inclusive maximum cost proposal:

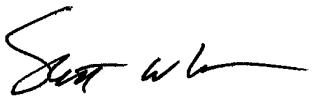
Service Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Audit of annual financial statements	$ 38,500	$ 39,660	$ 40,850	$ 40,850	$ 42,080
Annual Report of Financial Transactions (State Controllers Office Report). If requested	1,500	1,550	1,600	1,650	1,700
Total not-to-exceed	$ 40,000	$ 41,210	$ 42,450	$ 42,500	$ 43,780
Single Audit, if necessary*	$ 6,725	$ 6,930	$ 7,140	$ 7,350	$ 7,570

** = for the first major program, each additional major program $5,500.*

Position	Standard hourly rate	Quoted hourly rate
Partner	$ 450	$ 350
Manager	350	300
Supervisor	300	275
Senior accountant	250	225
Staff accountant	225	200

Should the District request the firm to perform additional work in order to supplement the services specified in this RFP, or to perform additional services as a result of recommendations included in any audit report issued under this engagement, such services shall only be performed under a written amendment to the contract. Any such additional work requested and authorized by the District shall be billed at the same hourly rates as set forth in the schedule of fees.

Certification: Scott W. Manno, CPA, CGMA, is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the District.



Signature — Partner (Title)

Scott W. Manno, CPA, CGMA
Name (print)

Cost summary (continued)

Governmental Accounting Standards Board Statements (GASBS) implementation

One potential problem could be the implementation of any future GASBS. With our deep understanding of governmental accounting and auditing, constant training, and broad resources, we do not anticipate any issues during a GASB implementation. Our approach to any GASB statement implementation would be as follows: gain a thorough understanding of the pronouncement; determine applicability to the District; if applicable, discuss the statement and how it will affect the District with District staff; and provide guidance to District staff on the accounting and financial reporting implications.

Condition of records

Our proposed fee assumes the following: the District will be adequately prepared for the audit and the District's financial operations and working trial balance will be consistent from year to year. If, after we receive the working trial balances, we notice there are excessive new accounts over the prior year; or if there are excessive subsequent journal entries; prepared by client workpapers do not agree to the working trial balances, there are new funds/functions within the District, etc., or other changes that necessitate a significant amount of time to address, we will need to come to an agreed upon change order to address any possible additional costs incurred by the firm. If the need for additional work comes to our attention, we will immediately notify District staff. If you choose to have us perform the additional work, then such work will be performed at the same hourly rates applicable to the audit and set forth in an addendum to the contract between the District and our firm.

Management is also responsible for the implementation of new standards issued by the Governmental Accounting Standards Board. We will provide reasonable assistance in the preparation of the items, but any significant time needed to complete the financial statements will be billed separately.

Our proposed fee is also dependent on all items requested being completed in the format requested or in a mutually agreed upon format and uploaded to the Engagement Organizer hosted by our firm in a timely manner in accordance with the agree-upon audit timeline.

Software conversion/change

We understand that the District may occasionally implement software changes or conversions as part of its ongoing efforts to improve operational efficiency and financial management. Our firm is well-equipped to support clients through these transitions and ensure that the audit process remains seamless.

If the District initiates a software change or conversion, our firm will work closely with District staff to update account numbers, names, coding, and other financial data elements in alignment with the new system. However, due to the additional time and resources required to accommodate these changes, there will be a minimum charge of $5,000 associated with this work.

This fee covers:

- **Data Mapping and Reconciliation:**
  - Updating account structures and mapping old accounts to the new system.
  - Verifying accuracy and consistency in account names, numbers, and coding.

Cost summary (continued)

- **System Testing and Validation:**
  - Testing reports and financial statements generated from the new system to ensure they align with audit requirements.
  - Addressing discrepancies or issues resulting from the conversion.
- **Process Adjustments:**
  - Modifying audit procedures to align with the new system's capabilities and reporting outputs.
  - Providing guidance on system-generated reports required for audit purposes.

We are committed to working efficiently and collaboratively with the District to minimize disruption and ensure a smooth transition. This additional charge reflects the specialized expertise and resources necessary to maintain the integrity and quality of the audit during periods of significant system change.

RAINBOW
MUNICIPAL WATER DISTRICT

BOARD ACTION
Item No. 10.B

BOARD OF DIRECTORS

May 26, 2026

SUBJECT

CONSIDER ADOPTION OF A RESOLUTION APPROVING A SUCCESSOR MEMORANDUM OF UNDERSTANDING BETWEEN THE RAINBOW MUNICIPAL WATER DISTRICT AND THE RAINBOW ASSOCIATION OF SUPERVISORS AND CONFIDENTIAL EMPLOYEES

BACKGROUND

The existing Memorandum of Understanding (MOU) with the Rainbow Association of Supervisors and Confidential Employees (RASCE) expires on June 30, 2026. Based on the Board's direction, the Administrative Services Manager began negotiations on a successor agreement with the designated representatives from the Rainbow Association of Supervisors and Confidential Employees in February 2026. The District and RASCE have reached a tentative agreement on all items included in the successor MOU.

DESCRIPTION

The proposed successor MOU covers the period of July 1, 2026, through June 30, 2031. A copy of the MOU is attached. The proposed successor MOU incorporates the following changes in terms:

COMPENSATION

- PAY GRADES: Maintains a CPI-based annual pay grade range movement, but adds a maximum grade movement of 4% to mitigate the impact of inflation on base pay escalation.
- COLA: Maintains the Cost-of-Living Adjustments (COLAs) as a CPI-based calculation, but adds a minimum increase of 1.5% and a maximum increase of 3%, shielding the District from potential impacts of high inflation during what could be a volatile economic climate.
- MERIT POOL: Restructures the merit award program to a merit pool system, which will allow the District to more accurately budget for labor costs and ensure that the actual merit awards are aligned with the budget, while maintaining a pay-for-performance system. The Merit Pool is established at 4% of annual salaries for the 5-year term. Employees at the top of their pay grades will receive 50% of the merit award.
- OVERTIME: Daily overtime will now be after 10 hours per day rather than 9, and weekend work will not automatically be overtime. It would only be overtime if the employee works more than 40 hours in the workweek, allowing for temporary schedule changes without triggering overtime.
- SHIFT DIFFERENTIALS: Introduces a 25% shift differential for scheduled night and weekend work that does not qualify for overtime.
- COMP TIME: Increased the maximum allowed compensatory time to 60 hours, and added a new optional cash-out window in November of each year.

BENEFITS:

- NEW COST SHARING FORUMULAS: Updated the benefits cost-sharing formulas as a response to recent premium increases and to achieve better competitive alignment with the cost-sharing ratios at comparator agencies.
- CASH-IN-LIEU: Ensures the Cash-in-lieu of benefits option is sufficient enough to cover potential out-of-pocket costs for employees to enroll in a spouse's group plan, yet low enough that the District has the potential for significant savings if employees opt out of our group benefits.
- HSA: Adds a what-if provision for how the District will adjust its Health Savings Account contributions if the insurance companies increase the plan deductibles.
- RETIREMENT SAVINGS PLAN MATCH: Offers moderate increases to the District's match for the 457(b) and 401(a) retirement savings plans. The District offers flat rate matches, rather than percentage matches, and it had been more than a decade since it had increased the match.
- PTO CASH OUT: Adds a tiered eligibility provision that reduces the number of hours that can be cashed out based on how many have been used. This incorporates an incentive to use PTO rather than the previous policy that had an unintended consequence of discouraging PTO use, and ensures a sufficient balance is maintained for employee use in case of unforeseen events.

OTHER PROVISIONS:

- ME-TOO: Eliminates the me-too clause, allowing each bargaining unit to negotiate independently based on their members' priorities, without impacting other bargaining units' ability to negotiate different terms if their members' priorities are different.
- NO STRIKES: Adds a no-strike clause to ensure continuity of service to the District's customers.
- 4/10 WORKWEEKS: Allows for a seasonal trial of 4/10 workweeks for specific departments if 2/3 of the employees in each department vote for it, subject to the General Manager's approval of each department's schedule to ensure sufficient coverage. After two years of seasonal trials, departments may apply for a year-round 4/10 schedule, also subject to General Manager approval. This could potentially reduce overtime costs, while also saving employees' commute costs, without sacrificing service availability to customers.
- SAFETY FOOTWEAR: Increases the annual allowance for safety footwear to $300. The allowance had not increased in the past five years, so the increase reflects an inflationary adjustment.
- UNIFORMS: Increases the quantity and frequency of District logo attire for specific departments with more customer contact and field work who do not participate in the uniform rental program.
- STANDBY PAY: Increased daily stipends for employees who are assigned Standby duty, ensuring the District can maintain its availability to respond to emergencies 24/7/365. The stipends had not increased in the past five years, so the increase reflects an inflationary adjustment.
- COMPASSIONATE LEAVE: Adds a compassionate leave provision for tragic and rare situations where an employee's child or spouse suddenly passes away or is diagnosed with a terminal illness, allowing the employee to support or grieve with their family while maintaining job security.
- SERVICE AWARDS: Adds service awards, currently outlined in the Administrative Code, to the MOU, and increases the amounts granted for each 5-year interval.
- SALARY SURVEYS: Adds a new provision clarifying the purpose and use of salary surveys, and confirms the District's obligation to meet and confer with the bargaining unit before implementing any changes based on survey data.
- OUT-OF-CLASS PAY & PROMOTIONS: Updates percentages for out-of-class pay and promotions to align with the new pay grade structure implemented earlier this year.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Three: Workforce Development
Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

1) Adopt a Resolution Approving a Successor Memorandum of Understanding between the Rainbow Municipal Water District and Rainbow Association of Supervisors and Confidential Employees.

   The estimated first-year fiscal impact of the new negotiated terms is $48,232 compared to the previous MOU terms, and the estimated fiscal impact for the full five-year term is between $166,087 and $509,168, depending on inflation rates over the next five years. This represents total year-over-year annual labor cost escalations between 3.6% - 4.5%.

2) Do not adopt the Resolutin Approving a Successor Memorandum of Understanding between the Rainbow Municipal Water District and the Rainbow Association of Supervisors and Confidential Employees, and provide staff with further direction.

STAFF RECOMMENDATION

Staff supports option #1 to Adopt the Resolution Approving a Auccessor Memorandum of Understanding between the Rainbow Municipal Water District and the Rainbow Association of Supervisors and Confidential Employees.



Karleen Harp — May 26, 2026
Administrative Services Manager

RESOLUTION NO. 2026-xx

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT APPROVING THE MEMORANDUM OF UNDERSTANDING WITH THE RAINBOW ASSOCIATION OF SUPERVISORS AND CONFIDENTIAL EMPLOYEES

WHEREAS, the Rainbow Association of Supervisors and Confidential Employees has had ongoing negotiations with the Board of Directors through the delegated authority to the Administrative Services Manager as Chief Negotiator for a successor agreement; and

WHEREAS, the employees and Board have reached an agreement on terms of employment for fiscal years 2027 through 2031; and

WHEREAS, the terms have been included in the Memorandum of Understanding;

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED, AND ORDERED that the Board of Directors of Rainbow Municipal Water District adopts Resolution No. 2025-xx approving the Memorandum of Understanding with the Rainbow Association of Supervisors and Confidential Employees for the term of July 1, 2026 through June 30, 2031.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Rainbow Municipal Water District held on the 26th day of May, 2026 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTENTIONS:

_____
Hayden Hamilton, Board President

ATTEST:

_____
Terese Quintanar, District Secretary

RASCE

RAINBOW ASSOCIATION OF SUPERVISORS AND CONFIDENTIAL EMPLOYEES

MEMORANDUM OF UNDERSTANDING



RAINBOW
MUNICIPAL WATER DISTRICT

July 1
2026

June 30
2031

RAINBOWMWD.CA.GOV



RESPONSIBILITY

We carefully steward public resources, follow through on our commitments, and proactively maintain the infrastructure, systems, and safeguards that ensure reliable service delivery, fiscal stability, and long-term community resilience.

INTEGRITY

We act with strong ethics, transparency, and accountability, communicating openly, honoring our commitments, and making decisions that build public trust while supporting responsible financial management, regulatory compliance, and resilient operations.

PROFESSIONALISM

We treat others with respect, communicate clearly and consistently, and demonstrate the high-quality service, reliability, and customer focus expected of a public agency committed to safety, operational excellence, and continuous improvement.

INNOVATION

We embrace new ideas, modern tools, and continuous learning, using data, technology, and creative approaches to improve efficiency, strengthen system resilience, enhance customer experience, and drive smarter decisions across the organization.

TEAMWORK

We collaborate across departments, with our Board of Directors, customers, and partner agencies to share information, solve problems, advance technology and data-driven decisions, and support a culture where everyone contributes to high-quality service.

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PREAMBLE

This agreement is made and entered into on May 26, 2026, to be effective July 1, 2026, and between Rainbow Municipal Water District, hereinafter referred to as the District, and the Rainbow Association of Supervisors and Confidential Employees, hereinafter referred to as "Association."

RECITALS

WHEREAS, the District has voluntarily endorsed the practices and procedures of collective negotiations as a fair and orderly way of conducting its relations with its employees insofar as such practices and procedures are appropriate to the functions and obligations of the District to retain the right to operate the District effectively, responsibly and efficiently; and

WHEREAS, it is the intent and purpose of the parties to set forth herein their entire agreement covering rates of pay, wages, hours of employment, and other conditions of employment; to increase the efficiency and productivity of employees in the District; and to provide for prompt and fair settlement of grievances without an interruption of or other interference with the operation of the District;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties do mutually covenant and agree as follows:

Both parties mutually agree that their objective is for the good and welfare of the District and Association members alike. Both parties further agree that, in the interest of collective bargaining and harmonious relations, they will always abide by the terms and conditions as hereafter set forth and agreed upon. The District and Association regard all personnel as public employees who are to be governed by high ideals of honor and integrity in all public and personal conduct to merit the trust and confidence of the general public and fellow employees.

ARTICLE 1: RECOGNITION

The District recognizes the Rainbow Association of Supervisors and Confidential Employees as representative of the bargaining unit set forth below, if said Association represents a simple majority of the District's hourly Supervisors and Confidential Employees. The District agrees to meet and confer with said Association on all matters relating to the scope of representation for the employees of said representation unit, as required by the Meyers-Milias-Brown Act and other laws.

The recognized bargaining unit shall consist of all full-time hourly Supervisors and Confidential Employees of the District who are affiliated with the Association. Part-time employees, defined as any employee whose regular work schedule averages fewer than 30 hours per week, are not represented by Rainbow Association of Supervisors and Confidential Employees and are not covered by the provisions in this Memorandum of Understanding.

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ARTICLE 2: IMPLEMENTATION

It is agreed that this Memorandum of Understanding shall not be effective until the District Board of Directors:

- Acts, by majority vote, to formally approve and adopt said Memorandum of Understanding;
- Acts to budget the necessary funds required to implement the provisions of the Memorandum of Understanding, which require funding;
- Agrees to work under the provisions of the existing Memorandum of Understanding until a successor agreement is reached; and
- The agreement is executed by the designated District Board of Directors and the Association representative.

ARTICLE 3: TERM

The term of this Memorandum shall be in effect for five years commencing on July 1, 2026 and all terms, including grievance procedures, shall expire and otherwise be fully terminated at 12:00 midnight on June 30, 2031.

ARTICLE 4: RENEGOTIATION

In the event that the Association and the District desire to negotiate the provisions of a successor Memorandum of Understanding, said party shall serve upon the other no later than January 15, 2031, its written request to commence negotiations. Upon receipt of such written notice, the meet and confer process shall begin no later than February 15, 2031, unless written notice is given by either party and agreed to by the other party before February 15, 2031, agreeing to an alternate starting date. The target date for completion of negotiations is June 1, 2031.

A meeting shall be scheduled by December 6, in the year before the contract term expires, between the Association Presidents and Human Resources to review MOU timelines, clarify mutual expectations, and establish a clear framework for the next negotiation cycle. The meeting invitation shall be initiated and distributed by Human Resources.

ARTICLE 5: NON-DISCRIMINATION

The District and Association mutually agree that there will be no discrimination against any employee in the application of the terms of this agreement by reason of race, sex, age, physical or mental disability, religion, sexual orientation, gender identity, or any other category protected by applicable federal, state, or local law. The District and Association agree that the District is permitted to take all actions necessary to comply with all applicable federal, state, and local laws and regulations, including but not limited to the Americans with Disabilities Act, and including all new laws and regulations enacted during the term of this agreement, regardless of any provisions of this agreement. The parties recognize and agree fully to protect the rights of all employees covered hereby to join or not join and participate in Association activities.

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ARTICLE 6: COMPENSATION

Section 1 Pay Grades

Pay ranges are established in the Rainbow Municipal Water District Pay Grades. The Board of Directors adopts the resulting pay grades and ranges in a separate action, which will be in alignment with this agreement. At the beginning of the pay period that includes July 1 of each subsequent year that this agreement is in effect, the following pay range adjustments will be made:

Non-Exempt Pay Grade ranges shall be increased by the greater of the 12-month percentage change in the San Diego-Carlsbad CPI-U or the Riverside Area CPI-U, most recently published by the Bureau of Labor Statistics as of April 30 of each year, rounded to the nearest tenth, with a minimum increase of 1.5% and a maximum increase of 4%.

The following hypothetical example illustrates how the pay range adjustment would be calculated:

EXAMPLE 1

If the San Diego-Carlsbad CPI-U is:

- March 2026: 370 (note: this is not the actual number)
- March 2027: 380
- The 12-month percent change is 2.7%; and

If the Riverside Area CPI-U is:

- March 2026: 133 (note this is not the actual number)
- March 2027: 136
- The 12-month percent change is 2.3%

In this case, the San Diego CPI would be higher, and the minimum and maximum of each Pay Grade range would increase by 2.7%

EXAMPLE 2

- If the highest 12-month change is the San Diego-Carlsbad CPI-U as of March 2027, at 5%, then the minimum and maximum of each Pay Grade range would increase by the 4% maximum.

Legacy Pay Grades will not be adjusted.

Base pay will not automatically be adjusted with the pay range adjustment except according to Section 2 – Cost of Living Adjustments, unless it is necessary to keep an employee's salary at the minimum of the pay range for their Pay Grade. The following examples illustrate when base pay would and would not be adjusted:

- If Salary Grade NE5 is $25.00 – 33.75 per hour, a 2.5% adjustment would move it to $25.63 - $34.60 per hour.
- If Employee A, with a base pay of $25.00, receives a 1.5% COLA adjustment to $25.38, they would receive an additional base pay adjustment up to the new pay grade minimum of $25.63.
- Employee B, with a base pay of $30.00 per hour, will receive a base pay adjustment only in accordance with Article 6, Section 2 – COLA.

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Section 2 Cost-of-Living Allowance

Each Association employee will receive a base pay Cost-of-Living-Adjustment based on the 12-month percentage change in the San Diego-Carlsbad CPI-U most recently published by the Bureau of Labor Statistics, as of April 30 of that year, rounded to the nearest tenth, with the following restrictions:

- The minimum COLA during this contract term shall be 1.5% per year, even if CPI is lower than 1.5%.
- In 2026, the maximum COLA will be 3%, effective at the beginning of the pay period that begins after July 1, 2026;
- In 2027, the maximum COLA will be 3% as of the start of the pay period that includes July 1.
- In 2028, the maximum COLA will be 3% as of the start of the pay period that includes July 1.
- In 2029, the maximum COLA will be 3% as of the start of the pay period that includes July 1.
- In 2030, the maximum COLA will be 3% as of the start of the pay period that includes July 1.

Section 3 Performance Evaluations and Merit Awards

Section 3.1 Performance Evaluations

All employee evaluations will be prepared after the end of the fiscal year according to the following schedule:

Employee Self-Evaluations are due by:	**July 31**
First draft evaluations to be submitted to Human Resources by:	**August 31**
HR and General Manager to review and approve final drafts by:	**September 30**
All final reviews to be delivered to employees by:	**October 31**
Merit Calculation Notices to be issued to employees by:	**December 1**

New employees hired between January and June of each year may follow a modified evaluation schedule to allow their Manager more time to assess performance, but the final review shall be delivered no later than November 15th.

Performance reviews are not subject to the grievance procedures outlined in this MOU. Only review ratings of Inconsistent or Unsuccessful may be appealed. If the employee wishes to appeal a rating, the employee may submit a written appeal within 5 business days of receiving the review. The General Manager will make the final decision regarding the appeal and may consult with the supervisor, manager, human resources, the employee, or other knowledgeable parties to evaluate the appeal. The General Manager shall decide within 10 business days of receiving the appeal, and their decision shall be final.

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Section 3.2 Self-Evaluations

Self-evaluations give employees an opportunity to document their accomplishments and goals and provide feedback to management. Performance reviews are often more accurate and complete when the employee has a chance to proactively self-advocate before the review is drafted, especially when the employee has had multiple supervisors throughout the review period. However, some employees are more comfortable with this process than others. In the interest of respecting employee preference while encouraging employees to participate in this two-way, proactive feedback process, the following procedures will apply:

- Human Resources will conduct employee training on writing an effective self-evaluation before July 15 of each year.
- Completing a self-evaluation will be optional. Employees who wish to complete a self-evaluation will be given up to 3.5 hours of scheduled office time to complete it. Employees should coordinate timing with their supervisors to align with operational needs.
- If an employee elects not to complete a self-evaluation, that employee may not appeal the evaluation ratings after it is delivered.

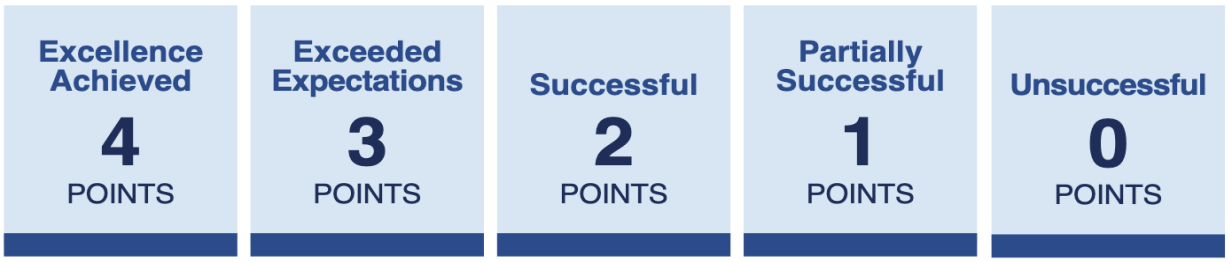
Section 3.3 Merit Pool

All Association employees shall be eligible for a merit award once per year, effective at the beginning of the pay period that includes January 1. Merit awards will be in the form of base pay increases unless the award would cause the employee's base pay to exceed the maximum of their Pay Grade. If this occurs, the employee will receive a lump sum equal to 50% of the remaining merit award above the pay grade's maximum.

Employees in Legacy pay grades will receive the full merit award.

Merit awards will be calculated using a merit pool. The merit pool will be calculated based on a 4% annual merit baseline.

The merit award will be determined for each employee based on a percentage of their base pay, calculated from the merit baseline percentage, and each employee's performance points relative to the average points earned per employee. The point value of each person's performance ratings in each performance category is as follows:



If the average employee earned 17 points, then:

Employees	Points Earned	Rating Ratio (points/average)	Percent Multiplier
A, D, G	15	15/17 = .88	4% x .88 = 3.52%
B, E, F	17	17/17 = 1	4% x 1 = 4%
C, H, I	19	19/17 = 1.12	4% x 1.12 = 4.48%

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Merit Calculation Examples:

Employee Base Pay	Merit Award	Top of Salary Grade	New Annual Base Pay	Lump Sum Award (50% of amount over pay grade max)
Employee A: $70,000	3.52% = $2,464	$82,000	$72,464	$0
Employee B: $80,000	4% = $3,200	$82,000	$82,000	(50% of $1,200) $600
Employee C: $90,000	4.48% = $4,032	$90,000	$90,000	(50% of $4,032) $2,016

Section 3.4 Prorating for Transition Years

For the first year that the merit pool system is in effect, and for future new hires and mid-year promotions, the merit awards will be prorated based on the number of months since the effective date of the employee's last review or merit award, or since they were hired or promoted.

New hires and promoted employees with a hire date, promotion date, or last review date between January and June will participate in the merit pool their first year, and new hires or promoted employees hired or promoted between July and December of each year will not participate in the merit pool until the following year.

For example:

- An employee whose last review date, promotion date, or hire date was in March will receive 9/12 of their allotted merit award, since only 9 months will have passed.
- An employee whose hire date, promotion date, or review date was in June will receive 6/12ths of their merit award, since six months will have passed.
- An employee whose last review date, promotion date, or hire date was in September will receive 15/12ths of their allotted merit award, since 15 months will have passed.

Section 4 Promotional Process

Section 4.1 Eligibility

Supervisors or Managers may recommend employees for promotion when the employee has demonstrated the knowledge, skills, and abilities required for the promotional classification, has achieved the required certifications, their most recent performance review had a Successful or higher rating in every category, and there was no disciplinary action within the past year.

Section 4.2 Promotional Increases

Standard promotional increases are 2.5% per pay grade when promoted to another hourly position. The General Manager may authorize a higher amount in unusual circumstances or when necessary to remain within the designated pay grade.

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Section 4.3 Timing Of Promotions

Promotions may occur at any time and are not required to coincide with the performance review cycle.

Employees promoted with the review cycle (effective January 1) will have their merit award applied first, followed by the promotional increase. Employees promoted between January and June will be evaluated no later than November 15th based on their partial-year performance. Employees promoted between July and December will be evaluated at the end of the fiscal year in which they were promoted. All employees promoted outside of the performance review cycle will receive a pro-rated merit award as described in Article 6, Section 3.4.

Section 5 Overtime

Section 5.1 Rate

Except as otherwise provided in this agreement, any employee covered by this agreement shall be paid at the rate of one and one-half (1..5) times their regular rate of pay for all hours of work over:

- Ten (10) hours per day Monday through Friday
- Forty (40) hours per workweek.

Employees will be paid at a rate of double their regular rate of pay for all hours of work over:

- Twelve (12) hours per day
- More than eight (8) hours on Sunday if the employee worked consecutively through the previous Monday through Saturday.

Employees on a 9/80 schedule who work more than 9 hours in a workday may elect to offset the additional hours worked by reducing the hours in another workday in the same workweek, with supervisor approval. However, they shall not be required to do so unless a temporary schedule adjustment was made at least one week in advance.

For the purposes of counting daily overtime hours, all hours for a continuous shift that spans two calendar dates will be counted on the calendar date the shift began, up to the scheduled start of the next shift.

All paid leave time is considered hours of work for calculating overtime under the negotiated agreement. It is understood that this is not required under the FLSA and may therefore not be reportable as eligible overtime for IRS reporting and tax deduction purposes.

All time worked during the employee's regularly scheduled shift will be paid at straight time to preserve the employee's pensionable pay, unless the employee has exceeded 40 hours in the workweek, in which case it will be paid at one and one-half (1.5) times the employee's regular rate of pay for all hours over 40 in the workweek.

To the extent that an employee receives overtime compensation under both this Agreement and the FLSA for the same hours worked, the District shall not be required to pay overtime more than once for the same hours (no pyramiding of overtime).

Overtime worked on holidays will be paid according to the terms in the section titled "Holidays" in this MOU. Weekend work will not be automatically considered overtime, but it will be paid in accordance with Article 6, Section 7 Shift Differentials.

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Section 5.2 Scheduling

All overtime hours worked must be approved by the employee's immediate supervisor. Immediate supervisors will make every attempt to release employees as soon as practical. Overtime shall be distributed equally, as practical, among the employees within the divisions of the District, except where emergencies or other existing conditions make equalization impractical or inefficient for the division.

Section 6 Compensatory Time

When any non-exempt employee works overtime, the employee may elect to accrue Compensatory Time Off instead of receiving a cash payment for the overtime. The amount of Compensatory Time Off will be based on the applicable overtime rate (one and one-half or double the regular rate of pay as specified in the Overtime Section).

No employee shall be allowed to accumulate over 60 hours of compensatory time. Any time over 60 hours shall not be eligible for accumulation and shall be included as hours paid in the employee's paycheck for the pay period in which it was earned.

Compensatory time shall be granted at such times and in such time blocks as are mutually agreed upon between the employee and their immediate supervisor; permission to utilize compensatory time off shall not be unreasonably denied if operating requirements will not be adversely affected.

All unused compensatory time will be paid out on the last pay date in December of each year. Employees will have the option to cash out Compensatory Time Off on the last pay date in June and on the last pay date in November of each year.

Upon separation from the District, employees shall be paid 100% of their accumulated compensatory time balance at their present rate of pay.

Section 7 Shift Differential

When an employee works a temporary schedule change on a Saturday or Sunday, or during night hours between 8 PM and 4 AM, and the time worked would otherwise be paid at straight time, the employee shall receive a shift premium equal to 25% of their base hourly rate.

Shift premiums shall be included in the regular rate of pay when determining FLSA overtime premiums for hours worked in excess of 40 hours in a workweek, but shall not "pyramid" or be paid on top of negotiated daily overtime premiums.

All straight time base pay earned while eligible for the shift premium will be reportable as pensionable hours worked, but the shift premium will not be reportable as pensionable pay.

Section 8 Call Back

Section 8.1 Definition

Callback work is defined as the time required of an employee who completes the employee's regular workday, departs from the District, and is ordered to report back to duty to perform necessary work. Suppose an employee is called, and the callback can be resolved by telephone without the employee returning to the District. In that case, the employee shall record the actual time spent resolving the matter on their timesheet. An employee will be paid for hours worked as specified in the Overtime Section.

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Section 8.2 Minimum Hours for a Call Back

Employees responding to a callback in person shall record the actual number of hours worked on the callback. Employees shall record a minimum of two (2) hours on their timesheet for the work performed, including a maximum of 30 minutes of travel time each way.

Section 9 Standby Duty

Section 9.1 Standby Duty Pay

When an employee is assigned to Standby Duty, a daily stipend of $60 for regularly scheduled workdays and $85 for alternative work schedule flex days off (Friday or Monday), weekends, and District-observed holidays will be paid. The stipend is the consideration for performing daily Standby Duties of an incidental nature and for any increment of time ("Incidental time").

Incidental time includes, but is not limited to, short phone calls, reading or responding to email or text messages, or filling out required paperwork that takes five (5) minutes or less of the employee's time. Incidental time included in the stipend is not eligible for additional pay unless the cumulative incidental time for the workweek collectively exceeds one hour. However, any incidental time exceeding one hour in a workweek will be compensated.

Section 9.2 Holiday Duty Pay

The Operations Manager/COO may assign more than one employee to be on Standby on holiday weekends. If additional employees are assigned to Standby on a holiday weekend, they will be paid the same daily Standby Stipend for each day they are assigned to Standby Duty. Employees on Standby Duty who work overtime on a District-recognized holiday or Easter Sunday will be paid according to the holiday pay provisions in Article 9, Section 1, Holidays.

Section 9.3 Pay for Time Worked Outside of Regular Hours

Employees will be paid for the actual time worked outside their regular hours when responding to an alarm or call at the applicable pay rate. Other than the stipend, employees on Standby Duty will not be compensated if the employee does not perform any work.

Section 9.4 Water Operations Standby Duty

For employees assigned to Water Operations Standby Duty, the approved time allowed to perform the routine daily Standby Duty tasks after the System Operator's regular working hours associated with monitoring the system and performing daily flow changes will be as follows:

- Up to 1 hour per day on regular workdays, paid at the applicable rate of pay.
- Up to an additional 1 hour per day on Fridays off and weekends at the applicable pay rate.

When the Operator cannot resolve an issue remotely and must drive in to perform work, they will be compensated for round-trip travel time to and from the site. The Operator will not be compensated for non-business-related travel time at any time.

While on a call-out, if the Operator receives a second call-out, the Operator will be paid for the actual time spent traveling to the second call, resolving that call-out, and for the travel time to their residence. Time for the previous call-out will end when the Operator starts responding to the second call-out.

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When alarms or calls occur between 11:00 PM and 5:00 AM, the System Operator will be paid for a minimum of 30 minutes of response time.

Section 10 Safety Leave

Section 10.1 Definition

Safety Leave is a minimum amount of non-work hours following an extended work shift that interrupts the usual sleep cycle. Non-scheduled work is when notification to work is provided with less than 24-hour advance notice. Scheduled work is when notification to work is provided with at least 24 hours' advance notice.

Excessive fatigue due to prolonged work periods or insufficient rest between work periods can lead to accidents, injuries, and even death. It is in the best interest of both the District and each employee to prevent excessive fatigue on the job. To this end, this policy will outline how extended work periods will be managed at the District.

Section 10.2 Required Time Off

Safety Leave is non-working hours to allow employees adequate rest after working long overtime shifts. When the required Time Off to Rest falls within a regularly scheduled work shift, Safety Leave shall be paid in the amount necessary to ensure no loss of pensionable hours. Paid Safety Leave is considered hours worked for purposes of PERS reporting.

A. Eligibility

Safety Leave will be awarded to employees who work extended overtime to ensure that they have an appropriate amount of rest between shifts.

B. Maximum Shift

The maximum length of time any non-exempt employee may work in any rolling 24-hour period is 18 hours.

C. Continuous Shift

After a continuous shift of 18 hours (excluding meal breaks), the employee must have a mandatory rest period equal to the length of the next day's scheduled shift. For example, an employee who starts at 6:30 A.M., works 18 hours (leaving at 1:00 A.M.) and is scheduled for 9 hours the following day may report back to work no earlier than 10:00 A.M. the following day. The employee will be awarded three and one-half hours of Safety Leave to make up the difference between the normal start time and the mandatory earliest report time (6:30 a.m. to 10:00 A.M.).

D. Safety Leave After Call Back

If an employee is called back to work for an overtime event after concluding a normal shift, the minimum rest period after concluding this overtime shift will be based on the following table:

Length of Overtime Shift	Minimum Rest Period
9 or More Hours	Length of Next Day's Scheduled Shift
7-8 Hours	8 Hours
5-7 Hours	7 Hours
3-5 Hours	5 Hours
Less Than 3 Hours	None

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E. Notification of Safety Leave

If the employee is given Safety Leave at or before the start of their normal shift, the person responsible for overseeing the job must inform the other supervisor of the employee's Safety Leave. Once an employee has been dismissed from the job, they are not required to personally call their supervisor to notify them of their Safety Leave.

The person running the job site is responsible for notifying the Supervisor or Manager when an employee has worked 16 hours in a 24-hour period and needs to be relieved for Safety Leave within the next two hours. The immediate supervisor or manager is responsible for taking appropriate action to ensure that employees do not exceed 18 hours.

F. Reporting Back to Work

The employee may report to work at the adjusted report-to-work time or may choose to take additional time for rest. Note that in certain circumstances, especially during periods where the employee is needed for urgent work, the immediate supervisor or manager may require the employee to return to work at the conclusion of their Safety Leave.

G. Additional Time Off

Suppose the employee voluntarily chooses to extend their rest period. In that case, the employee may choose to either take no pay or use Paid Time Off (PTO), compensatory time, or Holiday Bank time for this period.

H. Anticipatory Safety Leave

The Operations Manager/COO has the authority to grant Safety Leave in anticipation of shift changes for special projects and emergency shift changes with less than 24 hours' notice, so that employees may rest before reporting to work for night shifts.

I. Discretionary Rest Period

Any employee reporting to work who appears too fatigued to work safely, regardless of whether they worked overtime, may be sent home for rest at the discretion of their direct supervisor. In the interest of employee safety, supervisors are responsible for ensuring that each employee does not pose a hazard to others due to excessive fatigue. Employees sent home for rest can choose either to take no pay or use Paid Time Off (PTO), compensatory time, or Holiday Bank time for this period.

J. EOC Activation

In the event of an emergency and the activation of the Emergency Operations Center (EOC) by the General Manager, all mandatory maximum work periods and minimum rest periods are subject to the Incident Commander's discretion. Work and rest periods will be determined on a case-by-case basis as the District's immediate needs require.

Section 11 Out-of-Class Pay

An employee specifically assigned in writing to perform the duties of a higher-level position for one whole workweek or more shall be compensated an additional 2.5% of the employee's current rate of pay for each pay grade that the Out-of-Class job is above the pay grade of the employee's regular job classification.

For example, suppose an employee whose regular job classification is in pay grade NE-15. They are given an Out-of-Class assignment to fill in for a position in pay grade NE-17. In that case, they will receive 5% Out-of-Class pay. If they fill in for a position that is in pay grade NE-18 they will receive 7.5% Out-of-Class pay.

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Suppose the out-of-class assignment extends beyond 60 days. The Out-of-Class employee is filling in for another non-exempt position. In that case, the Out-of-Class pay shall be the greater of 2.5% per pay grade difference or the minimum of the pay grade for the job they are working Out of Class.

The department manager is responsible for completing the Personnel Action Notice and submitting it to the Human Resources Manager for processing as soon as the Out of Class assignment has been made. The employee and their bargaining unit representatives will be notified in writing at the beginning and end of their Out-of-Class assignment. After such an assignment, the employee shall be restored to the employee's former classification.

Section 12 Out of Class Certification Bonus

A one-time certification bonus of $200 will be awarded to an employee for achieving job-related certifications beyond those required for their current job classification, provided the certification appears in another job description within the same division, or it has been pre-approved by their Manager as relevant to the employee's job.

The current divisions are Operations, Engineering, Finance, Administration, Administrative Services, and Information Technology. The District reserves the right to modify or move Job Classifications, Departments, and Divisions at the General Manager's discretion. The District will meet and confer with the bargaining units on the impact of these changes if they occur.

Section 13 Bilingual Pay Stipend

A $25 weekly stipend will be awarded to bilingual employees who work in specific job classifications, subject to the terms below:

- Eligible job classifications are those in which the primary job functions require frequent, direct communication with customers or members of the public, in settings where the use of a translation app is not possible or practical, such as over the phone.
- Bilingual pay is not available for positions that may use bilingual skills on an incidental or occasional basis or where customer contact is less than 10% of work time.
- Employees whose positions do not qualify above but who take Water or Wastewater Standby Duty will be eligible for the Bilingual Stipend on the weeks they are assigned Standby Duty.
- Eligible languages include any language that more than 10% of the District's population speaks as their primary language. Currently, Spanish is the only qualifying language.
- Employees must pass a District-selected language assessment to demonstrate proficiency before becoming eligible for the Bilingual Pay Stipend.
- The effective date of the stipend is the first whole work week after the employee passes the assessment.

Section 14 Retirement Notice Bonus

To encourage and reward advance notice of an employee's intent to retire, the District will pay a $1,000 Retirement Bonus to employees who provide more than six months' written notice of the intended retirement date. The bonus shall be paid on the employee's last day worked, provided the actual date is within one month of the date given in the Notice of Intent to Retire.

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Notices of Intent to Retire may be rescinded within 28 days of submittal. After that point, the District begins to devote considerable time and resources to preparing for the employee's retirement. Therefore, the notice cannot be rescinded after 28 days. If an employee rescinds their Notice of Intent to Retire, they will forfeit their eligibility for the Retirement Notice Bonus in the future.

ARTICLE 7: WORK SCHEDULES

Section 1 9/80 Shifts

The default schedule for all employees is a 9/80 work schedule.

- Employees on the 9/80 alternative work schedule will be scheduled to work eighty (80) hours in nine (9) workdays, typically consisting of eight (8) days of nine (9) hours a day and one (1) day at eight (8) hours, with one (1) weekday off each pay period.

- For weekly overtime calculation purposes, the definition of the workweek for employees on a 9/80 schedule is a 7-day period starting and ending four hours after the scheduled beginning of the eight (8) hour day.

Section 2 10/80 Shifts

Field personnel who work independently and office personnel may request a traditional 10/80 (5-day workweek) schedule with formal written approval from their supervisor.

Section 3 4/10 Shifts

A 4/10 Alternative Work Schedule may be made available to field staff, on a limited, trial basis, under the following conditions:

A. The 4/10 schedule shall be seasonal and begin no earlier than the pay period that includes **April 1** and continue no later than the pay period that includes **September 30** of each year. The remainder of the year will continue the 9/80 schedule.

B. The default 4/10 schedule shall be from **6:30 AM to 5:00 PM** to ensure adequate daylight for field work, and to comply with noise restrictions that prohibit non-emergency noisy work before 7 AM.

C. To ensure adequate service delivery to customers and meet operational needs, department supervisors or managers **may assign Monday–Thursday, Tuesday–Friday, or alternating schedules** (one week Mon-Thurs, one week Tues-Fri).

D. **All employees of each department shall be on the same 4/10 or 9/80 schedule.** Employees in job classifications that are not eligible for remote work from the following departments shall vote by secret ballot no later than April 1st of each year on whether they would like to request the seasonal 4/10 schedule: IT, Purchasing/Facilities, Meters, Engineering, Wastewater, Construction, System Operations/Valve Maintenance, and Fleet Services.

E. If at least 2/3 of the eligible employees vote to request it, the supervisor will create a proposed schedule for each employee, including the days of the week and start and end times, and present it to the General Manager for final approval. The General Manager shall communicate whether the 4/10 shift is approved no later than April 15th.

F. For 2026, the department's votes shall take place as soon as possible after ratification of this contract, with a potential start in the first full pay period in July.

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G. The General Manager will re-evaluate the operational impact of the 4/10 schedules at the end of each seasonal trial period and **reserves the right to discontinue or extend the trial in future years during the term of the MOU** for any or all departments if it is determined to have had a negative or positive impact on service delivery, overtime, or operations.

H. Beginning with calendar year 2028, departments may request an extended trial period**.**

I. Employees working a 4/10 schedule shall receive overtime in accordance with the Fair Labor Standards Act (FLSA) and the provisions of this MOU. For FLSA overtime calculation purposes, the workweek for employees on a 4/10 schedule shall begin at 12:00 AM on Saturday and end at 11:59 PM on Friday.

J. Holidays falling on a scheduled workday shall be compensated at ten (10) hours, and holidays falling on a regularly scheduled day off shall be handled consistent with District policy and this MOU.

Section 4 Temporary Schedule Changes

From time to time, temporary schedule changes may occur to cover evening or weekend special events, to perform work that can only be done at night or during off-hours, or to accommodate an employee's request. Temporary schedule changes shall be communicated to employees at least one week in advance. If a temporary schedule change includes weekend or night work, compensation will be paid in accordance with Article 6, Section 7, Shift Differential. Employees who work a weekend shift may be scheduled for time off later in the workweek in lieu of exceeding 40 hours for the week, subject to operational needs and supervisor approval.

ARTICLE 8: EMPLOYEE BENEFITS

Section 1.1 Medical, Dental, and Vision Insurance

The District shall offer affordable group medical, dental, and vision insurance plans to all full-time employees. The amount the District contributes toward insurance premiums will vary based on the health plan and coverage tier the employee selects.

Due to the possible volatility of the health insurance market, the District and the bargaining unit agree that certain circumstances may warrant renegotiating the terms of this Section of this Article before this contract expires. The following circumstances may trigger a renegotiation of this Article:

- If the health plans the District offers become unavailable due to factors outside the District's control, such as unilateral changes imposed by an insurance carrier;
- If premium costs for an offered plan increase by more than 20% in a single year;
- If the District and the bargaining unit both desire to seek comparable plans with lower premium costs from other insurance carriers.
- If any of these conditions occur, the District will notify the bargaining unit President in writing of its intent to renegotiate this Article within 7 days of discovering the change for changes to be effective in the following plan year.

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Section 1.2 Health Savings Account Deposits

Employees who elect to enroll in either the Anthem or Kaiser high-deductible Consumer Driven Health Plans will be eligible to enroll in tax-exempt Health Savings Accounts. Per IRS regulations, Health Savings Accounts may be used to pay for out-of-pocket medical expenses, including copays, prescriptions, and other qualifying expenses.

On the first banking day of the calendar year or the first banking day after a new hire's effective date of health insurance coverage, the District will make deposits into the Health Savings Accounts on behalf of the eligible employees. The amount the District will fund depends on the employee's coverage tier, as follows:

Plan Selected	Amount Funded into HSA		
	Employee Only	Employee + 1	Family
Anthem CDHP	Full Deductible ($1,700)	$3,200	$3,200
Kaiser CDHP	Full Deductible ($1,700)	$3,200	$3,200

Employees may elect to contribute additional funds to their Health Savings Accounts through payroll deductions, up to the IRS annual contribution limits.

The dependent tier HSA contributions listed above make the net deductible $200 for the year based on the 2026 plan year's deductibles. Suppose the IRS or a plan vendor unilaterally increases the deductibles for the CDHP plans. In that case, the District will increase the Health Savings Account contribution amounts as follows:

Employee-Only: to match the employee-only deductible and maintain a zero net deductible.

Dependents: The District will increase its HSA contribution to maintain a net deductible of $200, unless the combined costs of the annual premium plus the HSA contribution exceed the same vendor's annual premium cost for its comparable plan. In that case, the District will maintain the $3,200 HSA contribution amount. The following hypothetical examples illustrate this:

Plan	Annual Premium	Deductible	HSA contribution would be:	Net Deductible	Total Annual Cost
Anthem PPO	$30,000	$600	Not eligible	$600	$30,000
Anthem CDHP	$24,000	$3,500	$3,300	$200	$27,300
Anthem CDHP	$28,000	$3,500	$3,200	$300	$31,200
Kaiser HMO	$26,000	$0	Not eligible	$0	$26,000
Kaiser CDHP	$20,000	$3,600	$3,400	$200	$23,400
Kaiser CDHP	$23,000	$3,600	$3,200	$500	$26,200

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Section 1.3 Employee Only Health Coverage

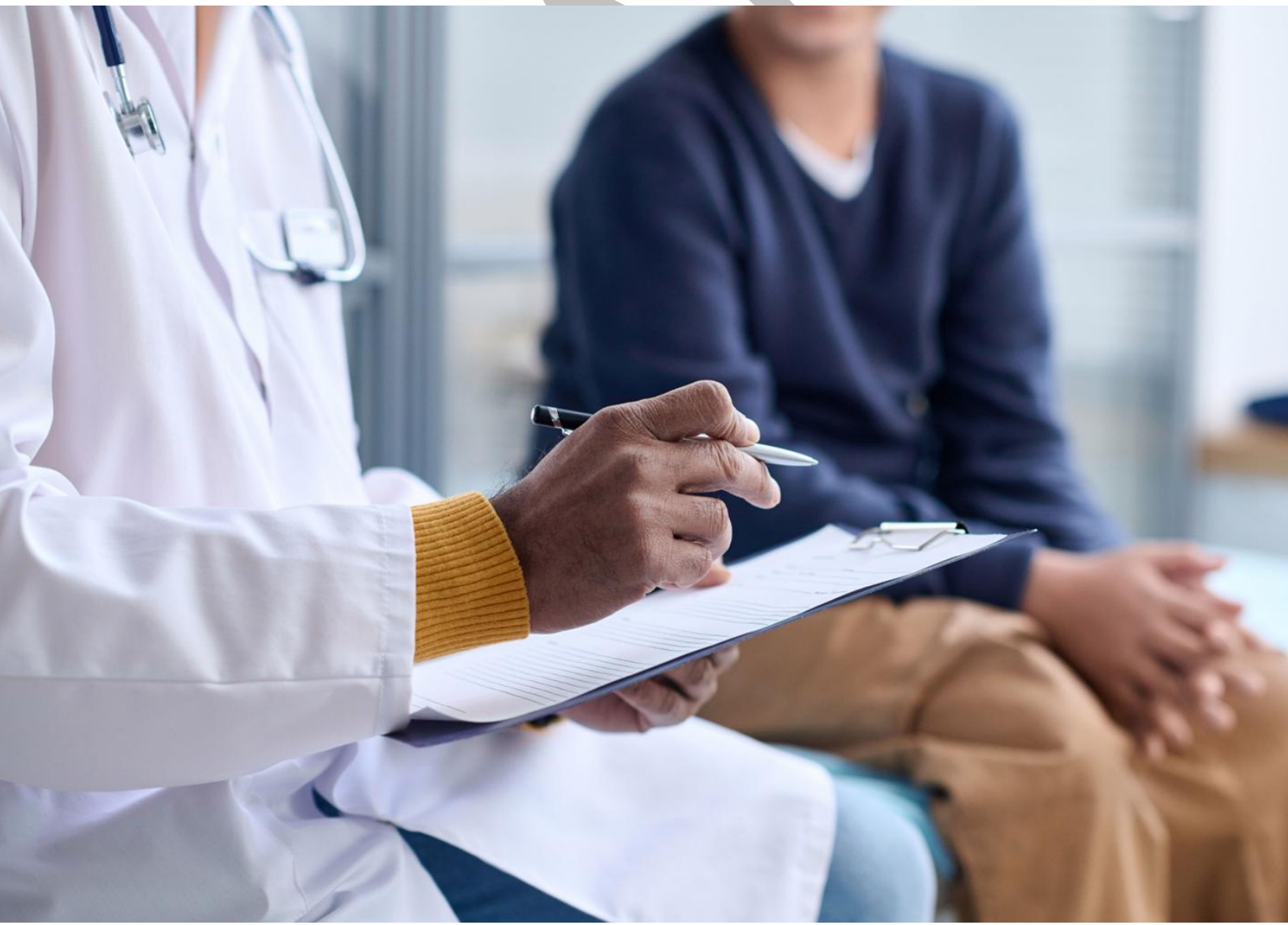
Beginning with the plan year that begins January 1, 2027, the District will pay 100% of the premium for employee-only coverage for the four least expensive plans, ranked by the combined premium and HSA contribution costs. If an employee elects the most expensive plan, the employee will contribute the difference in cost between the fourth plan and the higher-cost plan through payroll deductions.

Example 1:

- If the fourth plan is the Anthem PPO with $12,000 annual premiums, and
- The most expensive plan is the Anthem HMO with $13,000 in annual premiums, then
- The employee will pay $1,000 for the year, or $41.67 per pay period.

Example 2:

- If the fourth plan is the Anthem CDHP with $10,500 annual premiums, and a $1,700 HSA contribution, and
- The most expensive plan is the Anthem HMO with $13,000 in annual premiums, then
- The employee will pay $800 for the year, or $33.33 per pay period.



Section 1.4 Dependent Care Coverage

The District will contribute towards the total costs for the Employee + 1 or Family coverage tiers, including premiums and HSA contributions, at varying levels based on the selected plan, as shown in the chart below.

Plan Ranking	District Contribution to Total Costs	Employee Cost Share
First plan (least expensive)	100%	FREE
Second Plan	90%	10%
Third Plan (middle plan)	90%	10%
Fourth Plan	85%	15%
Fifth Plan (most expensive)	85%	15%

The Plan Rankings will be determined independently for each coverage tier, and the rankings for Employee + 1 and Family coverage may differ and change from year to year.

The following example illustrates how the cost share for dependent care coverage will be calculated:

Plan Ranking & District/EE Cost Share	Plan Name* (example only, ranking could change annually)	Coverage Tier	Annual Premium Cost* *example only	District HSA Contribution	District Cost Share	Employee Cost Share
First plan (100%/0%)	Kaiser CDHP	Employee +1	$16,000	$3,200	$19,200	$0
Second Plan (90%/10%)	Kaiser HMO	Employee +1	$20,000		$18,000	$2,000
Third Plan (90%/10%)	Anthem CDHP	Employee +1	$22,000	$3,200	$22,680	$2,520
Fourth Plan (85%/15%)	Anthem HMO	Employee +1	$28,000		$23,800	$4,200
Fifth Plan (85%/15%)	Anthem PPO	Employee + 1	$31,000		$26,350	$4,650
First plan (100%/0%)	Kaiser CDHP	Family	$22,000	$3,200	$25,200	$0
Second Plan (90%/10%)	Kaiser HMO	Family	$31,000		$27,900	$3,100
Third Plan (90%/10%)	Anthem CDHP	Family	$29,000	$3,200	$28,980	$3,220
Fourth Plan (85%/15%)	Anthem PPO	Family	$36,000		$30,600	$5,400
Fifth Plan (85%/15%)	Anthem HMO	Family	$40,000		$34,000	$6,000

Section 1.5 Dental and Vision Insurance

The District will cover 100% of the premium for employees and dependents

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Section 2 Retirement Health Care Contribution

Eligibility

Employees hired after July 1, 2012, will not be eligible for Retirement Health Care Contributions.

Employees hired before July 1, 2012, will be eligible for Retirement Medical Contributions if they elect not to participate in the District's 401(a) retirement savings plan.

For eligible employees, upon retirement at age 50 or older and with a minimum of ten (10) years of continuous service with the District, the District agrees to a Retirement Health Care Contribution of up to $363.00 per month towards the retired employee's or up to $726.00 per month for the retired employee and retired spouse's actual insurance premium costs, until each become eligible for full Medicare coverage. Suppose either the retired employee or the retired spouse becomes eligible for Medicare. In that case, the contribution will be reduced to $363.00 per month until both the retiree and retired spouse become eligible for Medicare. The assistance period for either the retired employee or the retired spouse will be for a maximum of ten (10) years.

There will be two methods of receiving the Retirement Health Care Contribution:

Method 1: Reimbursement

Retirees and their retired spouses may purchase health care coverage outside of the District's group health plans. The District will reimburse them for the actual cost of health and dental insurance premiums, up to the established limits above. Retirees must submit receipts or other proof of payment to the Finance Department to receive this reimbursement.

Method 2: Continuance on District Plans with Retiree Cost-Sharing

Retirees eligible for the Retirement Health Care Contribution will have the option to remain on the District's group insurance plans offered through ACWA-JPIA and have the Retirement Health Care Contribution amount applied towards the monthly premium costs, as long as the following conditions are met:

The retiree will be responsible for paying the difference between the actual premium costs and the District's Retirement Health Care Contribution by the first day of each month. A 2% administration fee will be charged for all late payments. Failure to pay the retiree's share of premiums within 30 days of the due date will result in cancellation of coverage. Retirees and spouses whose coverage is canceled for non-payment will not be eligible for reinstatement in the group plan.

Employees who wish to continue District Plans in retirement must notify the District before the date of retirement and will transfer directly from active status to retired status on the group plan with no lapse in coverage.

Employees must enroll in the plan they wish to retire into during the Open Enrollment period before retirement. After this point, the only allowable changes are as follows:

- A retiree may disenroll at any time, but may not re-enroll at a later date.
- A retiree may delete a dependent at any time, but may not re-enroll the dependent later.
- Suppose a retiree on an HMO plan relocates to a non-HMO service area. In that case, they will be allowed to enroll in a PPO or CDHP plan. If the retiree moves back into the HMO service area, the retiree may re-enroll in the HMO.

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- The retiree may switch from a plan with higher monthly premiums to one with lower premiums at any time. However, this election is irrevocable, and they may not switch back.
- Unmarried retirees may only remain on the group plan until they reach Medicare eligibility age.
- For married retirees, the spouse who reaches Medicare eligibility age first must enroll in Medicare A & B, for the spouse who is not yet eligible for Medicare to remain on the group plan. Once both the retiree and spouse have reached Medicare eligibility age, they are no longer eligible to remain on the group plan.
- If a retiree reaches Medicare eligibility age before their spouse and fails to enroll in Medicare A & B, both the retiree and their spouse will become ineligible to continue the group plan. The spouse will then be eligible to enroll in COBRA and may access any remaining Retirement Medical Contribution for which they are eligible through the reimbursement option.
- Suppose the retiree becomes deceased while enrolled in Retiree Coverage. In that case, the surviving spouse will lose eligibility for retiree coverage on the group plan but will become eligible to enroll in COBRA. A surviving spouse may access any remaining Retirement Medical Contribution for which they are eligible through the reimbursement option.
- Since coverage under the District's plans must be continuous, past retirees cannot re-enroll. COBRA coverage does not count as continuous coverage.
- If the District's Retirement Health Care Contribution amounts above fail to meet the minimum contribution amounts required by ACWA-JPIA (currently 25% of the least cost retiree-only plan for which the retiree is eligible), then the option to continue District plans will discontinue. Retirees will need to access this benefit through the reimbursement method.

Section 3 Y-Rated Employees

Employees in Legacy Pay Grades shall continue to receive their current District-sponsored health insurance benefits, with the same plan and coverage tier, without any increase in payroll deduction amounts until their base pay returns to a standard pay range. This provision shall not apply if the employee voluntarily elects to change health plans or coverage tiers during open enrollment or due to a qualifying event.

Section 4 Cash In-Lieu of Benefits:

Employees who are eligible for District-sponsored medical insurance may voluntarily waive coverage, provided they can provide documentation of alternative group coverage other than the public health insurance exchange. Employees who waive coverage shall receive a stipend in the amount of **five hundred dollars ($500)** per month, payable in equal payments of $250 each on the first two pay dates of the month. Employees electing cash in lieu of medical benefits may re-enroll in District-sponsored medical coverage during the District's open enrollment period or upon a qualifying event, in accordance with applicable law and ACWA-JPIA policy.

Section 5 Deferred Compensation Programs

Section 5.1 401(a) Plan

The District agrees to establish a 401(a)-retirement savings account to assist employees in saving for retirement, medical expenses, or other retirement-related expenses. The District will fund the 401(a) accounts as follows:

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Employees hired before July 1, 2012, may elect to participate in the 401(a)-matching program instead of the Retirement Health Care Contribution program. No employee may participate in both programs. The District will match employee contributions to the 401(a) account per the following terms:

0-5 Years of Service	5-10 Years of Service	10-20 Years of Service	Over 20 Years of Service
$75 per pay period	$100 per pay period	$125 per pay period	$150 per pay period

Employee contributions to the 401(a) account will be on a post-tax basis. The employee may contribute additional funds, subject to IRS annual limits. The District's matching funds will be tax-deferred. The District's initial deposit and matching funds will be tax-deferred and will become vested per the following vesting schedule:

1	2	3	4	5
Year of Service 20% Vested	Years of Service 40% Vested	Years of Service 60% Vested	Years of Service 80% Vested	Years of Service 100% Vested

If an employee leaves the District's employment before the District's contributions to the 401(a) account are 100% vested, the unvested funds will be forfeited and returned to the District.

Section 5.2 457(b) Plan

The District will match employee contributions into a 457(b)-retirement savings account. The amount the District contributes will be a tiered amount based on whether the employee is a Classic or PEPRA CalPERS member, as follows:

- Classic CalPERS members will be eligible for a $100-per-pay-period dollar-for-dollar match.
- PEPRA CalPERS members will be eligible for a $ 125-per-pay-period dollar-for-dollar match.
- The employee may contribute additional unmatched funds through payroll deductions, subject to IRS rules and annual limits.

Section 6 Life and Disability Insurance

The District shall pay for employees' life, short and long-term disability insurance.

Section 7 Public Employees' Retirement System

The District participates in the California Public Employees Retirement System (CalPERS). All employees hired at the District before January 1, 2013, are under the CalPERS miscellaneous formula of 2.5% @ 55. The final compensation is the highest average pay rate and special compensation during any consecutive one-year period. The employees contribute 8% of their annual salary.

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A full-time new employee hired on or after January 1, 2013, will be subject to the Public Employees Pension Reform Act (PEPRA). A new employee who is also a "New Member" to CalPERS will participate under the mandatory miscellaneous formula of 2% @ 62. The final compensation is the highest average pay rate and special compensation during any consecutive three-year period. The employee contributes 50% of the normal cost established by CalPERS as outlined in the Public Employees' Pension Reform Act of 2013 (PEPRA).

Under the PEPRA, a "New Member" is defined as:

- An individual hired on or after January 1, 2013, and has no prior membership in any California public retirement system.
- An individual whom a different CalPERS employer rehires on or after January 1, 2013, after a break in service greater than six (6) months.
- An individual who is brought into CalPERS membership for the first time on or after January 1, 2013 and is not eligible for reciprocity with another California public retirement system.

Suppose a former CalPERS eligible employee of the District has a break in service of more than six (6) months but returns to service with the same District. In that case, the former employee will not be considered a new member under PEPRA.

Section 8 Education Assistance Program

The District will reimburse employees for qualified educational costs for their own education, including tuition, books, fees, and student loan repayments. This reimbursement will be tax-free under Section 127 of the Internal Revenue Code.

For employees who have worked 0-3 years, the District will reimburse up to $2,500.00 per calendar year for qualified educational expenses.

For employees with three or more years of service at the District, the District will reimburse employees up to $5,250.00 per calendar year for qualified educational expenses.

To determine eligibility, the following requirements must be met:

- Courses taken during employment must be pre-approved courses of study leading to a degree or accreditation, or courses that are pertinent to the employee's position at the District.
- Courses must be completed with a grade of "C" or higher. A "pass" will be accepted for classes that use a pass/fail grading system.
- The class's end date will be the date used to calculate the employee's length of service, and the calendar year in which the reimbursement will be applied.
- Employees are required to submit applications to their immediate Supervisor or Manager and get approval before starting courses for which educational assistance is requested.
- Requests for reimbursement must be submitted within 30 days of completing the course. Suppose an employee leaves District employment before completion of the approved course. In that case, the District will not reimburse the employee for the course.
- No assistance will be provided if the employee uses other reimbursement sources (e.g., the GI Bill) to pay for the course or any portion of it.

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- For student loan reimbursements, qualified education loans must have been for the employee's own education. The loan must have been used to obtain a Certification or Degree relevant to the employee's job with the District. Proof of completion of the Degree and student loan payments will be required to obtain reimbursement. The student loan reimbursement shall remain in place as long as it is permitted under Internal Revenue Code Section 127.

ARTICLE 9: PAID TIME OFF

Section 1 Accrual Rate

Paid time off shall be granted to each employee and shall be accrued as follows:

Length of Service	Accrual Rate Per Pay Period	Annual Accrual Equivalent	Maximum Accrual
Up to 4 years	7.69 hours	200 hours	400 hours
4 – up to 9 years	9.23 hours	240 hours	480 hours
9 years and above	10.77 hours	280 hours	560 hours

Employees may accumulate Paid Time Off up to 2 times their annual entitlement. Once the maximum accrual is reached, PTO hours will no longer accrue until they use PTO to bring their balance back under the maximum.

PTO time may be used for pre-planned vacations or personal business, as well as statutorily protected leaves, including but not limited to personal or family member illness, participating in drug or alcohol rehab, bereavement, reproductive loss, crime victim, domestic violence, sexual assault, or stalking victim leave, emergency rescue personnel leave, school activities or discipline leave, volunteer emergency responder leave, Civil Air Patrol leave, FMLA, CFRA, or any other statutorily protected time off. PTO will always run concurrently with protected leaves when permitted by law.

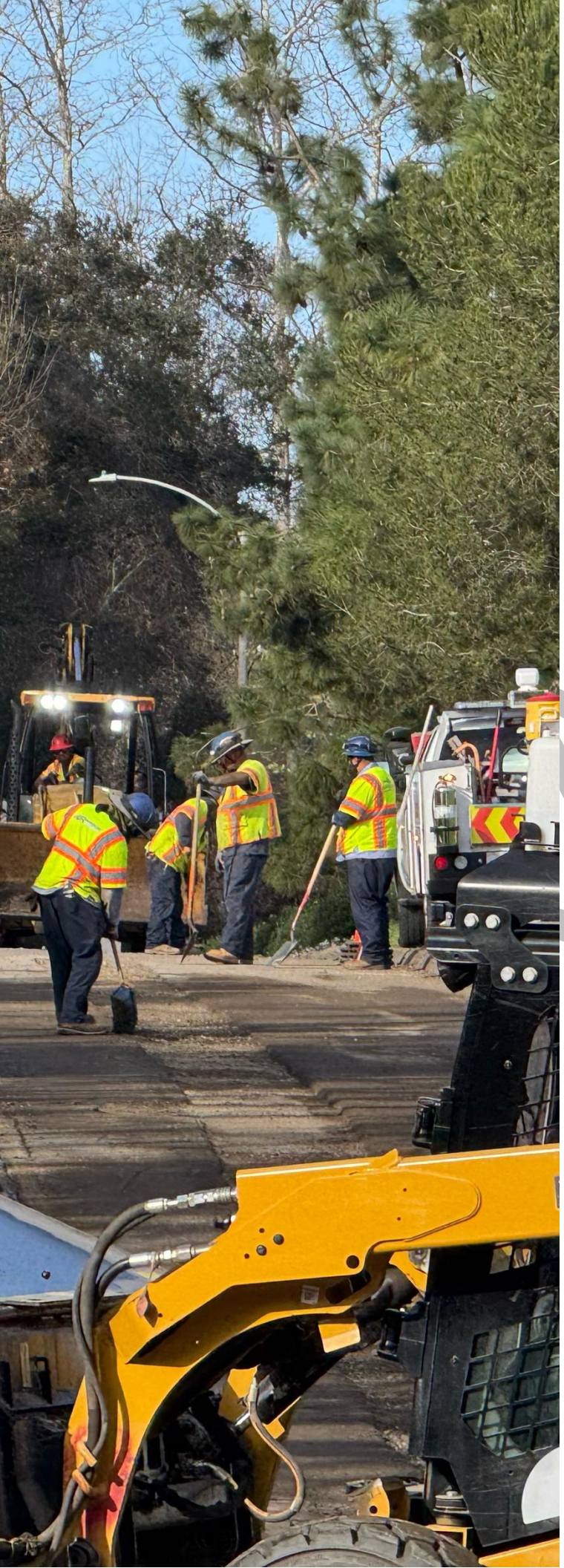
Employees are trusted to self-manage their PTO use responsibly and are encouraged to maintain a sufficient balance to cover unplanned time-off needs. Employees who need to take additional protected leave will be unpaid after exhausting their available PTO.

Suppose the District has previously approved a PTO request. If, through no fault of the employee, the District cancels the leave request due to operational needs and the employee reaches the maximum accrual, the District will compensate the employee for any additional hours that are not accumulated beyond the maximum accrual until the requested leave can be granted.

All new employees will accrue PTO beginning the first day of employment; however, these hours will not be eligible for use for any purpose other than legally protected leave until after completing 90 days of full-time employment, unless it has been pre-negotiated as part of the job offer or with General Manager approval.

Upon separation from the District, 100% of the employee's accumulated paid time off will be paid at their present pay rate.

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Section 2 Paid Time Off Buy Back

Employees may cash out accrued paid time off (PTO) of a minimum of 40 hours once per year with the following stipulations:

- An IRREVOCABLE request must be completed and submitted during December for cashing out PTO on the last pay period of the following January of the following calendar year.
- Employees who have used at least 80 hours of cumulative PTO between December 1 of the previous year and November 30 of the current year may cash out up to 220 hours.
- Employees who have used at least 120 hours of cumulative PTO between December 1 of the previous year and November 30 of the current year may cash out up to 250 hours.
- Employees who have used at least 160 hours of cumulative PTO between December 1 of the previous year and November 30 of the current year may cash out up to 280 hours.
- Employees must maintain a minimum balance of 80 accrued PTO hours.
- A request to cash out accrued PTO due to reasons of hardship may be made at any time. The General Manager must approve the hardship request, and it is subject to the Internal Revenue Code's definitions of unforeseeable emergency. (Title 26, section 1.409a-3).
- Suppose the IRS changes its regulations pertaining to this policy. In that case, the District will meet and confer with the bargaining unit to determine how to manage the impact of the regulatory changes.

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ARTICLE 10: OTHER LEAVES

Section 1 Holidays

The District will provide twelve paid holidays per year. Compensation for paid holidays will be for the entire length of the regular scheduled shift. Whenever a designated holiday falls on a Sunday, the holiday will be observed on the following Monday. Whenever a designated holiday falls on a Saturday, the holiday will be observed on the preceding Friday. All paid holidays for each year of this contract are as follows:

Holidays (Observed)	2026	2027	2028
New Year's Day		Fri, Jan 1, 2027 (A)	Fri, Dec 31, 2027 (A)
Martin Luther King Jr Day		Mon, Jan 18, 2027	Mon, Jan17, 2028
President's Day		Mon, Feb 15, 2027	Mon, Feb 21, 2028
Memorial Day		Mon, May 31, 2027	Mon, May 29, 2028
Independence Day	Fri, July 3, 2026 (A)	Mon, July 5 ,2027	Tues, July 4, 2028
Labor Day	Mon, Sept 7, 2026	Mon, Sept 6, 2027	Monday, Sept 4, 2028
Veterans Day	Wed, Nov 11, 2026	Thurs, Nov 11, 2027	Fri, Nov 10, 2028 (B)
Thanksgiving Day	Thurs, Nov 26, 2026	Thurs, Nov 25, 2027	Thurs, Nov 23, 2028
Day After Thanksgiving	Fri, Nov 27, 2026 (B)	Fri, Nov 26, 2027 (B)	Fri, Nov 24, 2028 (B)
Christmas Eve	Thurs, Dec 24, 2026	Thurs, Dec23, 2027	Mon, Dece 25, 2028
Christmas Day	Fri, Dec 25, 2026 (B)	Fri, Dec24, 2027 (B)	Tues, Dece 26, 2028
New Year's Eve	Thurs, Dec 31, 2026	Thurs, Dec 30, 2027	Mon, Jan 1, 2029

Holidays (Observed)	2029	2030	2031
New Year's Day	Tues, Jan 2, 2029	Tues, Jan 1, 2030	Wed, Jan1, 2031
Martin Luther King Jr Day	Mon, Jan 15, 2029	Mon, Jan 21, 2030	Mon, Jan, 20, 2031
President's Day	Mon, Feb 19, 2029	Mon, Feb 18, 2030	Mon, Feb 17, 2031
Memorial Day	Mon, May 28, 2029	Mon, May 27, 2030	Mon, May 26, 2031
Independence Day	Wed July 4, 2029	Thurs, July 4, 2030	
Labor Day	Mon, Sept 3, 2029	Mon, Sept 2, 2030	
Veterans Day	Mon, Nov 12, 2029	Mon, Nov 11, 2030	
Thanksgiving Day	Thurs, Nov 22, 2029	Thurs, Nov 28, 2030	
Day After Thanksgiving	Fri, Nov 23, 2029 (B)	Fri, Nov 29, 2030	
Christmas Eve	Mon, Dec 24, 2029	Tues, Dec 24, 2030	
Christmas Day	Tues, Dec 25, 2029	Wed, Dec25, 2030	
New Year's Eve	Mon, Dec 31, 2029	Tue, Dec 31, 2030	

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Holiday Bank

Holiday bank is granted to employees to ensure all full-time employees receive the same number of holiday pay hours annually, as follows:

- Employees who work a 9/80 or 4/10 schedule will receive 8 hours of Holiday Bank for holidays that fall on their regularly scheduled day off.
- Employees who work a 10/80 schedule will receive 1 hour of Holiday Bank for holidays when other employees receive more than 8 hours of holiday pay, and they only receive 8 hours per their regularly scheduled shift.

Holiday Bank hours will be issued at the beginning of the fiscal year (July 1) to be available for use before the end of the fiscal year (June 30). Any Holiday Bank hours not used by the end of the fiscal year will be forfeited. Holiday Bank hours will not be cashed out at termination of employment.

Holiday Overtime

Suppose an employee works overtime on a holiday. In that case, double time will be paid on the holiday's actual date, and one-and-a-half times the regular rate of pay will be paid on the date the holiday is observed. Overtime worked on Easter Sunday will be paid at double time.

Section 2 Jury Duty Pay

Rainbow Water recognizes and supports its employees' participation in civic activities, such as jury duty, or serving as a court witness.

When an employee is under orders to report for jury duty or to act as a witness, the District will pay up to 10 working days of Jury Duty Pay per calendar year, except as otherwise required by law. Compensation will be at the employee's regular wage rate, less any compensation from the court. In no event shall double pay to the employee result from jury duty. Jury duty service falling on a District holiday or an employee's regularly scheduled day off is not payable as Jury Duty Pay. The District will not compensate the employee for mileage or meal expenses unless the employee testifies on a District-related matter.

Suppose an employee is serving as a juror for an extended period and has exhausted Jury Duty Pay. In that case, the employee will be required to use other forms of paid leave, such as PTO, Compensatory Time, or Holiday Bank. However, if the employee has already used 40 hours of PTO time for the jury service and continuing to use PTO would cause the employee's PTO balance to fall below 80 hours, the District will resume paying Jury Duty Pay. Each employee will be eligible for this extended Jury Duty Pay no more than once during the term of this agreement.

The employee must present the notification to appear for Jury Duty to their Supervisor as soon as it is received. If a deferment is deemed necessary after consulting with the employee's
Supervisor, the supervisor shall provide a letter to be sent to the Jury Commissioner stating the reason(s) for deferment.

During Jury Duty Leave, employees are expected to report either to their assigned work at the District or to the court during working hours. It is the responsibility of employees on Jury Duty Leave to advise their immediate supervisors of their jury duty schedule, including start and end times each day.

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Employees are not eligible for Jury Duty Leave when they are a party to the litigation or an expert witness. Employees should see Human Resources if they have questions about the Jury Duty Leave policy.

Section 3 Flex Hours

The purpose of flex hours is to allow employees to manage their work-life balance by offering the opportunity to temporarily change their work schedule with prior approval to take care of personal business without requiring paid time off, compensatory or holiday bank time.

Suppose an employee needs to be away from the District for a portion of a regular workday, not to exceed 3 hours, and they wish to make up the time in the same work week. In that case, they must coordinate with their immediate supervisor to arrange flex hours at an approved time during the same workweek. Flex hours will be approved or denied based on operational needs. Any make-up flex hours above the regular work shift will be paid at straight time.

Section 4 Workers' Comp Follow-Up Medical Visits

Any employee who requires medical care for a job-related injury or illness shall receive regular pay while obtaining medical care when the injury or illness is first reported.

However, any follow-up and/or additional treatment appointments should be scheduled around the employee's regular work schedule whenever possible. Employees will be required to use PTO or other accrued leave. If no leave time is available, the time from work will be unpaid.

Section 5 Compassionate Leave

The District recognizes that certain catastrophic personal circumstances — the sudden death of or terminal diagnosis affecting a spouse or minor child — may require extended time away from work beyond standard bereavement or PTO leave. This policy provides eligible employees with partial income replacement to support them through these events. Employees with at least one (1) year of service shall be eligible for Compassionate Leave under this policy.

Qualifying Events

Compassionate Leave is available for the following qualifying events:

A. **Sudden Death.** The sudden, unexpected death of an employee's spouse, registered domestic partner, or minor child (under age 18).

B. **Terminal Diagnosis.** A terminal diagnosis received by an employee's spouse, registered domestic partner, or minor child, where a licensed physician has certified a terminal condition. To qualify under this provision, the employee must be on an approved and active FMLA/CFRA leave designation. Compassionate Leave under this provision runs concurrently with FMLA/CFRA leave and does not extend the employee's total FMLA/CFRA entitlement.

Duration

Compassionate Leave shall be available for up to eight (8) weeks per qualifying event. Leave may be taken continuously or intermittently, subject to District approval, and must be completed within six (6) months of the qualifying event.

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Compensation

During Compassionate Leave, the employee shall receive pay at seventy percent (70%) of their regular hourly rate of pay for all scheduled hours missed.

Interaction with Other Leave and Benefits

- Compassionate Leave shall run concurrently with any applicable FMLA/CFRA leave entitlement where a qualifying medical condition is involved.
- Compassionate Leave shall not be charged against the employee's accrued PTO.
- Employees may elect to supplement Compassionate Leave pay with accrued PTO to achieve up to 100% of their regular rate.
- Compassionate Leave is separate from and does not reduce the employee's entitlement to use PTO for bereavement under District policy.
- Group health insurance and other District-sponsored benefits shall continue during Compassionate Leave on the same terms as if the employee were actively working. The employee remains responsible for their share of any benefit premiums.

Abuse of Policy

Compassionate Leave taken for purposes other than those specified in this policy, or obtained through misrepresentation, may result in disciplinary action up to and including termination, and reclassification of any pay received as Paid Time Off (PTO).

ARTICLE 11: UNIFORMS

Section 1 Uniforms - All Personnel

Employees may choose between one purchased jacket, one hoodie sweatshirt, or one cardigan sweater every other year. No laundry services will be provided for purchased logo attire.

New hires will be provided with their District logo attire within the first 30 days, then on the same replacement schedule as other employees. Employees attending outside events such as conferences or training are expected to wear business attire or the District logo shirt with a collar.

To prevent impersonation of District personnel, logo apparel should never be thrown away at home or donated. All logo apparel shall be returned to the District when damaged or worn out or upon separation of employment. When purchased logo attire becomes damaged or worn out before the next purchase is due, it may be turned in to Purchasing for a new replacement with the employee's Manager's approval.

Section 2 Uniforms – Field Personnel

The District shall provide up to eleven (11) uniform (shirt and pants) changes biweekly to employees who must wear uniforms and where customer recognition as a District employee is required in the field. The District shall reserve the right to select the style and color of the work clothing. It will provide laundry service for rented uniforms.

In addition to the uniforms, the District will provide two logo t-shirts to all field personnel and one short-sleeved polo shirt. Employees may substitute additional t-shirts or polo shirts for uniform shirts. When

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t-shirts or other logo apparel become worn out, faded, or damaged, employees may return them to the Purchasing Department to receive replacements.

Section 3 Uniforms – Office Personnel

The District will provide two logo shirts (typically one short-sleeved polo shirt and one long-sleeved dress shirt) and one sweater, vest, or sweatshirt to all office employees upon hire and once every two years thereafter, and one jacket for the term of this agreement. No laundry services will be provided for purchased logo attire. Worn-out, damaged, or faded logo attire may be turned in for a replacement.

Office employees in Customer Service, IT, or Engineering, or whose jobs require frequent customer contact or appearance at public events, will receive up to five (5) logo shirts of their choice every two years. All logo apparel shall be returned to the District upon separation of employment, except apparel with the employee's name embroidered on it.

Section 4 Safety Footwear

Employees whose jobs require field work and who use ANSI-approved safety footwear are eligible for reimbursement not to exceed $300.00 per fiscal year. The safety footwear allowance covers footwear that meets the approved ANSI standards for the steel/composite toe protection and may also include comfort inserts. Suppose an eligible employee needs replacement safety footwear before the fiscal year ends, due to heavy wear and tear, with approval from the Human Resources Manager or designee. In that case, they can be reimbursed for the replacement to ensure they are protected. Employees must submit a purchase receipt and proof of ANSI compliance to be eligible for reimbursement.

Office employees who occasionally go into the field but for whom it is not part of their job's essential functions are eligible for reimbursement not to exceed $300 for one pair of ANSI-approved safety footwear for the term of this agreement.

Section 5 Prescription Safety Glasses

Employees whose jobs require the use of safety eyewear and who use prescription vision correcting lenses will receive an annual allowance of $290 to use with the District's approved vendor towards the purchase of prescription safety glasses. The District will make every effort to arrange two (2) onsite visits by the vendor each year and will pay the vendor's onsite visit fee. Employees will be responsible for obtaining a valid prescription from their vision care provider before the on-site visit.

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ARTICLE 12: SERVICE AWARDS

An award will be presented every five years of continuous service to the District. Cash awards will be subject to all applicable payroll taxes. The employee will be invited to the regular Board meeting closest to their service anniversary for the presentation of an award(s) plaque and Continuous Service Awards by years of service, as follows:

Years of Service	Cash Award	Special Engraved Gift
5 Years	$250	
10 years	$500	
15 years	$750	
20 years	$1,000	Valued at $250
25 years	$1,250	Valued at $275
30 years	$1,500	Valued at $300
35 years	$1,750	Valued at $350

ARTICLE 13: BARGAINING UNIT ORIENTATION

Section 1 Advance Notice of New Employees' Start Dates

The District will provide advanced notification to the bargaining unit of each new employee's scheduled start date as follows:

- 10 days in advance, whenever possible, OR
- As soon as the new employee's start date is known (if it is not possible to provide notice 10 days in advance).

Section 2 Access to New Employees during New Hire Orientation

The District will provide up to one (1) hour in each new employee's Orientation schedule for a representative of the bargaining unit to meet with the new employee. The intent of these meetings is to introduce the new employee to the bargaining representative, review the appropriate MOU, and answer any questions the employee may have regarding the bargaining unit or the collective bargaining process.

The District will create a portal on the online Onboarding system for each bargaining unit. A designated representative from each bargaining unit will be granted Administrator access to add, update, edit, and delete content from that bargaining unit's portal as an ongoing communication tool with its new and existing members.

Section 3 Access to Employee Contact Information

The District will provide the designated representative of each bargaining unit with a list of all current employees in the bargaining unit and their contact information, including: Full Name, Position, Department, and District email address.

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The District will provide the appropriate bargaining unit with the contact information described above for each new employee within five (5) business days of the new employee's start date or transfer into the bargaining unit. The District will notify the appropriate bargaining unit of each separation of employment or transfer out of the bargaining unit within five (5) business days of such change, so that the bargaining unit can remove the employee from its contact list.

Due to privacy concerns, the Bargaining Unit expressly waives its right to receive employees' personal contact information, including home phone numbers, personal cell phone numbers, and personal email addresses.

Due to privacy concerns, the Bargaining Unit expressly waives its right to receive a list of all employees' contact information every 120 days, instead agreeing to the above provisions.

ARTICLE 14: GRIEVANCE PROCEDURE

The Association and the District wish to work together to make every reasonable effort to resolve grievances, as defined in this grievance procedure, as near as possible to the point of origin.

Section 1 Definitions

Grievance. A grievance is an alleged violation, misinterpretation, or misapplication of a specific provision of the Memorandum of Understanding ("MOU") or any other District policy which affects the employee's wages, hours, or other terms and conditions of employment. However, grievable matters specifically do not include disciplinary matters, which are governed by other written procedures.

Grievant. A grievant is any employee of the bargaining unit or the bargaining unit who alleges they are personally adversely affected by an alleged violation, misinterpretation, or misapplication of a specific provision of the MOU or any other District policy that affects the employee's wages, hours, or other terms and conditions of employment. However, grievable matters specifically do not include disciplinary matters, which are governed by other written procedures.

Business Day. A business day is any day on which the District is open for business.

Immediate Supervisor. The immediate Supervisor is the lowest-level administrator designated to address grievances and has immediate jurisdiction over the grievant. Any questions about who constitutes the grievant's immediate Supervisor should be addressed to the Human Resources Manager.

Section 2 Informal Process

A grievant shall orally notify their immediate Supervisor or the Human Resources Manager, as defined in Article 14, Section 1 of this policy, that they have a grievance and of the general nature of the grievance, within seven (7) business days of the event resulting in the grievance.

Within seven (7) business days of the oral notification, the person notified shall meet with the grievant and orally discuss the grievance in detail. It is the intent of this Informal Resolution process that at least one personal conference where the grievance is orally discussed in detail be held between the grievant and the person notified. Failure to do so will render the grievance null and void, and the grievant will not be entitled to proceed to the next level of the grievance procedure.

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Within seven (7) business days of the conclusion of the Informal Process, the party notified shall prepare a memorandum documenting the results of the Informal Process. They shall send the memorandum to both the grievant and the Human Resources Manager.

Section 3 Steps of the Formal Process

Suppose the grievance is not settled to the grievant's satisfaction during the Informal Process and the grievant wishes to pursue the grievance. In that case, the grievant shall present their grievance in writing according to the steps and timelines specified below. The grievance shall be typed or legibly hand-written and include the following information:

- A statement of the specific provision of the applicable MOU or other written District policy which affects the employee's wages, hours, or other terms and conditions of employment that was allegedly violated, misinterpreted, or misapplied;
- A complete statement of the facts and events involved in the matter, including the date or dates on which the violation, misinterpretation, or misapplication allegedly occurred;
- The documents, witnesses, or other evidence that support the grievance;
- An explanation of how the employee is/was adversely affected by a specific act or omission which gave rise to the alleged violation, misinterpretation, or misapplication;
- A statement of the corrective action requested and the reason the corrective action is appropriate;
- The grievant's signature and the date the grievance was submitted; and
- The date the informal grievance was initially presented and to whom it was presented under the Informal Process.
- No grievance will be accepted for processing unless the grievant provides all of the information listed above.

Step 1: Department Manager or Human Resources Manager

The grievant must present the written grievance to the Department Manager or the Human Resources Manager within seven (7) business days after the date the memorandum documenting the results of the Informal Process is provided to the grievant.

Within seven (7) business days after the grievant presents their written grievance, the Department Manager or Human Resources Manager may, at their discretion, schedule a meeting with the grievant for the parties to work on resolving the grievance.

The Department Manager will provide a written response to the grievant within seven (7) business days after receipt of the written grievance or within seven (7) business days after any scheduled meeting or meetings that is/are held, whichever occurs later.

Step 2: Appeal to the General Manager

Suppose the grievance is not settled to the grievant's satisfaction at Step 1, and the grievant wishes to pursue the grievance. In that case, the grievant must present the written grievance to the General Manager within seven (7) business days after the date of the written response to the grievant at Step 1.

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Within seven (7) business days after the grievant presents their grievance, the General Manager may, at their discretion, schedule a meeting with the grievant to discuss the matter. After considering the facts and an investigation, the General Manager will provide a written decision to the grievant.

The General Manager's decision will be limited as follows:

- The decision shall neither add to, detract from, nor modify the language of the applicable MOU.
- The decision shall be confined to the precise issue(s) the grievance raised and that the grievant submitted.
- Any monetary award in favor of the grievant may not exceed wages or benefits that the grievant has lost due to the matters alleged in the grievance. In no event shall any grievance award include any other types of damages or attorneys' fees.

The General Manager may delegate non-involved managers or non-District employees to act on the District's behalf at any level of the grievance process. The findings and recommendations any such individual renders shall be advisory to the General Manager, who may accept, reject, or modify that individual's recommendation, and who shall issue a determination within seven (7) business days.

Step 3: Appeal to the Board of Directors

Suppose the grievance is not settled in Step 2, and the grievant desires to appeal. In that case, they shall submit their appeal in writing to the Board of Directors within seven (7) business days after the General Manager has given their decision. A hearing before the Board of Directors with the grievant's representative present, if desired by the grievant, shall be held at the next regular Board meeting.

The Board of Directors shall decide on the grievance in writing to the employee and the General Manager within fourteen (14) business days following the meeting. The Board of Directors' decision shall be final and binding.

Section 4: Additional Rules Applicable to The Grievance Procedure

Representation. Either the District or the grievant may be represented at any step of the grievance procedure by an individual of the party's choice.

Withdrawal. A grievant may withdraw any grievance at any time by giving written notice to the District representative who last acted on the grievance and by providing a copy of the notice to the Human Resources Manager.

Resolution. Suppose the grievant does not present the grievance to the next level within the time limits for each step. In that case, the grievance shall be considered resolved based on the response at the last level.

Waiver. The grievance is deemed waived by the grievant for all purposes if the grievant does not process the grievance within the time frames outlined in this grievance procedure.

Deemed Denied. Suppose the District does not respond to a grievance within the time frames set forth for each step. In that case, the grievant may elect to treat the grievance as denied and immediately appeal the grievance to the next step.

Written Agreement to Extend Time. In extenuating circumstances, the parties may mutually agree in writing to extend time at each step. The time extension will be effective only for the time agreed in writing and for the step to which it applies, as agreed in writing.

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Grievance Meetings. Grievance meetings will be held during regularly scheduled work hours of the grievant and the individual to whom the grievance is presented unless otherwise mutually agreed.

Section 5: Non-Retaliation

No party to a grievance shall be subject to retaliation for utilizing the grievance procedure in good faith.

ARTICLE 15: DISCIPLINE PROCEDURE

California Water Code Section 71362 states that District employees serve at the pleasure of the General Manager. However, in prior Memorandums of Understanding ("MOU"), the Board of Directors provided for appeals of disciplinary actions in the MOU agreements. So, separate disciplinary procedures are provided for employees hired before and after July 1, 2017.

Employees Hired Before July 1, 2017
Disciplinary procedures for employees hired before July 1, 2017, are outlined in the Supplemental Memorandum of Understanding dated July 1, 2017.

Employees Hired After July 1, 2017
Disciplinary procedures and terminations pertaining to employees hired after July 1, 2017, are outlined in the Employee Handbook.

ARTICLE 16: SEVERANCE

Employees hired after July 1, 2017, shall be entitled to severance pay if the District terminates employment after one year of service. The amount of severance eligibility increases with years of service, as follows:

Length of Service	Severance Benefit
1 – 3 years	2 weeks' pay with 1 month of COBRA benefits
4 – 5 years	4 weeks' pay with 1 month of COBRA benefits
6 – 10 years	6 weeks' pay with 2 months of COBRA benefits
11 years or more	8 weeks' pay with 2 months of COBRA benefits

One week's pay shall be calculated as 40 hours at the employee's current base hourly rate, excluding any overtime. The employee's right to receive the severance pay set forth above is conditioned upon the employee executing a release of claims against the District. However, no employee is entitled to any of the severance benefits provided in this Article if the employee's termination is due to egregious conduct, including, but not limited to, assault, battery, harassment, reporting to work under the influence of drugs or alcohol, theft, embezzlement, or other illegal activity.

Employees who are involuntarily separated from employment and who were hired before July 1, 2017, shall be entitled to two months of District-paid COBRA benefits, conditioned upon the employee executing a release of claims against the District.

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ARTICLE 17: SALARY SURVEYS

The District may utilize external or internal salary surveys, compensation studies, or labor market analyses ("salary surveys") for the following purposes:

- Drafting updates to, or new, job classifications;
- Establishing appropriate pay grade placement for new job classifications;
- Establishing initial compensation to be offered to new hires;
- Determining salary placement for employees promoted to an Exempt classification.
- Modify salary ranges, classifications, or compensation structures;
- Establish internal equity adjustments within existing classifications; or
- Move a job classification from one pay grade to another to better align with external market data.

All the above actions, except for determining initial compensation to be offered to a new hire or promotion to an Exempt position, shall be subject to full meet-and-confer obligations. In no event shall the use of a salary survey result in a reduction to an employee's base salary or total compensation without engaging in the meet-and-confer process.

The District shall provide the Association with the complete salary survey, including comparator agencies, methodology, and data sources, as part of the meet-and-confer process.

The District will conduct an annual salary survey to assess the external market for all job classifications in Legacy pay grades. The District shall provide the Association with the survey results upon completion, and the Association may propose pay grade adjustments, consistent with the District's placement of similar positions relative to the external labor market.

ARTICLE 18: STRIKES

During the term of this agreement, the Association and its members shall not cause, instigate, encourage, or condone any strike or work stoppage of any kind, including "sympathy strikes" where a strike or work stoppage is declared by another union (whether another District Association or outside union).

ARTICLE 19: MODIFICATIONS, WAIVER

No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto and, if required, approved, and implemented by the District's Board of Directors. The waiver of any breach, term, or condition of the Memorandum of Understanding by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

ARTICLE 20: PROVISIONS OF LAW

This Memorandum of Understanding is subject to all current and future applicable federal, state, and local laws. If any part or provision of the Memorandum of Understanding is in conflict or inconsistent with such applicable provisions of federal, state, or local laws or regulations, or is otherwise held to be invalid or unenforceable by a tribunal of competent jurisdiction, such applicable law or regulations, the remainder of the Memorandum of Understanding shall not be affected thereby.

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ARTICLE 21: DISTRICT RIGHTS

It is understood and agreed that the District possesses the sole right and authority to operate and direct its employees and its various departments in all aspects, including, but not limited to, all rights and authority exercised by the District prior to the execution of this agreement. These rights include, but are not limited limited to:

- The right to determine its mission, policies, and to set forth all standards of service offered to the public;
- To plan, direct, control, and determine the operations or services to be conducted by employees of the District;
- To determine the methods, means, and number of personnel needed to carry out the District's mission;
- To direct the working forces;
- To hire and assign or to transfer employees within the departments;
- To promote, suspend, discipline, or discharge;
- To lay off or to relieve employees due to lack of work or funds or for other legitimate reasons;
- To make, publish, and enforce rules and regulations;
- To introduce new or improved methods, equipment, or facilities;
- To take any and all actions as may be necessary to carry out the mission of the District in situations of civil emergency as may be declared by the President of the Board of Directors or the General Manager; provided that no right enumerated herein shall be exercised or enforced in a manner contrary to or inconsistent with the provisions of this agreement.

The Board of Directors has the sole authority to determine the purpose and mission of the District and the amount of budget to be adopted thereto.

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ARTICLE 22: ENTIRE AGREEMENT

The parties acknowledge that during the negotiations which resulted in this agreement, each had the unlimited right and opportunity to make demands and proposals concerning any subject or matter not removed by law from the area of collective bargaining. The parties met and conferred regarding disciplinary procedures. After exercising that right and opportunity, the parties' understanding and agreements are set out in this agreement. Concerning disciplinary procedures, this Agreement references and incorporates by reference the Supplemental Memorandum of Understanding dated July 1, 2017, pertaining to disciplinary procedures for employees hired before July 1, 2017.

Therefore, the District and Association, for the duration of this agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively concerning any subject or matter referred to, or covered in this agreement, or concerning any subject or matter not explicitly referred to, or covered in this agreement, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this agreement.

Approved by the Board of Directors of the Rainbow Municipal Water District on May 26, 2026.

RAINBOW MUNICIPAL WATER DISTRICT SUPERVISORS	RAINBOW ASSOCIATION OF AND CONFIDENTIAL EMPLOYEES
_____	_____
Hayden Hamilton, Board President	Chris Daugherty, RASCE Vice President
_____	_____
Date	Date

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RAINBOW
MUNICIPAL WATER DISTRICT

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RAINBOW
MUNICIPAL WATER DISTRICT

BOARD ACTION
Item No. 10.C

BOARD OF DIRECTORS

May 26, 2026

SUBJECT

CONSIDER ADOPTION OF A RESOLUTION APPROVING A SUCCESSOR MEMORANDUM OF UNDERSTANDING BETWEEN THE RAINBOW MUNICIPAL WATER DISTRICT AND THE RAINBOW EMPLOYEES ASSOCIATION

BACKGROUND

The existing Memorandum of Understanding (MOU) with the Rainbow Employees Association expires on June 30, 2026. Based on the Board's direction, the Administrative Services Manager began negotiations on a successor agreement with the designated representatives from the Rainbow Employees Association in February 2026. The District and Rainbow Employees Association have reached a tentative agreement on all items included in the successor MOU.

DESCRIPTION

The proposed successor MOU covers the period of July 1, 2026, through June 30, 2031. A copy of the MOU is attached. The proposed successor MOU incorporates the following changes in terms:

COMPENSATION

- PAY GRADES: Maintains a CPI-based annual pay grade range movement, but adds a maximum grade movement of 4% to mitigate the impact of inflation on base pay escalation.
- COLA: Maintains the Cost-of-Living Adjustments (COLAs) as a CPI-based calculation, but adds a minimum increase of 1.5% and a maximum increase of 3%, shielding the District from potential impacts of high inflation during what could be a volatile economic climate.
- MERIT POOL: Restructures the merit award program to a merit pool system, which will allow the District to more accurately budget for labor costs and ensure that the actual merit awards are aligned with the budget, while maintaining a pay-for-performance system. The Merit Pool is established at 4% of annual salaries for the 5-year term. Employees at the top of their pay grades will receive 50% of the merit award.
- OVERTIME: Daily overtime will now be after 10 hours per day rather than 9, and weekend work will not automatically be overtime. It would only be overtime if the employee works more than 40 hours in the workweek, allowing for temporary schedule changes without triggering overtime.
- SHIFT DIFFERENTIALS: Introduces a 25% shift differential for scheduled night and weekend work that does not qualify for overtime.
- COMP TIME: Increased the maximum allowed compensatory time to 60 hours, and added a new optional cash-out window in November of each year.

BENEFITS:

- NEW COST SHARING FORUMULAS: Updated the benefits cost-sharing formulas as a response to recent premium increases and to achieve better competitive alignment with the cost-sharing ratios at comparator agencies.
- CASH-IN-LIEU: Ensures the Cash-in-lieu of benefits option is sufficient enough to cover potential out-of-pocket costs for employees to enroll in a spouse's group plan, yet low enough that the District has the potential for significant savings if employees opt out of our group benefits.
- HSA: Adds a what-if provision for how the District will adjust its Health Savings Account contributions if the insurance companies increase the plan deductibles.
- RETIREMENT SAVINGS PLAN MATCH: Offers moderate increases to the District's match for the 457(b) and 401(a) retirement savings plans. The District offers flat rate matches, rather than percentage matches, and it had been more than a decade since it had increased the match.
- PTO CASH OUT: Adds a tiered eligibility provision that reduces the number of hours that can be cashed out based on how many have been used. This incorporates an incentive to use PTO rather than the previous policy that had an unintended consequence of discouraging PTO use, and ensures a sufficient balance is maintained for employee use in case of unforeseen events.

OTHER PROVISIONS:

- ME-TOO: Eliminates the me-too clause, allowing each bargaining unit to negotiate independently based on their members' priorities, without impacting other bargaining units' ability to negotiate different terms if their members' priorities are different.
- NO STRIKES: Adds a no-strike clause to ensure continuity of service to the District's customers.
- 4/10 WORKWEEKS: Allows for a seasonal trial of 4/10 workweeks for specific departments if 2/3 of the employees in each department vote for it, subject to the General Manager's approval of each department's schedule to ensure sufficient coverage. After two years of seasonal trials, departments may apply for a year-round 4/10 schedule, also subject to General Manager approval. This could potentially reduce overtime costs, while also saving employees' commute costs, without sacrificing service availability to customers.
- SAFETY FOOTWEAR: Increases the annual allowance for safety footwear to $300. The allowance had not increased in the past five years, so the increase reflects an inflationary adjustment.
- UNIFORMS: Increases the quantity and frequency of District logo attire for specific departments with more customer contact and field work who do not participate in the uniform rental program.
- STANDBY PAY: Increased daily stipends for employees who are assigned Standby duty, ensuring the District can maintain its availability to respond to emergencies 24/7/365. The stipends had not increased in the past five years, so the increase reflects an inflationary adjustment.
- COMPASSIONATE LEAVE: Adds a compassionate leave provision for tragic and rare situations where an employee's child or spouse suddenly passes away or is diagnosed with a terminal illness, allowing the employee to support or grieve with their family while maintaining job security.
- SERVICE AWARDS: Adds service awards, currently outlined in the Administrative Code, to the MOU, and increases the amounts granted for each 5-year interval.
- SALARY SURVEYS: Adds a new provision clarifying the purpose and use of salary surveys, and confirms the District's obligation to meet and confer with the bargaining unit before implementing any changes based on survey data.
- OUT-OF-CLASS PAY & PROMOTIONS: Updates percentages for out-of-class pay and promotions to align with the new pay grade structure implemented earlier this year.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Three: Workforce Development
Strategic Focus Area Four: Fiscal Responsibility

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

1) Adopt a Resolution Approving a Successor Memorandum of Understanding between the Rainbow Municipal Water District and Rainbow Employees Association.

   The estimated first-year fiscal impact of the new negotiated terms is $97,925 compared to the previous MOU terms, and the estimated fiscal impact for the full five-year term is between $337,207 and $1,033,765, depending on inflation rates over the next five years. This represents total year-over-year annual labor cost escalations between 3.6% - 4.5%.

2) Do not adopt the Resolution Approving a Successor Memorandum of Understanding between the Rainbow Municipal Water District and the Rainbow Employees Association, and provide staff with further direction.

STAFF RECOMMENDATION

Staff supports option #1 to adopt a Resolution Approving a Successor Memorandum of Understanding between the Rainbow Municipal Water District and the Rainbow Employees Association.

Karleen Harp May 26, 2026
Administrative Services Manager

RESOLUTION NO. 2026-xx

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RAINBOW MUNICIPAL WATER DISTRICT APPROVING THE MEMORANDUM OF UNDERSTANDING WITH THE RAINBOW EMPLOYEES' ASSOCIATION

WHEREAS, the Rainbow Employees Association has had ongoing negotiations with the Board of Directors through the delegated authority to the Administrative Services Manager as Chief Negotiator for a successor agreement; and

WHEREAS, the employees and Board have reached an agreement on terms of employment for fiscal years 2027 through 2031; and

WHEREAS, the terms have been included in the Memorandum of Understanding;

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED, AND ORDERED that the Board of Directors of Rainbow Municipal Water District adopts Resolution No. 2025-xx approving the Memorandum of Understanding with the Rainbow Employees Association for the term of July 1, 2026 through June 30, 2031.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Rainbow Municipal Water District held on the 26th day of May, 2026 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTENTIONS:

_____
Hayden Hamilton, Board President

ATTEST:

_____
Terese Quintanar, District Secretary

REA

RAINBOW EMPLOYEE ASSOCIATION

MEMORANDUM OF UNDERSTANDING



RAINBOW
MUNICIPAL WATER DISTRICT

July 1, 2026 | **June 30, 2031**

RAINBOWMWD.CA.GOV



RESPONSIBILITY

We carefully steward public resources, follow through on our commitments, and proactively maintain the infrastructure, systems, and safeguards that ensure reliable service delivery, fiscal stability, and long-term community resilience.

INTEGRITY

We act with strong ethics, transparency, and accountability, communicating openly, honoring our commitments, and making decisions that build public trust while supporting responsible financial management, regulatory compliance, and resilient operations.

PROFESSIONALISM

We treat others with respect, communicate clearly and consistently, and demonstrate the high-quality service, reliability, and customer focus expected of a public agency committed to safety, operational excellence, and continuous improvement.

INNOVATION

We embrace new ideas, modern tools, and continuous learning, using data, technology, and creative approaches to improve efficiency, strengthen system resilience, enhance customer experience, and drive smarter decisions across the organization.

TEAMWORK

We collaborate across departments, with our Board of Directors, customers, and partner agencies to share information, solve problems, advance technology and data-driven decisions, and support a culture where everyone contributes to high-quality service.

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PREAMBLE

This agreement is made and entered into on May 26, 2026, to be effective July 1, 2026 and between Rainbow Municipal Water District, hereinafter referred to as the District, and the Rainbow Employee Association, hereinafter referred to as "Association."

RECITALS

WHEREAS, the District has voluntarily endorsed the practices and procedures of collective negotiations as a fair and orderly way of conducting its relations with its employees insofar as such practices and procedures are appropriate to the functions and obligations of the District to retain the right to operate the District effectively, responsibly, and efficiently; and

WHEREAS, it is the intent and purpose of the parties to set forth herein their entire agreement covering rates of pay, wages, hours of employment, and other conditions of employment; to increase the efficiency and productivity of employees in the District; and to provide for prompt and fair settlement of grievances without an interruption of or other interference with the operation of the District;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties do mutually covenant and agree as follows:

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Both parties mutually agree that their objective is for the good and welfare of the District and Association members alike. Both parties further agree that, in the interest of collective bargaining and harmonious relations, they will always abide by the terms and conditions as hereafter set forth and agreed upon. The District and Association regard all personnel as public employees who are to be governed by high ideals of honor and integrity in all public and personal conduct to merit the trust and confidence of the public and fellow employees.

ARTICLE 1: RECOGNITION

The District recognizes the Rainbow Employee Association as representative of the representation unit set forth below, if said Association represents a simple majority of the District's non-management, maintenance and operations employees. The District agrees to meet and confer with said Association on all matters relating to the scope of representation for the employees of said representation unit, as required by the Meyers-Milias-Brown Act and other laws.

The recognized representation unit shall consist of all full-time non-supervisory and non-confidential employees of the District whose positions are non-exempt. Part-time employees, defined as any employee whose regular work schedule averages fewer than 30 hours per week, are not represented by Rainbow Employee Association and are not covered by the provisions in this Memorandum of Understanding.

ARTICLE 2: IMPLEMENTATION

It is agreed that this Memorandum of Understanding shall not be effective until the District Board of Directors:

- Acts, by majority vote, to formally approve and adopt said Memorandum of Understanding;
- Acts to budget the necessary funds required to implement the provisions of the Memorandum of Understanding, which require funding;
- Agrees to work under the provisions of the existing Memorandum of Understanding until a successor agreement is reached; and
- The agreement is executed by the designated District Board of Directors and the Association representative.

ARTICLE 3: TERM

The term of this Memorandum shall be in effect for five years commencing on July 1, 2026 and all terms, including grievance procedures, shall expire and otherwise be fully terminated at 12:00 midnight on June 30, 2031.

ARTICLE 4: RENEGOTIATION

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In the event that the Association and the District desire to negotiate the provisions of a successor Memorandum of Understanding, said party shall serve upon the other no later than January 15, 2031, its written request to commence negotiations. Upon receipt of such written notice, meet and confer shall begin no later than February 15, 2031 unless written notice is given by either party and agreed to by the other party prior to February 15, 2031 agreeing to an alternate starting date. The target date for completion of negotiations is June 1, 2031.

A meeting shall be scheduled by December 6, in the year before the contract term expires, between the Association Presidents and Human Resources to review MOU timelines, clarify mutual expectations, and establish a clear framework for the next negotiation cycle. The meeting invitation shall be initiated and distributed by Human Resources.

ARTICLE 5: NON-DISCRIMINATION

The District and Association mutually agree that there will be no discrimination against any employee in the application of the terms of this agreement by reason of race, sex, age, physical or mental disability, religion, sexual orientation, gender identity, or any other category protected by applicable federal, state, or local law. The District and Association agree that the District is permitted to take all actions necessary to comply with all applicable federal, state, and local laws and regulations, including but not limited to the Americans with Disabilities Act, and including all new laws and regulations enacted during the term of this agreement, regardless of any provisions of this agreement. The parties recognize and agree fully to protect the rights of all employees covered hereby to join or not join and participate in Association activities.

ARTICLE 6: COMPENSATION

Section 1 Pay Grades

Pay ranges are established in the Rainbow Municipal Water District Pay Grades. The Board of Directors adopts the resulting pay grades and ranges in a separate action, which will be in alignment with this agreement. At the beginning of the pay period that includes July 1 of each subsequent year that this agreement is in effect, the following pay range adjustments will be made:

Non-Exempt Pay Grade ranges shall be increased by the greater of the 12-month percentage change in the San Diego-Carlsbad CPI-U or the Riverside Area CPI-U, most recently published by the Bureau of Labor Statistics as of April 30 of each year, rounded to the nearest tenth, with a minimum increase of 1.5% and a maximum increase of 4%.

The following hypothetical example illustrates how the pay range adjustment would be calculated:

EXAMPLE 1

If the San Diego-Carlsbad CPI-U is:

- March 2026: 370 (note: this is not the actual number)
- March 2027: 380
- The 12-month percent change is 2.7%; and

If the Riverside Area CPI-U is:

- March 2026: 133 (note this is not the actual number)
- March 2027: 136
- The 12-month percent change is 2.3%

In this case, the San Diego CPI would be higher, and the minimum and maximum of each Pay Grade range would increase by 2.7%

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EXAMPLE 2

- If the highest 12-month change is the San Diego-Carlsbad CPI-U as of March 2027, at 5%, then the minimum and maximum of each Pay Grade range would increase by the 4% maximum.

Legacy Pay Grades will not be adjusted.

Base pay will not automatically be adjusted with the pay range adjustment except according to Section 2 – Cost of Living Adjustments, unless it is necessary to keep an employee's salary at the minimum of the pay range for their Pay Grade. The following examples illustrate when base pay would and would not be adjusted:

- If Salary Grade NE5 is $25.00 – 33.75 per hour, a 2.5% adjustment would move it to $25.63 - $34.60 per hour.
- If Employee A, with a base pay of $25.00, receives a 1.5% COLA adjustment to $25.38, they would receive an additional base pay adjustment up to the new minimum pay grade of $25.63.
- Employee B, with a base pay of $30.00 per hour, will receive a base pay adjustment only in accordance with Article 6, Section 2 – COLA.

Section 2 Cost-of-Living Allowance

Each Association employee will receive a base pay Cost-of-Living-Adjustment based on the 12-month percentage change in the San Diego-Carlsbad CPI-U most recently published by the Bureau of Labor Statistics, as of April 30 of that year, rounded to the nearest tenth, with the following restrictions:

- The minimum COLA during this contract term shall be 1.5% per year, even if CPI is lower than 1.5%.
- In 2026, the maximum COLA will be 3%, effective at the beginning of the pay period that begins after July 1, 2026.
- In 2027, the maximum COLA will be 3% as of the start of the pay period that includes July 1.
- In 2028, the maximum COLA will be 3% as of the start of the pay period that includes July 1.
- In 2029, the maximum COLA will be 3% as of the start of the pay period that includes July 1.
- In 2030, the maximum COLA will be 3% as of the start of the pay period that includes July 1.

Section 3 Performance Evaluations and Merit Awards

Section 3.1 Performance Evaluations

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All employee evaluations will be prepared after the end of the fiscal year according to the following schedule:

Employee Self-Evaluations are due by:	**July 31**
First draft evaluations to be submitted to Human Resources by:	**August 31**
HR and General Manager to review and approve final drafts by:	**September 30**
All final reviews to be delivered to employees by:	**October 31**
Merit Calculation Notices to be issued to employees by:	**December 1**

New employees hired between January and June of each year may follow a modified evaluation schedule to allow their Manager more time to assess performance, but the final review shall be delivered no later than November 15th.

Performance reviews are not subject to the grievance procedures outlined in this MOU. Only review ratings of Inconsistent or Unsuccessful may be appealed. If the employee wishes to appeal a rating, the employee may submit a written appeal within 5 business days of receiving the review. The General Manager will make the final decision regarding the appeal and may consult with the supervisor, manager, human resources, the employee, or other knowledgeable parties to evaluate the appeal. The General Manager shall decide within 10 business days of receiving the appeal, and their decision shall be final.

Section 3.2 Self-Evaluations

Self-evaluations give employees an opportunity to document their accomplishments and goals and provide feedback to management. Performance reviews are often more accurate and complete when the employee has a chance to proactively self-advocate before the review is drafted, especially when the employee has had multiple supervisors throughout the review period. However, some employees are more comfortable with this process than others. In the interest of respecting employee preference while encouraging employees to participate in this two-way, proactive feedback process, the following procedures will apply:

- Human Resources will conduct employee training on writing an effective self-evaluation before July 15 of each year.
- Completing a self-evaluation will be optional. Employees who wish to complete a self-evaluation will be given up to 3.5 hours of scheduled office time to complete it. Employees should coordinate timing with their supervisors to align with operational needs.
- If an employee elects not to complete a self-evaluation, that employee may not appeal the evaluation ratings after it is delivered.

Section 3.3 Merit Pool

All Association employees shall be eligible for a merit award once per year, effective at the beginning of the pay period that includes January 1. Merit awards will be in the form of base pay increases unless the award would cause the employee's base pay to exceed the maximum of their Pay Grade. If this occurs, the employee will receive a lump sum equal to 50% of the remaining merit award above the pay grade's maximum.

Employees in Legacy Pay Grades will receive the full merit award.

Merit awards will be calculated using a merit pool. The merit pool will be calculated based on a 4% annual merit baseline.

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The merit award will be determined for each employee based on a percentage of their base pay, calculated from the merit baseline percentage, and each employee's performance points relative to the average points earned per employee. The point value of each person's performance ratings in each performance category is as follows:



If the average employee earned 17 points, then:

Employees	Points Earned	Rating Ratio (points/average)	Percent Multiplier
A, D, G	15	15/17 = .88	4% x .88 = 3.52%
B, E, F	17	17/17 = 1	4% x 1 = 4%
C, H, I	19	19/17 = 1.12	4% x 1.12 = 4.48%

Merit Calculation Examples:

Employee Base Pay	Merit Award	Top of Salary Grade	New Annual Base Pay	Lump Sum Award (50% of amount over pay grade max)
Employee A: $70,000	3.52% = $2,464	$82,000	$72,464	$0
Employee B: $80,000	4% = $3,200	$82,000	$82,000	(50% of $1,200) $600
Employee C: $90,000	4.48% = $4,032	$90,000	$90,000	(50% of $4,032) $2,016

Section 3.4 Prorating for Transition Years

For the first year that the merit pool system is in effect, and for future new hires and mid-year promotions, the merit awards will be prorated based on the number of months since the effective date of the employee's last review or merit award, or since they were hired or promoted.

New hires and promoted employees with a hire date, promotion date, or last review date between January and June will participate in the merit pool their first year, and new hires or promoted employees hired or promoted between July and December of each year will not participate in the merit pool until the following year.

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For example:

- An employee whose last review date, promotion date, or hire date was in March will receive 9/12 of their allotted merit award, since only 9 months will have passed.
- An employee whose hire date, promotion date, or review date was in June will receive 6/12ths of their merit award, since six months will have passed.
- An employee whose last review date, promotion date, or hire date was in September will receive 15/12ths of their allotted merit award, since 15 months will have passed.

Section 4 Promotional Process

Section 4.1 Eligibility

Supervisors or Managers may recommend employees for promotion when the employee has demonstrated the knowledge, skills, and abilities required for the promotional classification; has achieved the required certifications; their most recent performance review had a Successful or higher rating in every category; and has not received any disciplinary action within the past year.

Section 4.2 Promotional Increases

Standard promotional increases are 2.5% per pay grade when promoted to another hourly position. The General Manager may authorize a higher amount in unusual circumstances or when necessary to remain within the designated pay grade.

Section 4.3 Timing of Promotions

Promotions may occur at any time and are not required to coincide with the performance review cycle.

Employees promoted with the review cycle (effective January 1) will have their merit award applied first, followed by the promotional increase. Employees promoted between January and June will be evaluated no later than November 15th based on their partial-year performance. Employees promoted between July and December will be evaluated at the end of the fiscal year in which they were promoted. All employees promoted outside of the performance review cycle will receive a pro-rated merit award as described in Article 6, Section 3.4.

Section 5 Overtime

Section 5.1 Rate

Except as otherwise provided in this agreement, any employee covered by this agreement shall be paid at the rate of one and one-half (1.5) times their regular rate of pay for all hours worked in excess of:

- Ten (10) hours per day Monday through Friday
- Forty (40) hours per workweek.

Employees will be paid at a rate of double their regular rate of pay for all hours of work over:

- Twelve (12) hours per day
- More than eight (8) hours on Sunday if the employee worked consecutively through the previous Monday through Saturday.

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Employees on a 9/80 schedule who work more than 9 hours in a workday may elect to offset the additional hours worked by reducing the hours in another workday in the same workweek, with supervisor approval. However, they shall not be required to do so unless a temporary schedule adjustment was made at least one week in advance.

For the purposes of counting daily overtime hours, all hours for a continuous shift that spans two calendar dates will be counted on the calendar date the shift began, up to the scheduled start of the next shift.

All paid leave time is considered hours of work for calculating overtime under the negotiated agreement. It is understood that this is not required under the FLSA and may therefore not be reportable as eligible overtime for IRS reporting and tax deduction purposes.

All time worked during the employee's regularly scheduled shift will be paid at straight time to preserve the employee's pensionable pay, unless the employee has exceeded 40 hours in the workweek, in which case it will be paid at one and one-half (1.5) times the employee's regular rate of pay for all hours over 40 in the workweek.

To the extent that an employee receives overtime compensation under both this Agreement and the FLSA for the same hours worked, the District shall not be required to pay overtime more than once for the same hours (no pyramiding of overtime).

Overtime worked on holidays will be paid according to the terms in the section titled "Holidays" in this MOU. Weekend work will not be automatically considered overtime, but it will be paid in accordance with Article 6, Section 7 Shift Differentials.

Section 5.2 Scheduling

All overtime hours worked must be approved by the employee's immediate supervisor. Immediate supervisors will make every attempt to release employees as soon as practical. Overtime shall be distributed equally, as practical, among the employees within the divisions of the District, except where emergencies or other existing conditions make equalization impractical or inefficient for the division.

Section 6 Compensatory Time

When any non-exempt employee works overtime, the employee may elect to accrue Compensatory Time Off instead of receiving a cash payment for the overtime. The amount of Compensatory Time Off will be based on the applicable overtime rate (one and one-half or double the regular rate of pay as specified in the Overtime Section).

No employee shall be allowed to accumulate over 60 hours of compensatory time. Any time over 60 hours shall not be eligible for accumulation and shall be included as hours paid in the employee's paycheck for the pay period in which it was earned.

Compensatory time shall be granted at such times and in such time blocks as are mutually agreed upon between the employee and their immediate supervisor; permission to utilize compensatory time off shall not be unreasonably denied if operating requirements will not be adversely affected.

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All unused compensatory time will be paid out on the last pay date in December of each year. Employees will have the option to cash out Compensatory Time Off on the last pay date in June and on the last pay date in November of each year.

Upon separation from the District, employees shall be paid 100% of their accumulated compensatory time balance at their present rate of pay.

Section 7 Shift Differential

When an employee works a temporary schedule change on a Saturday or Sunday, or during night hours between 8 PM and 4 AM, and the time worked would otherwise be paid at straight time, the employee shall receive a shift premium equal to 25% of their base hourly rate.

Shift premiums shall be included in the regular rate of pay when determining FLSA overtime premiums for hours worked in excess of 40 hours in a workweek but shall not "pyramid" or be paid on top of negotiated daily overtime premiums.

All straight time base pay earned while eligible for the shift premium will be reportable as pensionable hours worked, but the shift premium will not be reportable as pensionable pay.

Section 8 Call Back

Section 8.1 Definition

Callback work is defined as the time required of an employee who completes the employee's regular workday, departs from the District, and is ordered to report back to duty to perform necessary work. Suppose an employee is called, and the callback can be resolved by telephone without the employee returning to the District. In that case, the employee shall record the actual time spent resolving the matter on their timesheet. An employee will be paid for hours worked as specified in the Overtime Section.

Section 8.2 Minimum Hours for a Call Back

Employees responding to a callback in person shall record the actual number of hours worked on the callback. Employees shall record a minimum of two (2) hours on their timesheet for the work performed, including a maximum of 30 minutes of travel time each way.

Section 9 Standby Duty

Section 9.1 Standby Duty Pay

When an employee is assigned to Standby Duty, a daily stipend of $60 for regularly scheduled workdays and $85 for alternative work schedule flex days off (Friday or Monday), weekends, and District-observed holidays will be paid. The stipend is the consideration for performing daily Standby Duties of an incidental nature and for any increment of time ("Incidental time").

Incidental time includes, but is not limited to, short phone calls, reading or responding to email or text messages, or filling out required paperwork that takes five (5) minutes or less of the employee's time. Incidental time included in the stipend is not eligible for additional pay unless the cumulative incidental time for the workweek collectively exceeds one hour. However, any incidental time exceeding one hour in a workweek will be compensated.

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Section 9.2 Holiday Duty Pay

The Operations Manager/COO may assign more than one employee to be on Standby on holiday weekends. If additional employees are assigned to Standby on a holiday weekend, they will be paid the same daily Standby Stipend for each day they are assigned to Standby Duty. Employees on Standby Duty who work overtime on a District-recognized holiday or Easter Sunday will be paid according to the holiday pay provisions in Article 9, Section 1, Holidays.

Section 9.3 Pay for Time Worked Outside of Regular Hours

Employees will be paid for the actual time worked outside their regular hours when responding to an alarm or call at the applicable pay rate. Other than the stipend, employees on Standby Duty will not be compensated if the employee does not perform any work.

Section 9.4 Water Operations Standby Duty

For employees assigned to Water Operations Standby Duty, the approved time allowed to perform the routine daily Standby Duty tasks after the System Operator's regular working hours associated with monitoring the system and performing daily flow changes will be as follows:

- Up to 1 hour per day on regular workdays, paid at the applicable rate of pay.
- Up to an additional 1 hour per day on Fridays off and weekends at the applicable pay rate.

When the Operator cannot resolve an issue remotely and must drive in to perform work, they will be compensated for round-trip travel time to and from the site. The Operator will not be compensated for non-business-related travel time at any time.

While on a call-out, if the Operator receives a second call-out, the Operator will be paid for the actual time spent traveling to the second call, resolving that call-out, and for the travel time to their residence. Time for the previous call-out will end when the Operator starts responding to the second call-out.

When alarms or calls occur between 11:00 PM and 5:00 AM, the System Operator will be paid for a minimum of 30 minutes of response time.

Section 10 Safety Leave

Section 10.1. Definition

A minimum amount of non-work hours following an extended work shift that interrupts the usual sleep cycle. Non-scheduled work is when notification to work is provided with less than 24-hour advance notice. Scheduled work is when notification to work is provided with at least 24 hours' advance notice.

Excessive fatigue due to prolonged work periods or insufficient rest between work periods can lead to accidents, injuries, and even death. It is in the best interest of both the District and each employee to prevent excessive fatigue on the job. To this end, this policy will outline how extended work periods will be managed at the District.

Section 10.2. Required Time Off

Safety Leave is non-working hours to allow employees adequate rest after working long overtime shifts. When the required Time Off to Rest falls within a regularly scheduled work shift, Safety Leave shall be paid in the amount necessary to ensure no loss of pensionable hours. Paid Safety Leave is considered hours worked for purposes of PERS reporting.

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A. Eligibility

Safety Leave will be awarded to employees who work extended overtime to ensure that they have an appropriate amount of rest between shifts.

B. Maximum Shift

The maximum length of time any non-exempt employee may work in any rolling 24-hour period is 18 hours.

C. Continuous Shift

After a continuous shift of 18 hours (excluding meal breaks), the employee must have a mandatory rest period equal to the length of the next day's scheduled shift. For example, an employee who starts at 6:30 a.m., works 18 hours (leaving at 1:00 a.m.) and is scheduled for 9 hours the following day may report back to work no earlier than 10:00 a.m. the following day. The employee will be awarded three and one-half hours of Safety Leave to make up the difference between the normal start time and the mandatory earliest report time (6:30 a.m. to 10:00 a.m.).

D. Safety Leave After Call Back

If an employee is called back to work for an overtime event after concluding a normal shift, the minimum rest period after concluding this overtime shift will be based on the following table:

Length of Overtime Shift	Minimum Rest Period
9 or More Hours	Length of Next Day's Scheduled Shift
7-8 Hours	8 Hours
5-7 Hours	7 Hours
3-5 Hours	5 Hours
Less Than 3 Hours	None

E. Notification of Safety Leave

If the employee is given Safety Leave at or before the start of their normal shift, the person responsible for overseeing the job must inform the other supervisor of the employee's Safety Leave. Once an employee has been dismissed from the job, they are not required to personally call their supervisor to notify them of their Safety Leave.

The person running the job site is responsible for notifying the Supervisor or Manager when an employee has worked 16 hours in a 24-hour period and needs to be relieved for Safety Leave within the next two hours. The immediate supervisor or manager is responsible for taking appropriate action to ensure that employees do not exceed 18 hours.

F. Reporting Back to Work

The employee may report to work at the adjusted report-to-work time or may choose to take additional time for rest. Note that in certain circumstances, especially during periods where the employee is needed for urgent work, the immediate supervisor or manager may require the employee to return to work at the conclusion of their Safety Leave.

G. Additional Time Off

Suppose the employee voluntarily chooses to extend their rest period. In that case, the employee may choose to either take no pay or use Paid Time Off (PTO), compensatory time, or Holiday Bank time for this period.

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H. Anticipatory Safety Leave

The Operations Manager/COO has the authority to grant Safety Leave in anticipation of shift changes for special projects and emergency shift changes with less than 24 hours' notice, so that employees may rest before reporting to work for night shifts.

I. Discretionary Rest Period

Any employee reporting to work who appears too fatigued to work safely, regardless of whether they worked overtime, may be sent home for rest at the discretion of their direct supervisor. In the interest of employee safety, supervisors are responsible for ensuring that each employee does not pose a hazard to others due to excessive fatigue. Employees sent home for rest can choose either to take no pay or use Paid Time Off (PTO), compensatory time, or Holiday Bank time for this period.

J. EOC Activation

In the event of an emergency and the activation of the Emergency Operations Center (EOC) by the General Manager, all mandatory maximum work periods and minimum rest periods are subject to the Incident Commander's discretion. Work and rest periods will be determined on a case-by-case basis as the District's immediate needs require.

Section 11 Out-of-Class Pay

An employee specifically assigned in writing to perform the duties of a higher-level position for one whole workweek or more shall be compensated an additional 2.5% of the employee's current rate of pay for each pay grade that the Out-of-Class job is above the pay grade of the employee's regular job classification.

For example, suppose an employee whose regular job classification is in Pay Grade NE-15. They are given an Out-of-Class assignment to fill in for a position in Pay Grade NE-17. In that case, they will receive 5% Out-of-Class pay. If they fill in for a position that is in Pay Grade NE-18 they will receive 7.5% Out-of-Class pay.

Suppose the out-of-class assignment extends beyond 60 days. The Out-of-Class employee is filling in for another non-exempt position. In that case, the Out-of-Class pay shall be the greater of 2.5% per pay grade difference or the minimum of the pay grade for the job they are working Out of Class.

The department manager is responsible for completing the Personnel Action Notice and submitting it to Human Resources for processing as soon as the Out-of-Class assignment has been made. The employee and their bargaining unit representatives will be notified in writing at the beginning and end of their Out of Class assignment. After such an assignment, the employee shall be restored to the employee's former classification.

Section 12 Out-of-Class Certification Bonus

A one-time certification bonus of $200 will be awarded to an employee for achieving job-related certifications beyond those required for their current job classification, provided the certification appears in another job description within the same division, or it has been pre-approved by their Manager as relevant to the employee's job.

The current divisions are Operations, Engineering, Finance, Administration, Administrative Services, and Information Technology. The District reserves the right to modify or move Job Classifications, Departments, and Divisions at the General Manager's discretion. The District will meet and confer with the bargaining units on the impact of these changes if they occur.

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Section 13 Bilingual Pay Stipend

A $25 weekly stipend will be awarded to bilingual employees who work in specific job classifications, subject to the terms below

- Eligible job classifications are those in which the primary job functions require frequent, direct communication with customers or members of the public, in settings where the use of a translation app is not possible or practical, such as over the phone.
- Bilingual pay is not available for positions that may use bilingual skills on an incidental or occasional basis or where customer contact is less than 10% of work time.
- Employees whose positions do not qualify above but who take Water or Wastewater Standby Duty will be eligible for the Bilingual Stipend on the weeks they are assigned Standby Duty.
- Eligible languages include any language that more than 10% of the District's population speaks as their primary language. Currently, Spanish is the only qualifying language.
- Employees must pass a District-selected language assessment to demonstrate proficiency before becoming eligible for the Bilingual Pay Stipend.
- The effective date of the stipend is the first whole work week after the employee passes the assessment.

Section 14 Retirement Notice Bonus

To encourage and reward advance notice of an employee's intent to retire, the District will pay a $1,000 Retirement Bonus to employees who provide more than six months' written notice of the intended retirement date. The bonus shall be paid on the employee's last day worked, provided the actual date is within one month of the date given in the Notice of Intent to Retire.

Notices of Intent to Retire may be rescinded within 28 days of submittal. After that point, the District begins to devote considerable time and resources to preparing for the employee's retirement.

Therefore, the notice cannot be rescinded after 28 days. If an employee rescinds their Notice of Intent to Retire, they will forfeit their eligibility for the Retirement Notice Bonus in the future.

ARTICLE 7: WORK SCHEDULES

Section 1 9/80 Shifts

The default schedule for all employees is a 9/80 work schedule.

- Employees on the 9/80 alternative work schedule will be scheduled to work eighty (80) hours in nine (9) workdays, typically consisting of eight (8) days of nine (9) hours a day and one (1) day at eight (8) hours, with one (1) weekday off each pay period.
- For weekly overtime calculation purposes, the definition of the workweek for employees on a 9/80 schedule is a 7-day period starting and ending four hours after the scheduled beginning of the eight (8) hour day.

Section 2 10/80 Shifts

Field personnel who work independently and office personnel may request a traditional 10/80 (5-day workweek) schedule with formal written approval from their supervisor.

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Section 3 4/10 Shifts

A 4/10 Alternative Work Schedule may be made available to field staff, on a limited, trial basis, under the following conditions:

A. The 4/10 schedule shall be seasonal and begin no earlier than the pay period that includes **April 1** and continue no later than the pay period that includes **September 30** of each year. The remainder of the year will continue the 9/80 schedule.

B. The default 4/10 schedule shall be from **6:30 AM to 5:00 PM** to ensure adequate daylight for field work, and to comply with noise restrictions that prohibit non-emergency noisy work before 7 AM.

C. To ensure adequate service delivery to customers and meet operational needs, department supervisors or managers **may assign Monday–Thursday, Tuesday–Friday, or alternating schedules** (one week Mon-Thurs, one week Tues-Fri).

D. **All employees of each department shall be on the same 4/10 or 9/80 schedule.** Employees in job classifications that are not eligible for remote work from the following departments shall vote by secret ballot no later than April 1st of each year on whether they would like to request the seasonal 4/10 schedule: IT, Purchasing/Facilities, Meters, Engineering, Wastewater, Construction, System Operations/Valve Maintenance, and Fleet Services.

E. If at least 2/3 of the eligible employees vote to request it, the supervisor will create a proposed schedule for each employee, including the days of the week and start and end times, and present it to the General Manager for final approval. The General Manager shall communicate whether the 4/10 shift is approved no later than April 15th.

F. For 2026, the department's votes shall take place as soon as possible after ratification of this contract, with a potential start in the first full pay period in July.

G. The General Manager will re-evaluate the operational impact of the 4/10 schedules at the end of each seasonal trial period and **reserves the right to discontinue or extend the trial in future years during the term of the MOU** for any or all departments if it is determined to have had a negative or positive impact on service delivery, overtime, or operations.

H. Beginning with calendar year 2028, departments may request an extended trial period**.**

I. Employees working a 4/10 schedule shall receive overtime in accordance with the Fair Labor Standards Act (FLSA) and the provisions of this MOU. For FLSA overtime calculation purposes, the workweek for employees on a 4/10 schedule shall begin at 12:00 AM on Saturday and end at 11:59 PM on Friday.

J. Holidays falling on a scheduled workday shall be compensated at ten (10) hours, and holidays falling on a regularly scheduled day off shall be handled consistent with District policy and this MOU.

Section 4 Temporary Schedule Changes

From time to time, temporary schedule changes may occur to cover evening or weekend special events, to perform work that can only be done at night or during off-hours, or to accommodate an employee's request. Temporary schedule changes shall be communicated to employees at least one week in advance. If a temporary schedule change includes weekend or night work, compensation will be paid in accordance with Article 6, Section 7, Shift Differential. Employees who work a weekend shift may be scheduled for time off later in the workweek in lieu of exceeding 40 hours for the week, subject to operational needs and supervisor approval.

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ARTICLE 8: EMPLOYEE BENEFITS

Section 1.1 Medical, Dental, and Vision Insurance

The District shall offer affordable group medical, dental, and vision insurance plans to all full-time employees. The amount the District contributes toward insurance premiums will vary based on the health plan and coverage tier the employee selects.

Due to the possible volatility of the health insurance market, the District and the bargaining unit agree that certain circumstances may warrant renegotiating the terms of this Section of this Article before this contract expires. The following circumstances may trigger a renegotiation of this Article:

- If the health plans the District offers become unavailable due to factors outside the District's control, such as unilateral changes imposed by an insurance carrier;
- If premium costs for an offered plan increase by more than 20% in a single year;
- If the District and the bargaining unit both desire to seek comparable plans with lower premium costs from other insurance carriers.
- If any of these conditions occur, the District will notify the bargaining unit President in writing of its intent to renegotiate this Article within 7 days of discovering the change for changes to be effective in the following plan year.

Section 1.2 Health Savings Account Deposits

Employees who elect to enroll in either the Anthem or Kaiser high-deductible Consumer Driven Health Plans will be eligible to enroll in tax-exempt Health Savings Accounts. Per IRS regulations, Health Savings Accounts may be used to pay for out-of-pocket medical expenses, including copays, prescriptions, and other qualifying expenses.

On the first banking day of the calendar year or the first banking day after a new hire's effective date of health insurance coverage, the District will make deposits into the Health Savings Accounts on behalf of the eligible employees. The amount the District will fund depends on the employee's coverage tier, as follows:

Plan Selected	Amount Funded into HSA		
	Employee Only	Employee + 1	Family
Anthem CDHP	Full Deductible ($1,700)	$3,200	$3,200
Kaiser CDHP	Full Deductible ($1,700)	$3,200	$3,200

Employees may elect to contribute additional funds to their Health Savings Accounts through payroll deductions, up to the IRS annual contribution limits.

The dependent tier HSA contributions listed above make the net deductible $200 for the year based on the 2026 plan year's deductibles. Suppose the IRS or a plan vendor unilaterally increases the deductibles for the CDHP plans. In that case, the District will increase the Health Savings Account contribution amounts as follows:

Employee-Only: to match the employee-only deductible and maintain a zero net deductible.

Dependents: The District will increase its HSA contribution to maintain a net deductible of $200, unless the combined costs of the annual premium plus the HSA contribution exceed the same vendor's annual premium cost for its comparable plan. In that case, the District will maintain the $3,200 HSA contribution amount. The following hypothetical examples illustrate this:

Plan	Annual Premium	Deductible	HSA contribution would be:	Net Deductible	Total Annual Cost
Anthem PPO	$30,000	$600	Not eligible	$600	$30,000
Anthem CDHP	$24,000	$3,500	$3,300	$200	$27,300
Anthem CDHP	$28,000	$3,500	$3,200	$300	$31,200
Kaiser HMO	$26,000	$0	Not eligible	$0	$26,000
Kaiser CDHP	$20,000	$3,600	$3,400	$200	$23,400
Kaiser CDHP	$23,000	$3,600	$3,200	$500	$26,200

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Section 1.3 Employee Only Health Coverage

Beginning with the plan year that begins January 1, 2027, the District will pay 100% of the premium for employee-only coverage for the four least expensive plans, ranked by the combined premium and HSA contribution costs. If an employee elects the most expensive plan, the employee will contribute the difference in cost between the fourth plan and the higher-cost plan through payroll deductions.

Example 1:

- If the fourth plan is the Anthem PPO with $12,000 annual premiums, and
- The most expensive plan is the Anthem HMO with $13,000 in annual premiums, then
- The employee will pay $1,000 for the year, or $41.67 per pay period.

Example 2:

- If the fourth plan is the Anthem CDHP with $10,500 annual premiums, and a $1,700 HSA contribution, and
- The most expensive plan is the Anthem HMO with $13,000 in annual premiums, then
- The employee will pay $800 for the year, or $33.33 per pay period.

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Section 1.4 Dependent Care Coverage

The District will contribute towards the total costs for the Employee + 1 or Family coverage tiers, including premiums and HSA contributions, at varying levels based on the selected plan, as shown in the chart below.

Plan Ranking	District Contribution to Total Costs	Employee Cost Share
First plan (least expensive)	100%	FREE
Second Plan	90%	10%
Third Plan (middle plan)	90%	10%
Fourth Plan	85%	15%
Fifth Plan (most expensive)	85%	15%

The Plan Rankings will be determined independently for each coverage tier, and the rankings for Employee + 1 and Family coverage may differ and change from year to year.

The following example illustrates how the cost share for dependent care coverage will be calculated:

Plan Ranking & District/EE Cost Share	Plan Name* (example only, ranking could change annually)	Coverage Tier	Annual Premium Cost* *example only	District HSA Contribution	District Cost Share	Employee Cost Share
First plan (100%/0%)	Kaiser CDHP	Employee +1	$16,000	$3,200	$19,200	$0
Second Plan (90%/10%)	Kaiser HMO	Employee +1	$20,000		$18,000	$2,000
Third Plan (90%/10%)	Anthem CDHP	Employee +1	$22,000	$3,200	$22,680	$2,520
Fourth Plan (85%/15%)	Anthem HMO	Employee +1	$28,000		$23,800	$4,200
Fifth Plan (85%/15%)	Anthem PPO	Employee + 1	$31,000		$26,350	$4,650
First plan (100%/0%)	Kaiser CDHP	Family	$22,000	$3,200	$25,200	$0
Second Plan (90%/10%)	Kaiser HMO	Family	$31,000		$27,900	$3,100
Third Plan (90%/10%)	Anthem CDHP	Family	$29,000	$3,200	$28,980	$3,220
Fourth Plan (85%/15%)	Anthem PPO	Family	$36,000		$30,600	$5,400
Fifth Plan (85%/15%)	Anthem HMO	Family	$40,000		$34,000	$6,000

Section 1.5 Dental and Vision Insurance

The District will cover 100% of the premium for employees and dependents

Section 2 Retirement Health Care Contribution

Eligibility

Employees hired after July 1, 2012, will not be eligible for Retirement Health Care Contributions.

Employees hired before July 1, 2012, will be eligible for Retirement Medical Contributions if they elect not to participate in the District's 401(a) retirement savings plan.

For eligible employees, upon retirement at age 50 or older and with a minimum of ten (10) years of continuous service with the District, the District agrees to a Retirement Health Care Contribution of up to $363.00 per month towards the retired employee's or up to $726.00 per month for the retired employee and retired spouse's actual insurance premium costs, until each become eligible for full Medicare coverage. Suppose either the retired employee or the retired spouse becomes eligible for Medicare. In that case, the contribution will be reduced to $363.00 per month until both the retiree and retired spouse become eligible for Medicare. The assistance period for either the retired employee or the retired spouse will be for a maximum of ten (10) years.

There will be two methods of receiving the Retirement Health Care Contribution:

Method 1: Reimbursement

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Retirees and their retired spouses may purchase health care coverage outside of the District's group health plans. The District will reimburse them for the actual cost of health and dental insurance premiums, up to the established limits above. Retirees must submit receipts or other proof of payment to the Finance Department to receive this reimbursement.

Method 2: Continuance on District Plans with Retiree Cost-Sharing

Retirees eligible for the Retirement Health Care Contribution will have the option to remain on the District's group insurance plans offered through ACWA-JPIA and have the Retirement Health Care Contribution amount applied towards the monthly premium costs, as long as the following conditions are met:

The retiree will be responsible for paying the difference between the actual premium costs and the District's Retirement Health Care Contribution by the first day of each month. A 2% administration fee will be charged for all late payments. Failure to pay the retiree's share of premiums within 30 days of the due date will result in cancellation of coverage. Retirees and spouses whose coverage is canceled for non-payment will not be eligible for reinstatement in the group plan.

Employees who wish to continue District Plans in retirement must notify the District before the date of retirement and will transfer directly from active status to retired status on the group plan with no lapse in coverage.

Employees must enroll in the plan they wish to retire into during the Open Enrollment period before retirement. After this point, the only allowable changes are as follows:

- A retiree may disenroll at any time but may not re-enroll at a later date.
- A retiree may delete a dependent at any time but may not re-enroll the dependent later.
- Suppose a retiree on an HMO plan relocates to a non-HMO service area. In that case, they will be allowed to enroll in a PPO or CDHP plan. If the retiree moves back into the HMO service area, the retiree may re-enroll in the HMO.

- The retiree may switch from a plan with higher monthly premiums to one with lower premiums at any time. However, this election is irrevocable, and they may not switch back.
- Unmarried retirees may only remain on the group plan until they reach Medicare eligibility age.
- For married retirees, the spouse who reaches Medicare eligibility age first must enroll in Medicare A & B, for the spouse who is not yet eligible for Medicare to remain on the group plan. Once both the retiree and spouse have reached Medicare eligibility age, they are no longer eligible to remain on the group plan.
- If a retiree reaches Medicare eligibility age before their spouse and fails to enroll in Medicare A & B, both the retiree and their spouse will become ineligible to continue the group plan. The spouse will then be eligible to enroll in COBRA and may access any remaining Retirement Medical Contribution for which they are eligible through the reimbursement option.
- Suppose the retiree becomes deceased while enrolled in Retiree Coverage. In that case, the surviving spouse will lose eligibility for retiree coverage on the group plan but will become eligible to enroll in COBRA. A surviving spouse may access any remaining Retirement Medical Contribution for which they are eligible through the reimbursement option.
- Since coverage under the District's plans must be continuous, past retirees cannot re-enroll. COBRA coverage does not count as continuous coverage.

If the District's Retirement Health Care Contribution amounts above fail to meet the minimum contribution amounts required by ACWA-JPIA (currently 25% of the least cost retiree-only plan for which the retiree is eligible), then the option to continue District plans will discontinue. Retirees will need to access this benefit through the reimbursement method.

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Section 3 Y-Rated Employees

Employees in Legacy Pay Grades shall continue to receive their current District-sponsored health insurance benefits, with the same plan and coverage tier, without any increase in payroll deduction amounts until their base pay returns to a standard pay range. This provision shall not apply if the employee voluntarily elects to change health plans or coverage tiers during open enrollment or due to a qualifying event.

Section 4 Cash-In-Lieu of Benefits:

Employees who are eligible for District-sponsored medical insurance may voluntarily waive coverage, provided they can provide documentation of alternative group coverage other than the public health insurance exchange. Employees who waive coverage shall receive a stipend in the amount of **five hundred dollars ($500)** per month, payable in equal payments of $250 each on the first two pay dates of the month. Employees electing cash-in-lieu of medical benefits may re-enroll in District-sponsored medical coverage during the District's open enrollment period or upon a qualifying event, in accordance with applicable law and ACWA-JPIA policy.

Section 5 Deferred Compensation Programs

Section 5.1 401(a) Plan

The District agrees to establish a 401(a) retirement savings account to assist employees in saving for retirement, medical expenses, or other retirement-related expenses. The District will fund the 401(a) accounts as follows:

Employees hired before July 1, 2012, may elect to participate in the 401(a)-matching program instead of the Retirement Health Care Contribution program. No employee may participate in both programs. The District will match employee contributions to the 401(a) account per the following terms:

0-5 Years of Service	5-10 Years of Service	10-20 Years of Service	Over 20 Years of Service
$75 per pay period	$100 per pay period	$125 per pay period	$150 per pay period

Employee contributions to the 401(a) account will be on a post-tax basis. The employee may contribute additional funds, subject to IRS annual limits. The District's matching funds will be tax-deferred. The District's initial deposit and matching funds will be tax-deferred and will become vested per the following vesting schedule:

1 Year of Service	2 Years of Service	3 Years of Service	4 Years of Service	5 Years of Service
20% Vested	40% Vested	60% Vested	80% Vested	100% Vested

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If an employee leaves the District's employment before the District's contributions to the 401(a) account are 100% vested, the unvested funds will be forfeited and returned to the District.

Section 5.2 457(b) Plan

The District will match employee contributions into a 457(b)-retirement savings account. The amount the District contributes will be a tiered amount based on whether the employee is a Classic or PEPRA CalPERS member, as follows:

- Classic CalPERS members will be eligible for a $ 100-per-pay-period dollar-for-dollar match.
- PEPRA CalPERS members will be eligible for a $ 125-per-pay-period dollar-for-dollar match.
- The employee may contribute additional unmatched funds through payroll deductions, subject to IRS rules and annual limits.

Section 6 Life and Disability Insurance

The District shall pay for employees' life, short and long-term disability insurance.

Section 7 Public Employees' Retirement System

The District participates in the California Public Employees Retirement System (CalPERS). All employees hired at the District before January 1, 2013, are under the CalPERS miscellaneous formula of 2.5% @ 55. The final compensation is the highest average pay rate and special compensation during any consecutive one-year period. The employees contribute 8% of their annual salary.

A full-time new employee hired on or after January 1, 2013, will be subject to the Public Employees Pension Reform Act (PEPRA). A new employee who is also a "New Member" to CalPERS will participate under the mandatory miscellaneous formula of 2% @ 62. The final compensation is the highest average pay rate and special compensation during any consecutive three-year period. The employee contributes 50% of the normal cost established by CalPERS as outlined in the Public Employees' Pension Reform Act of 2013 (PEPRA).

Under the PEPRA, a "New Member" is defined as:

- An individual hired on or after January 1, 2013, and has no prior membership in any California public retirement system.
- An individual whom a different CalPERS employer rehires on or after January 1, 2013, after a break in service greater than six (6) months.
- An individual who is brought into CalPERS membership for the first time on or after January 1, 2013 and is not eligible for reciprocity with another California public retirement system.

Suppose a former CalPERS eligible employee of the District has a break in service of more than six (6) months but returns to service with the same District. In that case, the former employee will not be considered a new member under PEPRA.

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Section 8 Education Assistance Program

The District will reimburse employees for qualified educational costs for their own education, including tuition, books, fees, and student loan repayments. This reimbursement will be tax-free under Section 127 of the Internal Revenue Code.

For employees who have worked 0-3 years, the District will reimburse up to $2,500.00 per calendar year for qualified educational expenses.

For employees with three or more years of service at the District, the District will reimburse employees up to $5,250.00 per calendar year for qualified educational expenses.

To determine eligibility, the following requirements must be met:

- Courses taken during employment must be pre-approved courses of study leading to a degree or accreditation, or courses that are pertinent to the employee's position at the District.
- Courses must be completed with a grade of "C" or higher. A "pass" will be accepted for classes that use a pass/fail grading system.
- The class's end date will be the date used to calculate the employee's length of service, and the calendar year in which the reimbursement will be applied.
- Employees are required to submit applications to their immediate Supervisor or Manager and get approval before starting courses for which educational assistance is requested.
- Requests for reimbursement must be submitted within 30 days of completing the course. Suppose an employee leaves District employment before completion of the approved course. In that case, the District will not reimburse the employee for the course
- No assistance will be provided if the employee uses other reimbursement sources (e.g., the GI Bill) to pay for the course or any portion of it.

- For student loan reimbursements, qualified education loans must have been for the employee's own education. The loan must have been used to obtain a Certification or Degree relevant to the employee's job with the District. Proof of completion of the Degree and student loan payments will be required to obtain reimbursement. The student loan reimbursement shall remain in place as long as it is permitted under Internal Revenue Code Section 127.

ARTICLE 9: PAID TIME OFF

Section 1 Accrual Rate

Paid time off shall be granted to each employee and shall be accrued as follows:

Length of Service	Accrual Rate Per Pay Period	Annual Accrual Equivalent	Maximum Accrual
Up to 4 years	7.69 hours	200 hours	400 hours
4 – up to 9 years	9.23 hours	240 hours	480 hours
9 years and above	10.77 hours	280 hours	560 hours

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Employees may accumulate Paid Time Off up to 2 times their annual entitlement. Once the maximum accrual is reached, PTO hours will no longer accrue until they use PTO to bring their balance back under the maximum.

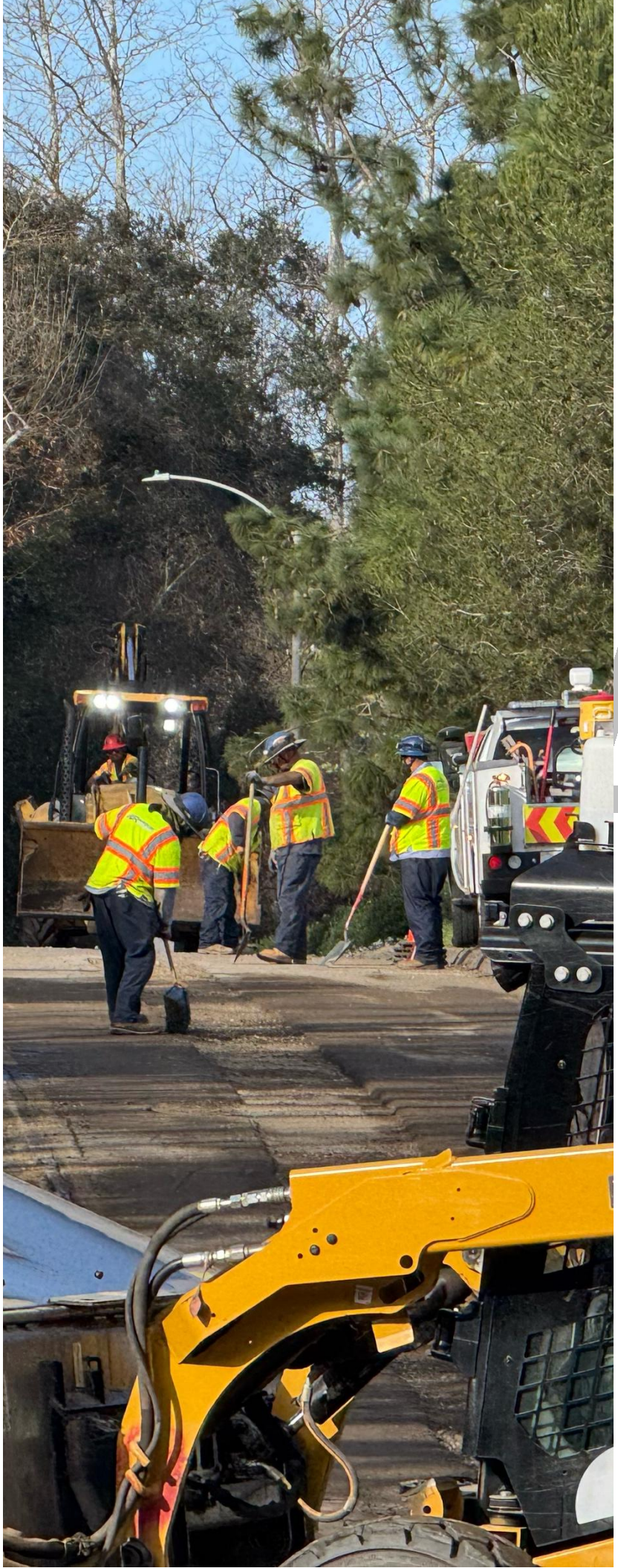
PTO time may be used for pre-planned vacations or personal business, as well as statutorily protected leaves, including but not limited to personal or family member illness, participating in drug or alcohol rehab, bereavement, reproductive loss, crime victim, domestic violence, sexual assault, or stalking victim leave, emergency rescue personnel leave, school activities or discipline leave, volunteer emergency responder leave, Civil Air Patrol leave, FMLA, CFRA, or any other statutorily protected time off. PTO will always run concurrently with protected leaves when permitted by law.

Employees are trusted to self-manage their PTO use responsibly and are encouraged to maintain a sufficient balance to cover unplanned time-off needs. Employees who need to take additional protected leave will be unpaid after exhausting their available PTO.

Suppose the District has previously approved a PTO request. If, through no fault of the employee, the District cancels the leave request due to operational needs and the employee reaches the maximum accrual, the District will compensate the employee for any additional hours that are not accumulated beyond the maximum accrual until the requested leave can be granted.

All new employees will accrue PTO beginning the first day of employment; however, these hours will not be eligible for use for any purpose other than legally protected leave until after completing 90 days of full-time employment, unless it has been pre-negotiated as part of the job offer or with General Manager approval.

Upon separation from the District, 100% of the employee's accumulated paid time off will be paid at their present pay rate.



Section 2 Paid Time Off Buy Back

Employees may cash out accrued paid time off (PTO) of a minimum of 40 hours once per year with the following stipulations:

- An IRREVOCABLE request must be completed and submitted during December for cashing out PTO on the last pay period of the following January of the following calendar year.
- Employees who have used at least 80 hours of cumulative PTO between December 1 of the previous year and November 30 of the current year may cash out up to 220 hours.
- Employees who have used at least 120 hours of cumulative PTO between December 1 of the previous year and November 30 of the current year may cash out up to 250 hours.
- Employees who have used at least 160 hours of cumulative PTO between December 1 of the previous year and November 30 of the current year may cash out up to 280 hours.
- Employees must maintain a minimum balance of 80 accrued PTO hours.
- A request to cash out accrued PTO due to reasons of hardship may be made at any time. The General Manager must approve the hardship request, and it is subject to the Internal Revenue Code's definitions of unforeseeable emergency. (Title 26, section 1.409a-3).

Suppose the IRS changes its regulations pertaining to this policy. In that case, the District will meet and confer with the bargaining unit to determine how to manage the impact of the regulatory changes.

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ARTICLE 10: OTHER LEAVES

Section 1 Holidays

The District will provide twelve paid holidays per year. Compensation for paid holidays will be for the entire length of the regular scheduled shift. Whenever a designated holiday falls on a Sunday, the holiday will be observed on the following Monday. Whenever a designated holiday falls on a Saturday, the holiday will be observed on the preceding Friday. All paid holidays for each year of this contract are as follows:

Holidays (Observed)	2026	2027	2028
New Year's Day		Fri, Jan 1, 2027 (A)	Fri, Dec 31, 2027 (A)
Martin Luther King Jr Day		Mon, Jan 18, 2027	Mon, Jan 17, 2028
President's Day		Mon, Feb 15, 2027	Mon, Feb 21, 2028
Memorial Day		Mon, May 31, 2027	Mon, May 29, 2028
Independence Day	Fri, July 3, 2026 (A)	Mon, July 5 ,2027	Tues, July 4, 2028
Labor Day	Mon, Sept 7, 2026	Mon, Sept 6, 2027	Mon, Sept 4, 2028
Veterans Day	Wed, Nov 11, 2026	Thurs, Nov 11, 2027	Fri, Nov 10, 2028 (B)
Thanksgiving Day	Thurs, Nov 26, 2026	Thurs, Nov 25, 2027	Thurs, Nov 23, 2028
Day After Thanksgiving	Fri, Nov 27, 2026 (B)	Fri, Nov 26, 2027 (B)	Fri, Nov 24, 2028 (B)
Christmas Eve	Thurs, Dec 24, 2026	Thurs, Dec 23, 2027	Mon, Dec 25, 2028
Christmas Day	Fri, Dec 25, 2026 (B)	Fri, Dec 24, 2027 (B)	Tues, Dec 26, 2028
New Year's Eve	Thurs, Dec 31, 2026	Thurs, Dec 30, 2027	Mon, Jan 1, 2029

Holidays (Observed)	2029	2030	2031
New Year's Day	Tues, Jan 2, 2029	Tues, Jan 1, 2030	Wed, Jan 1, 2031
Martin Luther King Jr Day	Mon, Jan 15, 2029	Mon, Jan 21, 2030	Mon, Jan 20, 2031
President's Day	Mon, Feb 19, 2029	Mon, Feb 18, 2030	Mon, Feb 17, 2031
Memorial Day	Mon, May 28, 2029	Mon, May 27, 2030	Mon, May 26, 2031
Independence Day	Wed, July 4, 2029	Thurs, July 4, 2030	
Labor Day	Mon, Sept 3, 2029	Mon, Sept 2, 2030	
Veterans Day	Mon, Nov 12, 2029	Monday, Nov 11, 2030	
Thanksgiving Day	Thurs, Nov 22, 2029	Thurs, Nov 28, 2030	
Day After Thanksgiving	Fri, Nov 23, 2029 (B)	Fri, Nov 29, 2030	
Christmas Eve	Mon, Dec 24, 2029	Tues, Dec 24, 2030	
Christmas Day	Tues, Dec 25, 2029	Wed, Dec 25, 2030	
New Year's Eve	Mon, Dec 31, 2029	Tues, Dec 31, 2030	

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Holiday Bank

Holiday bank is granted to employees to ensure all full-time employees receive the same number of holiday pay hours annually, as follows:

- Employees who work a 9/80 or 4/10 schedule will receive 8 hours of Holiday Bank for holidays that fall on their regularly scheduled day off.
- Employees who work a 10/80 schedule will receive 1 hour of Holiday Bank for holidays when other employees receive more than 8 hours of holiday pay, and they only receive 8 hours per their regularly scheduled shift.

Holiday Bank hours will be issued at the beginning of the fiscal year (July 1) to be available for use before the end of the fiscal year (June 30). Any Holiday Bank hours not used by the end of the fiscal year will be forfeited. Holiday Bank hours will not be cashed out at termination of employment.

Holiday Overtime

Suppose an employee works overtime on a holiday. In that case, double time will be paid on the holiday's actual date, and one-and-a-half times the regular rate of pay will be paid on the date the holiday is observed. Overtime worked on Easter Sunday will be paid at double time.

Section 2 Jury Duty Pay

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Rainbow Water recognizes and supports its employees' participation in civic activities, such as jury duty, or serving as a court witness.

When an employee is under orders to report for jury duty or to act as a witness, the District will pay up to 10 working days of Jury Duty Pay per calendar year, except as otherwise required by law. Compensation will be at the employee's regular wage rate, less any compensation from the court. In no event shall double pay to the employee result from jury duty. Jury duty service falling on a District holiday or an employee's regularly scheduled day off is not payable as Jury Duty Pay. The District will not compensate the employee for mileage or meal expenses unless the employee testifies on a District-related matter.

Suppose an employee is serving as a juror for an extended period and has exhausted Jury Duty Pay. In that case, the employee will be required to use other forms of paid leave, such as PTO, Compensatory Time, or Holiday Bank. However, if the employee has already used 40 hours of PTO time for the jury service and continuing to use PTO would cause the employee's PTO balance to fall below 80 hours, the District will resume paying Jury Duty Pay. Each employee will be eligible for this extended Jury Duty Pay no more than once during the term of this agreement.

The employee must present the notification to appear for Jury Duty to their Supervisor as soon as it is received. If a deferment is deemed necessary after consulting with the employee's
Supervisor, the supervisor shall provide a letter to be sent to the Jury Commissioner stating the reason(s) for deferment.

During Jury Duty Leave, employees are expected to report either to their assigned work at the District or to the court during working hours. It is the responsibility of employees on Jury Duty Leave to advise their immediate supervisors of their jury duty schedule, including start and end times each day.

Employees are not eligible for Jury Duty Leave when they are a party to the litigation or an expert witness. Employees should see Human Resources if they have questions about the Jury Duty Leave policy.

Section 3 Flex Hours

The purpose of flex hours is to allow employees to manage their work-life balance by offering the opportunity to temporarily change their work schedule with prior approval to take care of personal business without requiring paid time off, compensatory or holiday bank time.

Suppose an employee needs to be away from the District for a portion of a regular workday, not to exceed 3 hours, and they wish to make up the time in the same work week. In that case, they must coordinate with their immediate supervisor to arrange flex hours at an approved time during the same workweek. Flex hours will be approved or denied based on operational needs. Any make-up flex hours above the regular work shift will be paid at straight time.

Section 4 Workers' Comp Follow-Up Medical Visits

Any employee who requires medical care for a job-related injury or illness shall receive regular pay while obtaining medical care when the injury or illness is first reported.

However, any follow-up and/or additional treatment appointments should be scheduled around the employee's regular work schedule whenever possible. Employees will be required to use PTO or other accrued leave. If no leave time is available, the time from work will be unpaid.

Section 5 Compassionate Leave

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The District recognizes that certain catastrophic personal circumstances — the sudden death of or terminal diagnosis affecting a spouse or minor child — may require extended time away from work beyond standard bereavement or PTO leave. This policy provides eligible employees with partial income replacement to support them through these events. Employees with at least one (1) year of service shall be eligible for Compassionate Leave under this policy.

Qualifying Events

Compassionate Leave is available for the following qualifying events:

A. **Sudden Death.** The sudden, unexpected death of an employee's spouse, registered domestic partner, or minor child (under age 18).

B. **Terminal Diagnosis.** A terminal diagnosis received by an employee's spouse, registered domestic partner, or minor child, where a licensed physician has certified a terminal condition. To qualify under this provision, the employee must be on an approved and active FMLA/CFRA leave designation. Compassionate Leave under this provision runs concurrently with FMLA/CFRA leave and does not extend the employee's total FMLA/CFRA entitlement.

Duration

Compassionate Leave shall be available for up to eight (8) weeks per qualifying event. Leave may be taken continuously or intermittently, subject to District approval, and must be completed within six (6) months of the qualifying event.

Compensation

During Compassionate Leave, the employee shall receive pay at seventy percent (70%) of their regular hourly rate of pay for all scheduled hours missed.

Interaction with Other Leave and Benefits

- Compassionate Leave shall run concurrently with any applicable FMLA/CFRA leave entitlement where a qualifying medical condition is involved.
- Compassionate Leave shall not be charged against the employee's accrued PTO.
- Employees may elect to supplement Compassionate Leave pay with accrued PTO to achieve up to 100% of their regular rate.
- Compassionate Leave is separate from and does not reduce the employee's entitlement to use PTO for bereavement under District policy.
- Group health insurance and other District-sponsored benefits shall continue during Compassionate Leave on the same terms as if the employee were actively working. The employee remains responsible for their share of any benefit premiums.

Abuse of Policy

Compassionate Leave taken for purposes other than those specified in this policy, or obtained through misrepresentation, may result in disciplinary action up to and including termination, and reclassification of any pay received as Paid Time Off (PTO).

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ARTICLE 11: UNIFORMS

Section 1 Uniforms: All Personnel

Employees may choose between one purchased jacket, one hoodie sweatshirt, or one cardigan sweater every other year. No laundry services will be provided for purchased logo attire.

New hires will be provided with their District logo attire within the first 30 days, then on the same replacement schedule as other employees. Employees attending outside events such as conferences or training are expected to wear business attire or the District logo shirt with a collar.

To prevent impersonation of District personnel, logo apparel should never be thrown away at home or donated. All logo apparel shall be returned to the District when damaged or worn out or upon separation of employment. When purchased logo attire becomes damaged or worn out before the next purchase is due, it may be turned in to Purchasing for a new replacement with the employee's Manager's approval.

Section 2 Uniforms: Field Personnel

The District shall provide up to eleven (11) uniform (shirt and pants) changes biweekly to employees who must wear uniforms and where customer recognition as a District employee is required in the field. The District shall reserve the right to select the style and color of the work clothing. It will provide laundry service for rented uniforms.

In addition to the uniforms, the District will provide two logo t-shirts to all field personnel and one short-sleeved polo shirt. Employees may substitute additional t-shirts or polo shirts for uniform shirts. When t-shirts or other logo apparel become worn out, faded, or damaged, employees may return them to the Purchasing Department to receive replacements.

Section 3 Uniforms – Office Personnel

The District will provide two logo shirts (typically one short-sleeved polo shirt and one long-sleeved dress shirt) and one sweater, vest, or sweatshirt to all office employees upon hire and once every two years thereafter, and one jacket for the term of this agreement. No laundry services will be provided for purchased logo attire. Worn-out, damaged, or faded logo attire may be turned in for a replacement.

Office employees in Customer Service, IT, or Engineering, or whose jobs require frequent customer contact or appearance at public events, will receive up to five (5) logo shirts of their choice every two years. All logo apparel shall be returned to the District upon separation of employment, except apparel with the employee's name embroidered on it.

Section 4 Safety Footwear

Employees whose jobs require field work and who use ANSI-approved safety footwear are eligible for reimbursement not to exceed $300.00 per fiscal year. The safety footwear allowance covers footwear that meets the approved ANSI standards for the steel/composite toe protection and may also include comfort inserts. Suppose an eligible employee needs replacement safety footwear before the fiscal year ends, due to heavy wear and tear, with approval from the Human Resources Manager or designee. In that case, they can be reimbursed for the replacement to ensure they are protected. Employees must submit a purchase receipt and proof of ANSI compliance to be eligible for reimbursement.

Office employees who occasionally go into the field but for whom it is not part of their job's essential functions are eligible for reimbursement not to exceed $300 for one pair of ANSI-approved safety footwear for the term of this agreement.

Section 5 Prescription Safety Glasses

Employees whose jobs require the use of safety eyewear and who use prescription vision correcting lenses will receive an annual allowance of $290 to use with the District's approved vendor towards the purchase of prescription safety glasses. The District will make every effort to arrange two (2) onsite visits by the vendor each year and will pay the vendor's onsite visit fee. Employees will be responsible for obtaining a valid prescription from their vision care provider prior to the on-site visit.

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ARTICLE 12: SERVICE AWARDS

An award will be presented every five years of continuous service to the District. Cash awards will be subject to all applicable payroll taxes. The employee will be invited to the regular Board meeting closest to their service anniversary for the presentation of an award(s) plaque and Continuous Service Awards by years of service, as follows:

Years of Service	Cash Award	Special Engraved Gift
5 Years	$250	
10 years	$500	
15 years	$750	
20 years	$1,000	Valued at $250
25 years	$1,250	Valued at $275
30 years	$1,500	Valued at $300
35 years	$1,750	Valued at $350

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ARTICLE 13: BARGAINING UNIT ORIENTATION

Section 1 Advance Notice of New Employees' Start Dates

The District will provide advanced notification to the bargaining unit of each new employee's scheduled start date as follows:

- 10 days in advance, whenever possible, OR
- As soon as the new employee's start date is known (if it is not possible to provide notice 10 days in advance).

Section 2 Access to New Employees during New Hire Orientation

The District will provide up to one (1) hour in each new employee's Orientation schedule for a representative of the bargaining unit to meet with the new employee. The intent of these meetings is to introduce the new employee to the bargaining representative, review the appropriate MOU, and answer any questions the employee may have regarding the bargaining unit or the collective bargaining process.

The District will create a portal on the online Onboarding system for each bargaining unit. A designated representative from each bargaining unit will be granted Administrator access to add, update, edit, and delete content from that bargaining unit's portal as an ongoing communication tool with its new and existing members.

Section 3 Access to Employee Contact Information

The District will provide the designated representative of each bargaining unit with a list of all current employees in the bargaining unit and their contact information including: Full Name, Position, Department, and District email address.

The District will provide the appropriate bargaining unit with the contact information described above for each new employee within five (5) business days of the new employee's start date or transfer into the bargaining unit. The District will notify the appropriate bargaining unit of each separation of employment or transfer out of the bargaining unit within five (5) business days of such change, so that the bargaining unit can remove the employee from its contact list.

Due to privacy concerns, the Bargaining Unit expressly waives its right to receive employees' personal contact information, including home phone numbers, personal cell phone numbers, and personal email addresses.

Due to privacy concerns, the Bargaining Unit expressly waives its right to receive a list of all employees' contact information every 120 days, instead agreeing to the above provisions.

ARTICLE 14: GRIEVANCE PROCEDURE

The Association and the District wish to work together to make every reasonable effort to resolve grievances, as defined in this grievance procedure, as near as possible to the point of origin.

Section 1 Definitions

Grievance. A grievance is an alleged violation, misinterpretation, or misapplication of a specific provision of the Memorandum of Understanding ("MOU") or any other District policy which affects the employee's wages, hours, or other terms and conditions of employment. However, grievable matters specifically do not include disciplinary matters, which are governed by other written procedures.

Grievant. A grievant is any employee of the bargaining unit or the bargaining unit who alleges they are personally adversely affected by an alleged violation, misinterpretation, or misapplication of a specific provision of the MOU or any other District policy that affects the employee's wages, hours, or other terms and conditions of employment. However, grievable matters specifically do not include disciplinary matters, which are governed by other written procedures.

Business Day. A business day is any day on which the District is open for business.

Immediate Supervisor. The immediate Supervisor is the lowest-level administrator designated to address grievances and has immediate jurisdiction over the grievant. Any questions about who constitutes the grievant's immediate Supervisor should be addressed to the Human Resources Manager.

Section 2 Informal Process

A grievant shall orally notify their immediate Supervisor or the Human Resources Manager, as defined in Article 14, Section 1 of this policy, that they have a grievance and of the general nature of the grievance, within seven (7) business days of the event resulting in the grievance.

Within seven (7) business days of the oral notification, the person notified shall meet with the grievant and orally discuss the grievance in detail. It is the intent of this Informal Resolution process that at least one personal conference where the grievance is orally discussed in detail be held between the grievant and the person notified. Failure to do so will render the grievance null and void, and the grievant will not be entitled to proceed to the next level of the grievance procedure.

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Within seven (7) business days of the conclusion of the Informal Process, the party notified shall prepare a memorandum documenting the results of the Informal Process. They shall send the memorandum to both the grievant and the Human Resources Manager.

Section 3 Steps of the Formal Process

Suppose the grievance is not settled to the grievant's satisfaction during the Informal Process and the grievant wishes to pursue the grievance. In that case, the grievant shall present their grievance in writing according to the steps and timelines specified below. The grievance shall be typed or legibly hand-written and include the following information:

- A statement of the specific provision of the applicable MOU or other written District policy which affects the employee's wages, hours, or other terms and conditions of employment that was allegedly violated, misinterpreted, or misapplied;
- A complete statement of the facts and events involved in the matter, including the date or dates on which the violation, misinterpretation, or misapplication allegedly occurred;
- The documents, witnesses, or other evidence that support the grievance;
- An explanation of how the employee is/was adversely affected by a specific act or omission which gave rise to the alleged violation, misinterpretation, or misapplication;
- A statement of the corrective action requested and the reason the corrective action is appropriate;
- The grievant's signature and the date the grievance was submitted; and
- The date the informal grievance was initially presented and to whom it was presented under the Informal Process.

No grievance will be accepted for processing unless the grievant provides all of the information listed above.

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Step 1: Department Manager or Human Resources Manager

The grievant must present the written grievance to the Department Manager or the Human Resources Manager within seven (7) business days after the date the memorandum documenting the results of the Informal Process is provided to the grievant.

Within seven (7) business days after the grievant presents their written grievance, the Department Manager or Human Resources Manager may, at their discretion, schedule a meeting with the grievant for the parties to work on resolving the grievance.

The Department Manager will provide a written response to the grievant within seven (7) business days after receipt of the written grievance or within seven (7) business days after any scheduled meeting or meetings that is/are held, whichever occurs later.

Step 2: Appeal to the General Manager

Suppose the grievance is not settled to the grievant's satisfaction at Step 1, and the grievant wishes to pursue the grievance. In that case, the grievant must present the written grievance to the General Manager within seven (7) business days after the date of the written response to the grievant at Step 1.

Within seven (7) business days after the grievant presents their grievance, the General Manager may, at their discretion, schedule a meeting with the grievant to discuss the matter. After considering the facts and an investigation, the General Manager will provide a written decision to the grievant.

The General Manager's decision will be limited as follows:

- The decision shall neither add to, detract from, nor modify the language of the applicable MOU.
- The decision shall be confined to the precise issue(s) the grievance raised and that the grievant submitted.
- Any monetary award in favor of the grievant may not exceed wages or benefits that the grievant has lost due to the matters alleged in the grievance. In no event shall any grievance award include any other types of damages or attorneys' fees.

The General Manager may delegate non-involved managers or non-District employees to act on the District's behalf at any level of the grievance process. The findings and recommendations any such individual renders shall be advisory to the General Manager, who may accept, reject, or modify that individual's recommendation, and who shall issue a determination within seven (7) business days.

Step 3: Appeal to the Board of Directors

Suppose the grievance is not settled in Step 2, and the grievant desires to appeal. In that case, they shall submit their appeal in writing to the Board of Directors within seven (7) business days after the General Manager has given their decision. A hearing before the Board of Directors with the grievant's representative present, if desired by the grievant, shall be held at the next regular Board meeting.

The Board of Directors shall decide on the grievance in writing to the employee and the General Manager within fourteen (14) business days following the meeting. The Board of Directors' decision shall be final and binding.

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Section 4: Additional Rules Applicable to The Grievance Procedure

Representation. Either the District or the grievant may be represented at any step of the grievance procedure by an individual of the party's choice.

Withdrawal. A grievant may withdraw any grievance at any time by giving written notice to the District representative who last acted on the grievance and by providing a copy of the notice to the Human Resources Manager.

Resolution. Suppose the grievant does not present the grievance to the next level within the time limits for each step. In that case, the grievance shall be considered resolved based on the response at the last level.

Waiver. The grievance is deemed waived by the grievant for all purposes if the grievant does not process the grievance within the time frames outlined in this grievance procedure.

Deemed Denied. Suppose the District does not respond to a grievance within the time frames set forth for each step. In that case, the grievant may elect to treat the grievance as denied and immediately appeal the grievance to the next step.

Written Agreement to Extend Time. In extenuating circumstances, the parties may mutually agree in writing to extend time at each step. The time extension will be effective only for the time agreed in writing and for the step to which it applies, as agreed in writing.

Grievance Meetings. Grievance meetings will be held during regularly scheduled work hours of the grievant and the individual to whom the grievance is presented unless otherwise mutually agreed.

Section 5: Non-Retaliation

No party to a grievance shall be subject to retaliation for utilizing the grievance procedure in good faith.

ARTICLE 15: DISCIPLINE PROCEDURE

California Water Code Section 71362 states that District employees serve at the pleasure of the General Manager. However, in prior Memorandums of Understanding ("MOU"), the Board of Directors provided for appeals of disciplinary actions in the MOU agreements. So, separate disciplinary procedures are provided for employees hired before and after July 1, 2017.

Employees Hired Before July 1, 2017
Disciplinary procedures for employees hired before July 1, 2017, are outlined in the Supplemental Memorandum of Understanding dated July 1, 2017.

Employees Hired After July 1, 2017
Disciplinary procedures and terminations pertaining to employees hired after July 1, 2017, are outlined in the Employee Handbook.

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ARTICLE 16: SEVERANCE

Employees hired after July 1, 2017, shall be entitled to severance pay if the District terminates employment after one year of service. The amount of severance eligibility increases with years of service, as follows:

Length of Service	Severance Benefit
1 – 3 years	2 weeks' pay with 1 month of COBRA benefits
4 – 5 years	4 weeks' pay with 1 month of COBRA benefits
6 – 10 years	6 weeks' pay with 2 months of COBRA benefits
11 years or more	8 weeks' pay with 2 months of COBRA benefits

One week's pay shall be calculated as 40 hours at the employee's current base hourly rate, excluding any overtime. The employee's right to receive the severance pay set forth above is conditioned upon the employee executing a release of claims against the District. However, no employee is entitled to any of the severance benefits provided in this Article if the employee's termination is due to egregious conduct, including, but not limited to, assault, battery, harassment, reporting to work under the influence of drugs or alcohol, theft, embezzlement, or other illegal activity.

Employees who are involuntarily separated from employment and who were hired before July 1, 2017, shall be entitled to two months of District-paid COBRA benefits, conditioned upon the employee executing a release of claims against the District.

ARTICLE 17: SALARY SURVEYS

The District may utilize external or internal salary surveys, compensation studies, or labor market analyses ("salary surveys") for the following purposes:

- Drafting updates to, or new, job classifications;
- Establishing appropriate pay grade placement for new job classifications;
- Establishing initial compensation to be offered to new hires;
- Determining salary placement for employees promoted to an Exempt classification.
- Modify salary ranges, classifications, or compensation structures;
- Establish internal equity adjustments within existing classifications; or
- Move a job classification from one pay grade to another to better align with external market data.

All the above actions, except for determining initial compensation to be offered to a new hire or promotion to an Exempt position, shall be subject to full meet-and-confer obligations. In no event shall the use of a salary survey result in a reduction to an employee's base salary or total compensation without engaging in the meet-and-confer process.

The District shall provide the Association with the complete salary survey, including comparator agencies, methodology, and data sources, as part of the meet-and-confer process.

The District will conduct an annual salary survey to assess the external market for all job classifications in Legacy pay grades. The District shall provide the Association with the survey results upon completion, and the Association may propose pay grade adjustments, consistent with the District's placement of similar positions relative to the external labor market.

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ARTICLE 18: STRIKES

During the term of this agreement, the Association and its members shall not cause, instigate, encourage, or condone any strike or work stoppage of any kind, including "sympathy strikes" where a strike or work stoppage is declared by another union (whether another District Association or outside union).

ARTICLE 19: MODIFICATIONS, WAIVER

No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto and, if required, approved, and implemented by the District's Board of Directors. The waiver of any breach, term, or condition of the Memorandum of Understanding by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

ARTICLE 20: PROVISIONS OF LAW

This Memorandum of Understanding is subject to all current and future applicable federal, state, and local laws. If any part or provision of the Memorandum of Understanding is in conflict or inconsistent with such applicable provisions of federal, state, or local laws or regulations, or is otherwise held to be invalid or unenforceable by a tribunal of competent jurisdiction, such applicable law or regulations, the remainder of the Memorandum of Understanding shall not be affected thereby.

ARTICLE 21: DISTRICT RIGHTS

It is understood and agreed that the District possesses the sole right and authority to operate and direct its employees and its various departments in all aspects, including, but not limited to, all rights and authority exercised by the District prior to the execution of this agreement. These rights include, but are not limited to:

- The right to determine its mission, policies, and to set forth all standards of service offered to the public;
- To plan, direct, control, and determine the operations or services to be conducted by employees of the District;
- To determine the methods, means, and number of personnel needed to carry out the District's mission;
- To direct the working forces;
- To hire and assign or to transfer employees within the departments;
- To promote, suspend, discipline, or discharge;
- To lay off or to relieve employees due to lack of work or funds or for other legitimate reasons;
- To make, publish, and enforce rules and regulations;
- To introduce new or improved methods, equipment, or facilities;
- To take any and all actions as may be necessary to carry out the mission of the District in situations of civil emergency as may be declared by the President of the Board of Directors or the General Manager; provided that no right enumerated herein shall be exercised or enforced in a manner contrary to or inconsistent with the provisions of this agreement.

The Board of Directors has the sole authority to determine the purpose and mission of the District and the amount of budget to be adopted thereto.

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ARTICLE 22: ENTIRE AGREEMENT

The parties acknowledge that during the negotiations which resulted in this agreement, each had the unlimited right and opportunity to make demands and proposals concerning any subject or matter not removed by law from the area of collective bargaining. The parties met and conferred regarding disciplinary procedures. After exercising that right and opportunity, the parties' understanding and agreements are set out in this agreement. Concerning disciplinary procedures, this Agreement references and incorporates by reference the Supplemental Memorandum of Understanding dated July 1, 2017, pertaining to disciplinary procedures for employees hired before July 1, 2017.

Therefore, the District and Association, for the duration of this agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively concerning any subject or matter referred to, or covered in this agreement, or concerning any subject or matter not explicitly referred to, or covered in this agreement, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this agreement.

Approved by the Board of Directors of the Rainbow Municipal Water District on May 26, 2026.

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RAINBOW MUNICIPAL WATER DISTRICT	RAINBOW EMPLOYEE ASSOCIATION
_____	_____
Hayden Hamilton, Board President	Justin Demary, REA President
_____	_____
Date	Date



RAINBOW
MUNICIPAL WATER DISTRICT

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RAINBOW
MUNICIPAL WATER DISTRICT

BOARD ACTION
Item No. 10.D

BOARD OF DIRECTORS

May 26, 2026

SUBJECT

CONSIDER ADOPTION OF A RESOLUTION ADOPTING THE FISCAL YEAR 2026/27 AND FISCAL YEAR 2027/28 BUDGET

BACKGROUND

Each year, the District prepares an annual operating and capital budget to serve as the financial plan for the upcoming fiscal year. For the Fiscal Year 2026/27 and Fiscal Year 2027/28 budget cycle, staff prepared a two-year budget to support long-term financial planning, improve forecasting, and provide additional visibility into anticipated operating costs, capital needs, rate impacts, reserve levels, and overall financial sustainability.

A series of budget meetings and workshops were held between March and May 2026 with the Board of Directors, the Engineering and Operations Committee, and the Budget and Finance Committee. These meetings included review and discussion of projected water sales, the 5-Year Capital Improvement Program, departmental operating budgets, staffing analysis, labor budgets, water purchases, materials and services, utility costs, debt service, reserves, and proposed rate adjustments.

The proposed budgets reflect the District's continued efforts to control internal costs, manage ratepayer impacts, and strategically fund operating and capital needs. While the District continues to benefit from lower and more stable wholesale water costs following annexation into the Eastern Municipal Water District (EMWD), external cost pressures remain. These include increased imported water costs from Metropolitan Water District including new fixed charges, SDG&E power cost increases, CalPERS UAL increases, inflationary pressures, fuel costs, regulatory compliance costs, increased debt service requirements, and ongoing capital infrastructure replacement needs.

For Calendar Years 2027 and 2028, Metropolitan's treated water purchase costs will increase by 6.2% annually. Metropolitan is also shifting more cost recovery to fixed charges, including a Treatment Peaking Capacity Charge, Treatment Used Standby Capacity Charge, and Treatment Remaining Capacity Charge. These changes increase fixed cost pressure on the District, even when water sales volumes decline or remain flat.

DESCRIPTION

The proposed resolution would adopt the Fiscal Year 2026/27 and Fiscal Year 2027/28 Budgets, including operating, non-operating, debt service, reserves, and capital improvement components.

The proposed budgets include the following major assumptions and highlights:

- Water sales are projected at 10,750 acre-feet in FY 2026/27, and 10,500 acre-feet in FY 2027/28 reflecting recent demand trends and average planning assumptions.
- Metropolitan treated water purchase costs are projected to increase by 6.2% in CY 2027 and 6.2% in CY 2028.
- Metropolitan's new fixed charges are projected to total approximately $605,000 in FY 2026/27 and $1.4 million in FY 2027/28.
- SDG&E power costs are projected to increase by approximately 6%, and fuel costs are projected to increase by approximately 11% in 26/27 and 4% in 27/28.
- CalPERS UAL is projected to increase by approximately 12%, with the District approximately 75% funded and a total UAL of approximately $11.5 million.
- The proposed water fund budget includes approximately $53.4 million in revenues and expenditures for FY 2026/27 and approximately $55.2 million in revenues and expenditures for FY 2027/28.
- The proposed wastewater fund budget includes approximately $12.2 million in revenues and expenditures for FY 2026/27 and approximately $13.5 million in revenues and expenditures for FY 2027/28.
- Wastewater EDU fixed monthly charges are proposed to increase by 13% effective July 1, 2026, and 13% effective July 1, 2027, consistent with the Board-approved 2023 Cost-of-Service Study.
- The proposed budget includes continued funding for capital infrastructure replacement, including in-house CIP staffing designed to accelerate replacements, reduce long-term capital delivery costs, and improve control over scheduling and project execution.
- The budget includes temporary staffing support for the ERP implementation project, with ERP-related temporary staffing capitalized and therefore not directly impacting operating rates.

WATER RATE OPTIONS PRESENTED

As part of the budget review process, staff evaluated three water rate adjustment options for Calendar Years 2027 and 2028.

Option 1: Fixed and Variable Increase 5%

- Increase variable rates by 5% and fixed rates by 5% effective January 1, 2027
- Increase variable rates by 5% and fixed rates by 5% effective January 1, 2028

This option provides the strongest financial recovery and the most balanced cost recovery between fixed system costs and variable water usage. It remains solidly within the framework of the 2023 Cost-of-Service Study, supports revenue stability, protects against water sales volatility, and provides strong reserve recovery should water sales meet targets. However, this option results in a higher overall customer impact than Option 2.

Option 2: Variable Rate Increase of 5% and Fixed Pass-Through Increase Only

- Increase variable rates by 5% and fixed rates by 2.9% effective January 1, 2027
- Increase variable rates by 5% and fixed rates by 3.8% effective January 1, 2028

This option reflects a limited pass-through approach tied primarily to increased wholesale water costs. It reduces the District's overall effective water rate increase to approximately 4%, compared with the 5% increase under Option 1. Staff believes this option strikes an appropriate balance between limiting customer impacts, maintaining a reasonable relationship between fixed and variable cost recovery, and continuing to promote modest reserve recovery, but does place a higher reliance on water sales volumes.

Option 3: No Fixed Charge Increase, 10% Variable Rate Increase

- Increase variable rates by approximately 10% and fixed rates by 0% effective January 1, 2027
- Increase variable rates by approximately 10% and fixed rates by 0% effective January 1, 2028

This option was evaluated in response to the Board's request to review the potential impact of holding fixed monthly charges unchanged and recovering additional costs through the variable water rate. While

this option addresses the specific scenario requested by the Board, staff does not recommend this approach.

A variable-only increase would shift additional cost recovery to water sales volumes and increase the District's exposure to weather, demand reductions, conservation impacts, and other usage-related volatility. It would also place a greater cost recovery burden on higher-volume users, primarily Agricultural customers who drive the majority (~$15M) of the annual variable revenue. This option would also require a new Cost-of-Service Study and Proposition 218 rate setting process to verify the appropriate balance of cost recovery between Agricultural and Residential customers prior to implementation.

BUDGET TIMELINE

- March 24, 2026: Board review and approval of projected water sales.
- April 7, 2026: E&O Committee presentation of the 5-Year Capital Improvement Program (CIP).
- April 14, 2026: Budget and Finance Committee review of departmental budgets.
- April 28, 2026: Board review and approval of the 5-Year CIP, vacancy public hearing, and staffing analysis.
- May 12, 2026: Special Board Meeting / Budget Workshop, including staffing analysis and labor budgets, financial plan overview, operating budget review, water sales and purchases, materials and services by department, and utility cost projections.
- May 26, 2026: Board review and consider adoption of the Fiscal Year 2026/27 and Fiscal Year 2027/28 Budgets.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

Adoption of the Fiscal Year 2026/27 and Fiscal Year 2027/28 Budgets supports prudent financial planning, transparency, responsible stewardship of District resources, and continued alignment of operating and capital priorities with available funding. The two-year budget approach improves long-term forecasting and provides the Board with greater visibility into cost drivers, rate impacts, reserve levels, and future financial requirements.

ENVIRONMENTAL

In accordance with CEQA Guidelines Section 15378, this matter is an administrative and fiscal action that does not constitute a "project" as defined by CEQA and further environmental review is not required at this time.

BOARD OPTIONS/FISCAL IMPACTS

The Board of Directors may:

1. Adopt the Resolution approving the Fiscal Year 2026/27 and Fiscal Year 2027/28 Budgets, including the operating, non-operating, debt service, reserve, and capital improvement components, and approve the water rate adjustments included under Option 2.
2. Adopt the Resolution with modifications, including direction to incorporate a different rate adjustment option or other budget changes.
3. Do not adopt the Resolution and provide alternative direction to staff.

Approval of the Fiscal Year 2026/27 and Fiscal Year 2027/28 Budgets establishes the District's financial plan for the two-year period. Fiscal impacts include projected revenues, operating expenses, non-operating expenses, debt service, capital improvement funding, reserve contributions, and projected fund position. The proposed budgets are balanced for both the Water Fund and Wastewater Fund.

Option 2 reduces the overall proposed effective water rate increase to approximately 4%, compared with the 5% increase under Option 1, while still providing recovery of increased wholesale water costs and continued support for reserve recovery. This approach limits customer impacts while maintaining a reasonable balance between fixed and variable charges.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors adopt the Resolution approving the Fiscal Year 2026/27 and Fiscal Year 2027/28 Budgets and approve **Option 2:** increasing variable water rates by 5% and fixed charges by 2.9% effective January 1, 2027, and increasing variable water rates by 5% and fixed charges by 3.8% effective January 1, 2028.

Staff recommends Option 2. It reduces the District's overall effective water rate increase to approximately 4%, limits the customer impact compared with the original 5% fixed and variable increase, and strikes a reasonable balance between fixed and variable rate adjustments while continuing to promote reserve recovery and long-term financial sustainability.

ATTACHMENTS

Fiscal Year 2026/27 and Fiscal Year 2027/28 Budget Presentation
Proposed Fiscal Year 2026/27 and Fiscal Year 2027/28 Budgets

Konstantin Shilkov, CPA
Chief Financial Officer

May 26, 2026

FY 2027 and FY 2028 Biennial Budget Adoption

Board of Directors Meeting | May 2026

Water Fund

Expenditures and Revenues



Major Cost Drivers FY 27 and FY 28

Three new fixed charges introduced by Metropolitan:

- Treatment Peaking Capacity Charge
- Treatment Used Standby Capacity Charge
- Treatment Remaining Capacity Charge

Regulatory and Compliance costs related to new environmental and state regulations:

- Making Conservation a California Way of Life – new state regulation
- Water Loss and Real Loss Standards – compliance by January 1, 2028
- AB 1572 Nonfunctional Turf Irrigation Ban

3.8% Consumer Price Index (CPI) San Diego County

6% Increase in power costs from SDG&E

6.2% Increase in treated water purchases from Metropolitan in CY27 & CY 28

12% Increase in CalPERS UAL due to market performance and actuarial analysis

17% Fuel cost increase

Total Net Revenue Budget FY 27 and FY 28

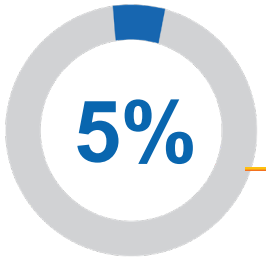
Water Fund

REVENUE	FY 27 Budget	FY 28 Budget
Variable Water Sales	$27,414,178	$28,132,762
Fixed Monthly Fees	$21,012,853	$21,718,135
Tax Revenue	$579,194	$596,569
Interest Revenue	$557,194	$634,065
Other Revenue	$300,000	$350,000
Capacity Fees Sewer	$3,006,030	$3,006,030
Total Revenue	**$52,869,674**	**$54,437,561**

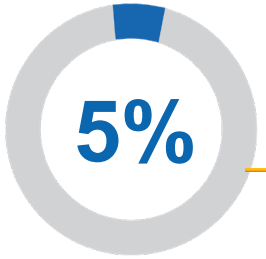
EXPENSES	FY 27 Budget	FY 28 Budget
Water Purchases MWD - Variable	$17,334,036	$16,447,990
Water Purchases MWD- Fixed	$1,047,054	$2,098,974
Debt Service	$6,340,630	$6,340,630
RMWD Labor	$9,655,199	$10,399,324
CalPERS UAL - Water	$952,993	$991,161
RMWD O&M	$7,890,825	$7,912,457
RMWD CIP	$8,775,000	$8,085,000
Reserves	$873,937	$2,161,024
Total Expenses	**$52,869,674**	**$54,437,531**
Net Revenue	**$0**	**$0**

Option 1:
Original Staff Proposal

Variable & Fixed Rates



January 1, 2027



January 1, 2028

Key Considerations

- Distributes cost recovery more evenly across Residential and Agricultural customer classes
- Avoids shifting too much cost recovery onto variable water sales, which can fluctuate significantly based on weather and customer demand
- Remains within the framework of the **2023 Cost-of-Service Study**
- Reduces the risk of revenue shortfalls and the need for larger future rate adjustments
- Gradually rebuilds reserves to help protect customers from future rate shocks, emergencies, and lower-than-projected water sales
- Fully funds rising wholesale water costs, labor, utilities, insurance, and capital infrastructure needs

Option 1: Customer Water Rates

Calendar Years 2027, 2028

Residential Monthly Fixed Charges					
Meter Size	CY 2026	CY 2027	Increase $	CY 2028	Increase $
3/4"	$96.76	$101.60	$4.84	$106.68	$5.08
1"	$157.20	$165.06	$7.86	$173.31	$8.25
1 1/2"	$308.26	$323.67	$15.41	$339.86	$16.18
2"	$489.56	$514.04	$24.48	$539.74	$25.70
3"	$1,063.64	$1,116.82	$53.18	$1,172.66	$55.84
4"	$1,909.66	$2,005.14	$95.48	$2,105.40	$100.26
6"	$3,934.07	$4,130.77	$196.70	$4,337.31	$206.54

Agricultural Monthly Fixed Charges					
Meter Size	CY 2026	CY 2027	Increase $	CY 2028	Increase $
3/4"	143.81	$151.00	$7.19	$158.55	$7.55
1"	239.68	$251.66	$11.98	$264.25	$12.58
1 1/2"	479.36	$503.33	$23.97	$528.49	$25.17
2"	766.97	$805.32	$38.35	$845.58	$40.27
3"	1,677.75	$1,761.64	$83.89	$1,849.72	$88.08
4"	3,019.94	$3,170.94	$151.00	$3,329.48	$158.55
6"	6,231.63	$6,543.21	$311.58	$6,870.37	$327.16

Residential Variable Rate					
	CY 2026	CY 2027	Increase $	CY 2028	Increase $
Per Unit	$6.42	$6.74	$0.32	$7.08	$0.34

Agricultural Variable Rate					
	CY 2026	CY 2027	Increase $	CY 2028	Increase $
Per Unit	$5.10	$5.36	$0.26	$5.62	$0.26



Monthly Bill Increases

Average Residential: 5%

$10.62 (18 units)

Agriculture Residential: 5%

$45.13 (130 units)

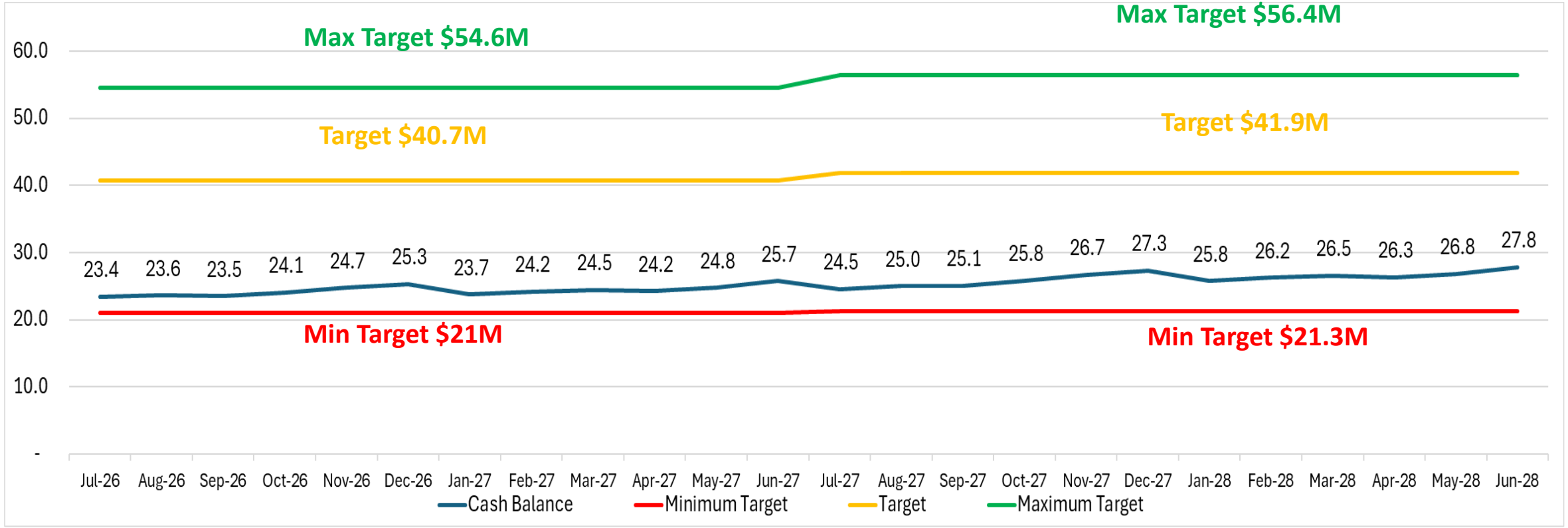


1 Unit = 748 Gallons

Average Meter Size: Residential 3/4”, Agriculture 1”

Option 1: Projected Cash Reserve Balances

FY27 & FY28



Option 2:
Fixed Pass-Through Increases

January 1, 2027



Variable Rate Fixed Rate

January 1, 2028



Variable Rate Fixed Rate

Key Considerations

- Provides a limited pass-through approach tied primarily to wholesale water cost increases
- Reduces the overall customer monthly bill increase to approximately **4%**
- Balances fixed and variable rate adjustments while continuing to support moderate reserve recovery
- Reduces revenue risk by limiting reliance on weather-dependent water sales
- Maintains alignment with the **2023 Cost-of-Service Study**
- Provides lower customer impact than the original staff proposal
- Preserves a more stable revenue structure than shifting the full increase to variable rates only

Option 2: Customer Water Rates

Calendar Years 2027, 2028

Residential Monthly Fixed Charges					
Meter Size	CY 2026	CY 2027	Increase $	CY 2028	Increase $
3/4"	$96.76	$99.57	$2.81	$103.35	$3.78
1"	$157.20	$161.76	$4.56	$167.91	$6.15
1 1/2"	$308.26	$317.20	$8.94	$329.25	$12.05
2"	$489.56	$503.76	$14.20	$522.90	$19.14
3"	$1,063.64	$1,094.49	$30.85	$1,136.08	$41.59
4"	$1,909.66	$1,965.04	$55.38	$2,039.71	$74.67
6"	$3,934.07	$4,048.16	$114.09	$4,201.99	$153.83

Agricultural Monthly Fixed Charges					
Meter Size	CY 2026	CY 2027	Increase $	CY 2028	Increase $
3/4"	$143.81	$147.98	$4.17	$153.60	$5.62
1"	$239.68	$246.63	$6.95	$256.00	$9.37
1 1/2"	$479.36	$493.26	$13.90	$512.01	$18.74
2"	$766.97	$789.21	$22.24	$819.20	$29.99
3"	$1,677.75	$1,726.40	$48.65	$1,792.01	$65.60
4"	$3,019.94	$3,107.52	$87.58	$3,225.60	$118.09
6"	$6,231.63	$6,412.35	$180.72	$6,656.02	$243.67

Residential Variable Rate					
	CY 2026	CY 2027	Increase $	CY 2028	Increase $
Per Unit	$6.42	$6.74	$0.32	$7.08	$0.34

Agricultural Variable Rate					
	CY 2026	CY 2027	Increase $	CY 2028	Increase $
Per Unit	$5.10	$5.36	$0.26	$5.62	$0.27



Monthly Bill Increases

Average Residential: 4.0%

$8.58 (18 units)

Agriculture Residential: 4.4%

$40.10 (130 units)

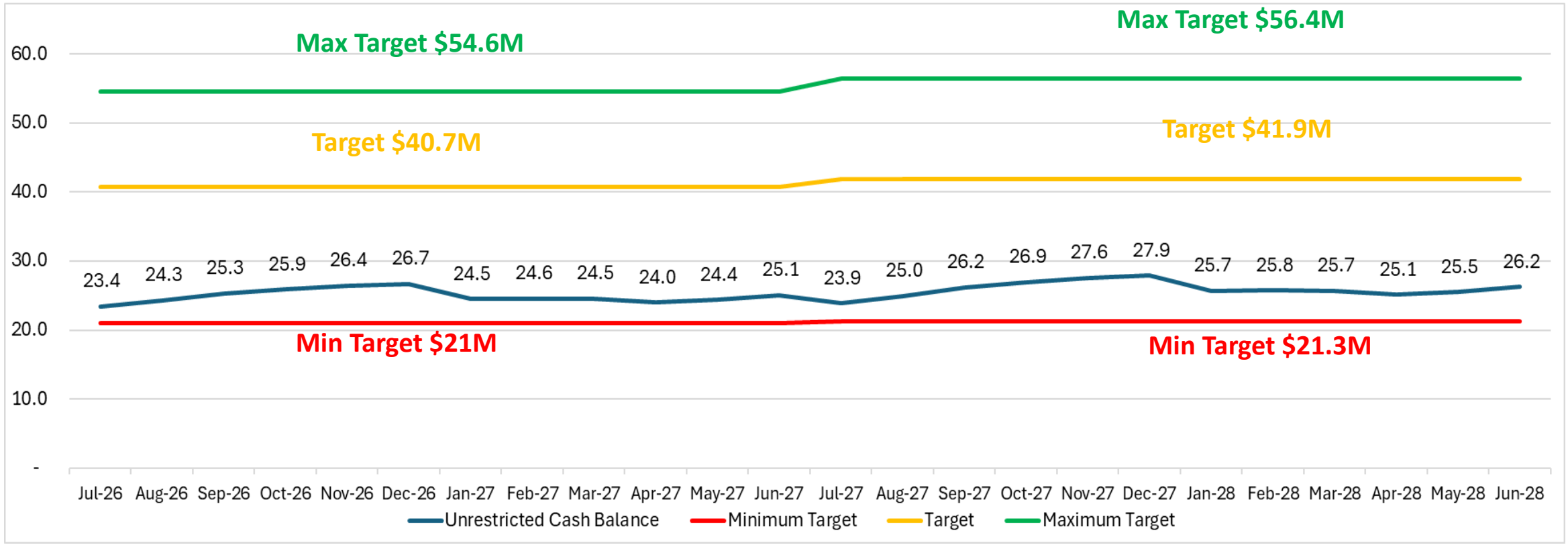


1 Unit = 748 Gallons

Average Meter Size: Residential 3/4”, Agriculture 1”

Option 2: Projected Cash Reserve Balances

FY27 & FY28

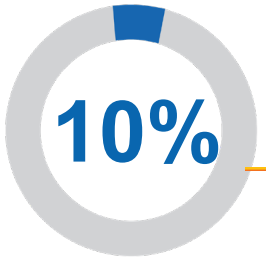


O&M Cost Savings/Budget Reductions Implemented:

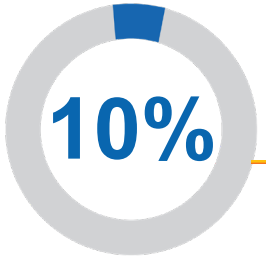
- Credit Card Fees savings $150K in FY27 and FY28 ($300K total two years)
- New ERP implementation projected savings $300K starting FY28
- In-house CIP crew estimated savings $240K in FY27, $562K in FY28

Option 3:
No Fixed Increase

Variable Rates



January 1, 2027



January 1, 2028

- Fixed charges remain unchanged 2027 thru 2028
- **No Fixed Increase for 4 Years**

Key Considerations

- Places a greater cost recovery burden on higher-volume water users, including Agricultural customers
- Increasing the District's dependence on weather, demand, and water-use patterns
- Potential for a new Cost-of-Service Study and Prop 218 review before implementation
- Increases the risk of revenue shortfalls during wet years
- Reserves will highly depend on meeting sales targets
- May increase the likelihood of larger corrective rate adjustments in future years if sales volume declines

Option 3: Customer Water Rates

Calendar Years 2027, 2028

Residential Monthly Fixed Charges					
Meter Size	CY 2026	CY 2027	Increase $	CY 2028	Increase $
3/4"	$96.76	$96.76		$96.76	
1"	$157.20	$157.20		$157.20	
1 1/2"	$308.26	$308.26		$308.26	
2"	$489.56	$489.56		$489.56	
3"	$1,063.64	$1,063.64		$1,063.64	
4"	$1,909.66	$1,909.66		$1,909.66	
6"	$3,934.07	$3,934.07		$4,201.99	

Agricultural Monthly Fixed Charges					
Meter Size	CY 2026	CY 2027	Increase $	CY 2028	Increase $
3/4"	$143.81	$143.81		$143.81	
1"	$239.68	$239.68		$239.68	
1 1/2"	$479.36	$479.36		$479.36	
2"	$766.97	$766.97		$766.97	
3"	$1,677.75	$1,677.75		$1,677.75	
4"	$3,019.94	$3,019.94		$3,019.94	
6"	$6,231.63	$6,231.63		$6,231.63	

Residential Variable Rate					
	CY 2026	CY 2027	Increase $	CY 2028	Increase $
Per Unit	$6.42	$7.06	$0.64	$7.77	$0.71

Agricultural Variable Rate					
	CY 2026	CY 2027	Increase $	CY 2028	Increase $
Per Unit	$5.10	$5.61	$0.51	$6.17	$0.56



Monthly Bill Increases

Residential: 5.4%

$11.56 (18 units)

Agriculture: 7.3%

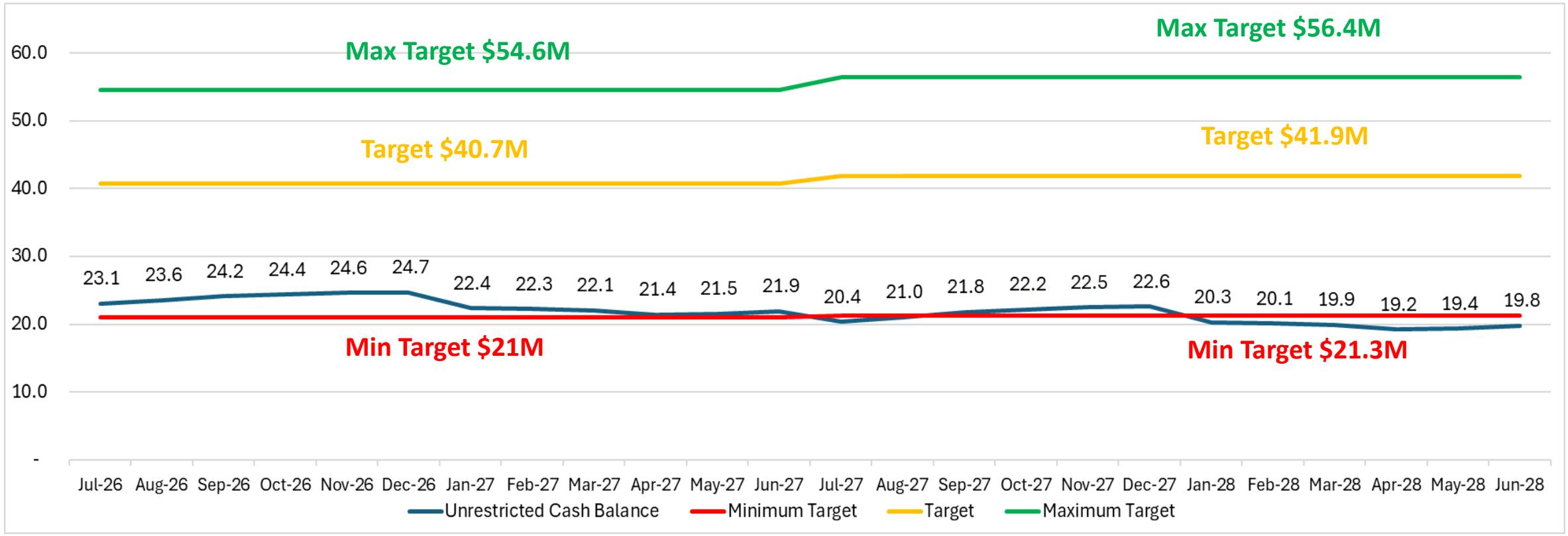
$66.30 (130 units)



1 Unit = 748 Gallons

Option 3: Projected Cash Reserve Balances

FY27 & FY28



- Conservative reserve analysis assumes wet years in FY 2027 and FY 2028, increasing the risk of reserves falling below the minimum target.

Staff Recommendation

Option 2: Fixed Pass-Through Increase Only

Water Rates

January 1, 2027

- Increase **variable** water rates by **5%** and fixed by **2.9%**

January 1, 2028

- Increase **variable** water rates by **5%** and fixed by **3.8%**

Reduces the overall rate increase to approximately **4%**, while still supporting:

- Recovery of increased wholesale water costs (6.2% each year)
- A reasonable balance between fixed and variable charges
- Continued reserve recovery
- Lower customer impact than the original 5% fixed and variable proposal
- Within cost-of-service study and Prop 218 compliant

Wastewater Fund

Expenditures and Revenues

FY 2027 and FY 2028



Total Net Revenue Budget FY 27 and FY 28

Wastewater Fund

*one time fee revenue restricted for CIP only

REVENUE	FY 27 Budget	FY 28 Budget
EDU Fixed Charges	$7,355,934	$8,584,737
Interest	82,581	93,935
Tax Revenue	85,806	88,381
Capacity Fees Sewer*	4,717,478	4,717,478
Total Revenue	**$12,241,799**	**$13,484,531**

EXPENSES	FY 27 Budget	FY 28 Budget
City of Oceanside O&M	$2,290,709	$2,657,222
City of Oceanside CIP	500,000	550,000
Debt Service	1,813,021	1,813,021
RMWD Labor	1,578,344	1,673,157
CalPERS UAL - Wastewater	141,184	146,839
RMWD O&M	1,321,981	1,366,591
RMWD CIP	1,960,000	1,600,000
Oceanside CIP Reserve	682,735	751,009
RMWD CIP Reserve	1,953,825	2,926,693
Total Expenses	**$12,241,799**	**$13,484,531**
Net Revenue	**$0**	**$0**

Proposed Plan

Main Action Items – *Main Rates*

Wastewater Rates

Raise monthly EDU fixed rates

July 1, 2026

- Increase **EDU fixed** monthly charges by 13% as adopted in the Board approved 2023 5-year Cost of Service Study

July 1, 2027

- Increase **EDU fixed** monthly charges by 13% as adopted in the Board approved 5-year Cost of Service Study

Questions



Rainbow Muncipal Water District
Operating and Non-Operating Budget Summary by Fund

NET OPERATING INCOME

Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Budget	% Change	FY 2027 Budget	% Change	FY 2028 Budget	% Change
Water Operating & Non-Operating Fund									
Water Operating Revenues	41,848,051	43,117,140	53,151,613	49,440,217	-7.0%	49,556,080	0.2%	51,166,281	3.2%
Water Operating Expenses	38,909,020	38,923,549	37,831,683	35,797,046	-5.4%	36,474,611	1.9%	37,722,195	3.4%
Water Fund Net Operating Revenue	**2,939,031**	**4,193,591**	**15,319,930**	**13,643,171**	**-10.9%**	**13,081,470**	-4.1%	**13,444,086**	2.8%
Water Non-Operating Revenues	1,256,956	1,379,166	1,230,726	1,096,286	-10.9%	1,136,613	3.7%	1,230,634	8.3%
Water Non-Operating Expenses	3,077,414	3,076,907	2,884,496	6,340,630	119.8%	6,340,630	0.0%	6,340,630	0.0%
Water Fund Net Non-Operating Revenue	**(1,820,458)**	**(1,697,742)**	**(1,653,770)**	**(5,244,344)**	**-217.1%**	**(5,204,017)**	-0.8%	**(5,109,996)**	-1.8%
WATER NET REVENUE	**1,118,573**	**2,495,849**	**13,666,159**	**8,398,827**	-38.5%	**7,877,453**	-6.2%	**8,334,090**	5.8%
Wastewater Operating & Non-Operating Fund									
Wastewater Operating Revenues	3,541,702	4,770,964	5,581,798	6,019,288	7.8%	7,357,534	22.2%	8,586,337	16.7%
Wastewater Operating Expenses	2,800,067	4,628,063	4,596,894	4,647,183	1.1%	5,249,567	13.0%	5,757,847	9.7%
Wastewater Fund Net Operating Revenue	**741,635**	**142,901**	**984,903**	**1,372,105**	**39.3%**	**2,107,967**	53.6%	**2,828,490**	34.2%
Wastewater Non-Operating Revenues	8,484,231	80,434	202,154	201,300	-0.4%	168,387	-16.4%	182,316	8.3%
Wastewater Non-Operating Expenses	8,484,231	1,709,156	2,589,827	1,070,724	-58.7%	1,345,756	25.7%	1,414,030	5.1%
Wastewater Fund Net Non-Operating Revenue	-	**(1,628,722)**	**(2,387,673)**	**(869,424)**	**63.6%**	**(1,177,369)**	35.4%	**(1,231,713)**	4.6%
WASTEWATER NET REVENUE	**741,635**	**(1,485,821)**	**(1,402,770)**	**502,681**	**135.8%**	**930,598**	85.1%	**1,596,777**	71.6%
WATER & WASTEWATER NET REVENUE	**3,680,666**	**1,010,029**	**12,263,390**	**8,901,508**	**-27.4%**	**8,808,050**	-1.0%	**9,930,867**	12.7%

RESOLUTION NO. 2026-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ADOPTING THE ANNUAL OPERATING, NON-OPERATING, AND CAPITAL IMPROVEMENT BUDGET FOR THE FISCAL YEARS ENDING JUNE 30, 2027, AND JUNE 30, 2028

WHEREAS, the Rainbow Municipal Water District ("District") is organized and operates pursuant to the Municipal Water District Law of 1911 commencing with Section 71000 of the California Water Code; and

WHEREAS, Proposed Annual Operating, Non-Operating, and Capital Improvement Budgets for the Fiscal Years Ending June 30, 2027 and June 30, 2028 have been presented to the Board ("2027 & 2028 Budgets"); and

WHEREAS, on May 26, 2026, the Board of Directors received and considered all comments regarding the proposed 2027 & 2028 Budgets; and

WHEREAS, the proposed 2027 & 2028 Budgets have been reviewed and considered by the Board of Directors and it has been determined to be in the best interests of the District to adopt said budget for the sound financial operation of the District;

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

1. The 2027 & 2028 Budgets, as detailed in Exhibit 1- "Annual Operating, Non-Operating, and Capital Improvement Budgets for the Fiscal Years Ending June 30, 2027 and June 30, 2028" are hereby adopted. A copy of the 2027 & 2028 Budgets are attached hereto and incorporated herein by reference. `
2. The expenditure amounts designated for the Fiscal Years 2026-2027 and 2027-2028, pursuant to the 2026 Budget, are hereby appropriated and may be expended by the departments or funds for which they are designated, with amounts budgeted for capital improvement projects being cumulative to amounts previously budgeted.
3. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.
4. If any section, subsection, sentence, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board of Directors hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases or the application thereof to any person or circumstance be held invalid.
5. This Resolution will be effective immediately upon adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of Rainbow Municipal Water District held on the 26th day of May 2026, by the following roll call vote:

_____
Hayden Hamilton, Board President

Attest:

_____
Terese Quintanar, Board Secretary

Rainbow Muncipal Water District
Water Fund (01) Operating Budget Summary

Water Operating

Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Budget	% Change	FY 2027 Budget	% Change	FY 2028 Budget	% Change
Operating Revenues									
Water Sales	40,221,710	42,747,190	52,863,637	49,111,478	-7.1%	49,292,620	0.4%	50,892,283	3.2%
Other Water Services	361,494	369,950	287,976	328,739	14.2%	263,460	-19.9%	273,998	4.0%
Total Operating Revenues	**40,583,204**	**43,117,140**	**53,151,613**	**49,440,217**	**-7.0%**	**49,556,080**	0.2%	**51,166,281**	3.2%
Operating Expenses									
Purchased Water	22,273,944	22,088,500	22,397,190	18,273,278	-18.4%	18,381,090	0.6%	18,546,964	0.9%
Pumping	895,779	1,012,459	1,479,846	1,787,675	20.8%	2,084,858	16.6%	2,172,021	4.2%
Operations	2,757,129	2,995,406	3,054,995	2,765,776	-9.5%	2,636,916	-4.7%	2,759,552	4.7%
Valve Maintenance	414,667	462,317	449,973	437,322	-2.8%	422,640	-3.4%	445,274	5.4%
Construction	2,288,866	3,255,382	3,278,478	3,449,139	5.2%	3,530,156	2.3%	3,905,936	10.6%
Meters	843,155	1,029,274	951,705	1,019,099	7.1%	1,060,943	4.1%	1,080,421	1.8%
General Fund Transfer	6,358,066	8,080,210	6,219,496	8,064,757	29.7%	8,358,008	3.6%	8,812,028	5.4%
Total Operating Expenses	**35,831,606**	**38,923,549**	**37,831,683**	**35,797,046**	**-5.4%**	**36,474,611**	1.9%	**37,722,195**	3.4%
NET OPERATING REVENUE	**4,751,598**	**4,193,591**	**15,319,930**	**13,643,171**	**-10.9%**	**13,081,470**	-4.1%	**13,444,086**	2.8%
Non-Operating Revenues									
Investment Income	273,504	728,749	596,913	466,106	-21.9%	557,419	19.6%	634,065	13.8%
Property Tax Revenue	777,390	591,418	578,333	612,481	5.9%	579,194	-5.4%	596,569	3.0%
Other Non-Operating Revenue	206,062	58,999	55,480	17,699	-68.1%	-	-100.0%	-	0.0%
Total Non-Operating Revenues	**1,256,956**	**1,379,166**	**1,230,726**	**1,096,286**	**-10.9%**	**1,136,613**	3.7%	**1,230,634**	8.3%
Non-Operating Expenses									
Debt Service (Principal & Interest)	3,077,414	3,076,907	2,884,496	6,340,630	119.8%	6,340,630	0.0%	6,340,630	0.0%
Total Non-Operating Expenses	**3,077,414**	**3,076,907**	**2,884,496**	**6,340,630**	**119.8%**	**6,340,630**	0.0%	**6,340,630**	0.0%
NET NON-OPERATING REVENUE	**(1,820,458)**	**(1,697,742)**	**(1,653,770)**	**(5,244,344)**	**217.1%**	**(5,204,017)**	-0.8%	**(5,109,996)**	-1.8%
NET REVENUE[1]	**$ 2,931,140**	**$ 2,495,849**	**$ 13,666,159**	**$ 8,398,827**	**-38.5%**	**$ 7,877,453**	-6.2%	**$ 8,334,090**	5.8%
	11,835 AF	9,975 AF	10,000AF	11,000AF		10,750AF		10,500AF	

[1] Net revenue from the Water Fund is allocated to the Capital Improvement Program (CIP) to support the funding of capital assets.

Rainbow Muncipal Water District
Water Fund (01) Revenue Detail

WATER REVENUE

Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Budget	% Change	FY 2027 Budget	% Change	FY 2028 Budget	% Change
Water Sales-SF, MF, CM, IS	$ 9,634,436	$ 10,003,276	$ 13,308,403	$ 11,159,393	-16.1%	$ 11,700,264	4.8%	$ 11,955,030	2.2%
Water Sales-Ag. Domestic	3,510,345	3,379,965	6,200,042	7,068,705	14.0%	7,104,126	0.5%	7,261,285	2.2% [1]
Water Sales- Agriculture	5,029,120	4,289,407	7,258,841	7,965,293	9.7%	7,901,655	-0.8%	8,077,885	2.2% [1]
Water Sales-Construction	322,939	122,130	199,055	127,055	-36.2%	166,109	30.7%	172,753	4.0%
Water Sales - TSAWR Com	2,038,793	1,806,064	1,651,003	0	-100.0%	0	0.0%	0	0.0% [1]
Water Sales - TSAWR Dom	2,511,232	2,390,533	1,853,468	0	-100.0%	0	0.0%	0	0.0% [1]
O&M Charges-RMWD	11,039,426	14,390,108	21,074,073	21,380,274	1.5%	21,089,886	-1.4%	22,036,359	4.5%
O&M Charges-CWA	5,365,506	5,315,092	776	0	-100.0%	0	0.0%	0	0.0% [2]
Readiness-To-Serve Rev	298,823	445,868	482,486	502,061	4.1%	482,000	-4.0%	501,280	4.0%
Pumping Charges	471,090	604,747	835,490	908,697	8.8%	848,580	-6.6%	887,690	4.6%
Operating Inc Unlock Fees	3,800	2,850	0	3,978	100.0%	0	0.0%	0	0.0%
Operating (Backflow) RP Charges	277,604	277,174	275,079	285,706	3.9%	263,460	-7.8%	273,998	4.0%
Operating Inc Inspections	62,657	69,013	0	20,600	100.0%	0	-100.0%	0	0.0%
Operating Inc Install-Hyd	4,025	2,990	2,875	2,843	-1.1%	0	-100.0%	0	0.0%
Operating Inc-Misc	7,399	8,029	0	8,003	100.0%	0	-100.0%	0	0.0%
New Meter/Install Parts	6,010	9,895	10,022	7,609	-24.1%	0	-100.0%	0	0.0%
Total Operating Revenues	**$ 40,583,205**	**$ 43,117,141**	**$ 53,151,613**	**$ 49,440,217**	**-7.0%**	**$ 49,556,080**	0.2%	**$ 51,166,281**	3.2%
Non-Operating Inc-NSF Fees	-	60	90	3,090	3333.3%	0	-100.0%	0	0.0%
Recycling Revenue	18,632	2,450	0	3,785	100.0%	0	-100.0%	0	0.0%
Miscellaneous Revenue	187,430	51,489	603	10,824	1695.4%	0	-100.0%	0	0.0%
Interest Revenues	312,198	728,749	463,319	466,106	0.6%	557,419	19.6%	634,065	13.8%
Grant Revenue	(30,804)	5,000	54,787	0	0.0%	0	0.0%	0	0.0%
Property Tax Revenue	777,390	591,418	578,333	612,481	5.9%	579,194	-5.4%	596,569	3.0%
Total Non-Operating Revenues	**$ 1,264,846**	**$ 1,379,166**	**$ 1,230,726**	**$ 1,096,286**	**-10.9%**	**$ 1,136,613**	3.7%	**$ 1,230,634**	8.3%
TOTAL WATER REVENUES	**$ 41,848,051**	**$ 44,496,306**	**$ 54,382,339**	**$ 50,536,503**	**-7.1%**	**$ 50,692,693**	0.3%	**$ 52,396,915**	3.4%
			10,000AF	11,000AF		10,750AF		10500AF	

[1]The TSAWR program is eliminated in FY 26 due to the detachment, water sales revenues from TSAWR are combined with Agricultural Sales.

[2]The CWA is no longer applicable in FY26 due to the detachment, combined with O&M Charges-RMWD.

Rainbow Muncipal Water District
Water Fund (01) Expense Detail

PURCHASED WATER

Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Budget	% Change	FY 2027 Budget	% Change	FY 2028 Budget	% Change	
Water Purchases EMWD	$ 17,654,975	$ 17,341,063	$ 21,166,338	$ 18,123,024	-14.4%	$ 18,211,031	0.5%	$ 18,358,180	0.8%	
Water in Storage	(106,708)	(21,879)	(108,905.63)	0	-100.0%	0	0.0%	0	0.0%	[1]
Ready to Serve Charge	456,792	447,672	127,704	0	-100.0%	0	0.0%	0	0.0%	[1]
Infrastructure Access Charge	758,424	776,760	264,320	0	-100.0%	0	0.0%	0	0.0%	[1]
Ag Credit-TSAWR	(501,097)	(638,142)	(623,047)	0	-100.0%	0	0.0%	0	0.0%	[1]
Customer Service Charge EMWD	1,048,646	1,092,276	472,137	150,254	-100.0%	170,059	13.2%	188,784	11.0%	
Capacity Reservation Charge	403,182	369,390	137,132	0	-100.0%	0	0.0%	0	0.0%	[1]
Emergency Storage Charge	1,539,038	1,622,256	575,736	0	-100.0%	0	0.0%	0	0.0%	[1]
Supply Reliability Charge	1,020,693	1,099,104	385,776	0	-100.0%	0	0.0%	0	0.0%	[1]
Total Purchased Water	**$ 22,273,944**	**$ 22,088,500**	**$ 22,397,190**	**$ 18,273,278**	**-18.4%**	**$ 18,381,090**	0.6%	**$ 18,546,964**	0.9%	
Overhead Transfer to General	6,358,066	8,080,210	6,219,496	8,064,757	29.7%	8,358,008	3.6%	8,812,028	5.4%	
Total Water Expenses	**$ 28,632,010**	**$ 30,168,710**	**$ 28,616,686**	**$ 26,338,035**	**-8.0%**	**$ 26,739,098**	1.5%	**$ 27,358,992**	2.3%	
				11,000AF		10,750AF		10,500AF		

[1]Fixed costs that will no longer be applicable due to the reaorganization to EMWD.

Rainbow Muncipal Water District
Wastewater Fund (02) Net Revenue

Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Budget	% Change	FY 2027 Budget	% Change	FY 2028 Budget	% Change
Operating Revenues									
Wastewater Revenues	$ 3,467,420	$ 4,769,764	$ 5,580,448	$ 6,017,688	7.8%	$ 7,355,934	22.2%	$ 8,584,737	16.7%
Other Revenues	74,282	1,200	1,350	1,600	18.5%	1,600	0.0%	1,600	0.0%
Total Operating Revenues	**$ 3,541,702**	**$ 4,770,964**	**$ 5,581,798**	**$ 6,019,288**	**7.8%**	**$ 7,357,534**	22.2%	**$ 8,586,337**	16.7%
Operating Expenses									
Total Payroll Expenses	771,934	845,570	821,084	831,547	1.3%	893,990	7.5%	943,704	5.6%
Total Maintenance & Supply	536,735	1,887,135	2,316,917	2,578,482	11.3%	3,117,709	20.9%	3,509,032	12.6%
General Fund Transfer	1,491,398.18	1,895,358	1,458,894	1,222,874	-16.2%	1,237,868	1.2%	1,305,111	5.4% [1]
Total Operating Expenses	**$ 2,800,067**	**$ 4,628,063**	**$ 4,596,894**	**$ 4,632,903**	**0.8%**	**$ 5,249,567**	13.3%	**$ 5,757,847**	9.7%
NET OPERATING REVENUE	**741,634**	**142,901**	**984,903**	**1,386,385**	**40.8%**	**2,107,967**	52.0%	**2,828,490**	34.2%
Non-Operating Revenues									
Investment Income	-	-	108,680	110,000	1.2%	82,581	-24.9%	93,935	13.8%
Property Tax Revenue	73,232	80,434	83,716	91,300	9.1%	85,806	-6.0%	88,381	3.0%
Grants Revenue	-	-	6,186	-	-100.0%	-	0.0%	-	0.0%
Total Non-Operating Revenues	73,232	80,434	**202,154**	**201,300**	**-0.4%**	**168,387**	-16.4%	**182,316**	8.3%
Non-Operating Expenses									
Oceanside- Prior Period Wastewater Treatment	1,046,135	1,046,135	1,926,806	-	-100.0%	-	0.0%	-	0.0% [2]
Oceanside - Contribution to Repl. Reserve	-	-	-	407,703	100.0%	682,735	67.5%	751,009	10.0%
Debt Service (Principal & Interest)	663,021	663,021	663,021	663,021	0.0%	663,021	0.0%	663,021	0.0%
Total Non-Operating Expenses	1,709,156	1,709,156	**2,589,827**	**1,070,724**	**-58.7%**	**1,345,756**	25.7%	**1,414,030**	5.1%
NET NON-OPERATING REVENUE	**$ (1,635,924)**	**$ (1,628,722)**	**$ (2,387,673)**	**$ (869,424)**	**63.6%**	**$ (1,177,369)**	35.4%	**$ (1,231,713)**	4.6%
NET REVENUE	**$ 741,634**	**$ (1,485,821)**	**$ (1,402,770)**	**516,961**	**136.9%**	**930,598**	80.0%	**1,596,777**	71.6%

[1] General Fund overhead allocation to Wastewater Fund reduced from 13.3% to 12.9% to reflect labor hours budgeted directly to water and wastewater operations.

[2] Prior period liability paid in full as of June 2025.

Rainbow Muncipal Water District
Wastewater Fund (02) Revenues

WASTEWATER REVENUES

Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Budget	% Change	FY 2027 Budget	% Change	FY 2028 Budget	% Change
Sewer Charges-Established Acct	$ 3,467,420	$ 4,769,764	$ 5,580,448	$ 6,017,688	7.8%	$ 7,355,934	22.2%	$ 8,584,737	16.7%
Operating Inc-Sewer Letter	1,050	1,200	1,350	1,600	18.5%	1,600.00	0.0%	1,600.00	0.0%
Total Wastewater Operating Revenues	**$ 3,468,470**	**$ 4,770,964**	**$ 5,581,798**	**$ 6,019,288**	**7.8%**	**$ 7,357,534**	22.2%	**$ 8,586,337**	16.7%
Interest Revenues	-	-	112,252	110,000	-2.0%	82,581	-24.9%	93,935	13.8%
Property Tax Revenue	73,232	80,434	83,716	91,300	9.1%	85,806	-6.0%	88,381	3.0%
Total Wastewater Non-Operating Revenues	**$ 7,010,172**	**$ 80,434**	**$ 202,154**	**$ 201,300**	**-0.4%**	**$ 168,387**	-16.4%	**$ 182,316**	8.3%
Total Wastewater Revenues	**$ 10,478,643**	**$ 4,851,398**	**$ 5,783,951**	**$ 6,220,588**	**7.5%**	**$ 7,525,921**	21.0%	**$ 8,768,653**	16.5%

Rainbow Muncipal Water District
General Fund (03)

General Operating

Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Budget	% Change	FY 2027 Budget	% Change	FY 2028 Budget	% Change
Operating Revenues									
Water Overhead Transfer	$ 6,358,066	$ 8,212,179	$ 6,219,496	$ 7,971,666	28.2%	$ 8,358,008	4.8%	$ 8,812,028	5.4%
Wastewater Overhead Transfer	1,491,398	1,926,314	1,458,894	1,222,874	-16.2%	1,237,868	1.2%	1,305,111	5.4%
Other General Fund Revenue	634,767	555,801	789,398	933,518	18.3%	638,147	-31.6%	663,673	4.0%
Total Operating Revenues	**$ 8,484,231**	**$ 10,694,293**	**$ 8,467,788**	**$ 10,128,058**	**19.6%**	**$ 10,234,023**	1.0%	**$ 10,780,811**	5.3%
Operating Expenses									
Board of Directors	$ 38,550	$ 49,984	$ 44,668	$ 60,125	34.6%	$ 83,112	38.2%	$ 84,522	1.7%
Garage	659,230	646,055	668,265	704,820	5.5%	786,909	11.6%	826,392	5.0%
Administration	1,740,106	2,817,957	1,357,765	1,568,250	15.5%	1,621,989	3.4%	1,695,943	4.6%
Human Resources	402,081	446,908	553,081	552,332	-0.1%	619,860	12.2%	643,860	3.9%
Risk Management	753,305	685,905	728,819	929,490	27.5%	894,779	-3.7%	933,933	4.4%
IT Services	1,328,485	1,208,206	1,355,629	1,580,523	16.6%	1,753,953	11.0%	1,852,312	5.6%
Public Relations	5,424	82,906	136,174	214,259	57.3%	276,665	29.1%	293,032	5.9%
Finance	1,097,433	1,160,797	1,132,603	1,124,579	-0.7%	1,046,652	-6.9%	1,136,697	8.6%
Customer Service	592,942	544,907	765,940	889,596	16.1%	1,004,966	13.0%	1,071,464	6.6%
Engineering	1,224,262	1,548,181	880,449	979,084	11.2%	1,050,961	7.3%	1,104,656	5.1%
CalPERS UAL Payment	642,412	1,502,487	829,828	1,525,000	83.8%	1,094,177	-28.3%	1,138,000	4.0%
Total Operating Expenses	**$ 8,484,231**	**$ 10,694,293**	**$ 8,467,788**	**$ 10,128,058**	**19.6%**	**$ 10,234,023**	1.0%	**$ 10,780,811**	5.3%
CHANGE IN NET POSITION	**$ -**	**$ -**	**$ -**	**$ -**	**0%**	**$ -**	0.0%	**$ -**	0.0%

Rainbow Muncipal Water District
General Fund (03)

GENERAL FUND REVENUES

Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Budget	% Change	FY 2027 Budget	% Change	FY 2028 Budget	% Change
Water Overhead Transfer	$ 6,358,066	$ 8,212,179	$ 6,219,496	$ 7,971,666	28.2%	$ 8,358,008	4.8%	$ 8,812,028	5% [1]
Wastewater Overhead Transfer	1,491,398	1,926,314	1,458,894	1,222,874	-16.2%	1,237,868	1.2%	1,305,111	5% [1]
Operating Inc Penalty Charges	556,247	564,506	507,326	527,619	4.0%	558,742	5.9%	581,092	4%
Non-Op. Inc-Rents & Leases	(4,035)	114,395	83,160	86,487	4.0%	43,520	-49.7%	45,261	4%
Miscellaneous Revenue	77,305	32,424	299,917	311,913	4.0%	12,643	-95.9%	13,149	4%
Gain (Loss) from Sale of Assets		(162,924)	(107,105)	0	-100.0%	12,000	100.0%	12,480	4%
Misc. Revenue - Eng. Services	5,250	7,400	6,100	7,500	23.0%	11,242	49.9%	11,692	4%
Total General Fund Revenues	**$ 8,484,231**	**$ 10,694,293**	**$ 8,467,788**	**$ 10,128,058**	**19.6%**	**$ 10,234,023**	1.0%	**$ 10,780,811**	5%

[1] The overhead transfer from General Fund 03 is allocated based on the proportion of full-time equivalent (FTE) positions supported in Water Fund 01. Of the 31 total FTEs in Funds 1 and 2, 27 FTEs are in Fund 01, resulting in an 87.1% overhead distribution to that fund, 4 FTEs in Fund 02, resulting in a 12.9% overhead distribution.

Rainbow Muncipal Water District
Operating Budget Expense Detail

PUMPING EXPENSE

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
01-31-56101	Regular Salaries	$ 14,396	$ 27,058	$ 39,148	$ 104,711	$ 112,702	8%	$ 118,933	6%
01-31-56103	Overtime & Comp Time	30	263	397	3,375	817	-76%	862	6%
01-31-56519	Paid Time Off Accrued Expense			2,307	10,463	11,267	8%	11,890	6%
01-31-56501	Employer's Share FICA SSI			1,517	7,347	7,479	2%	7,883	5%
01-31-56502	Employer's Share Medicare			355	1,718	1,749	2%	1,844	5%
01-31-56515	Worker's Compensation			857	543	2,304	324%	2,431	6%
01-31-56516	State Unemployment Ins			161	184	147	-20%	161	10%
01-31-56503	Medical Insurance			4,824	11,000	26,825	144%	29,507	10%
01-31-56504	Dental Insurance			356	2,140	2,253	5%	2,478	10%
01-31-56505	Vision Insurance			51	350	274	-22%	302	10%
01-31-56506	Life S/T L/T Disability Ins			282	1,379	1,511	10%	1,564	3%
01-31-56507	Retirement - CALPERS			1,745	8,665	9,330	8%	9,846	6%
01-31-56520	Deferred Compensation			-	1,300	5,200	300%	5,200	0%
	Total Payroll Expenses	**$ 14,426**	**$ 27,321**	**$ 52,000**	**$ 153,175**	**$ 181,858**	19%	**$ 192,901**	6%
01-31-63100	Equipment Maint. & Repair	33,064	25,663	31,969	11,067	150,000	1255%	156,000	4%
01-31-63401	Building Maintenance	7,878	9,400	10,960	12,000	12,000	0%	12,480	4%
01-31-72000	Supplies & Services	12,362	58,962	21,829	33,000	35,000	6%	36,400	4%
01-31-73000	Small Tools & Equipment	354	55	-	500	5,000	900%	5,200	4%
01-31-75300	Travel, Conferences & Training			-	-	1,000	100%	1,040	4%
01-31-78000	Utilities - Electricity	827,696	891,058	1,363,088	1,460,000	1,700,000	16%	1,768,000	4%
	Total Maintenance & Supply	**$ 881,353**	**$ 985,138**	**$ 1,427,847**	**$ 1,516,567**	**$ 1,903,000**	25%	**$ 1,979,120**	4%
	TOTAL PUMPING EXPENSES	**$ 895,779**	**$ 1,012,459**	**$ 1,479,846**	**$ 1,669,742**	**$ 2,084,858**	25%	**$ 2,172,021**	4%

Rainbow Muncipal Water District
Operating Budget Expense Detail

OPERATIONS EXPENSE

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
01-32-56101	Regular Salaries	$ 779,234	$ 815,310	$ 809,241	$ 661,932	$ 691,762	5%	$ 727,312	5%
01-32-56103	Overtime & Comp Time	123,348	125,227	175,390	157,624	214,995	36%	226,095	5%
01-32-56501	Employer's Share SSI	43,565	46,713	52,039	53,701	56,580	5%	56,916	1%
01-32-56502	Employer's Share Medicare	10,757	11,277	12,734	13,116	14,111	8%	14,926	6%
01-32-56503	Medical Insurance	86,035	96,559	104,532	113,086	111,697	-1%	122,867	10%
01-32-56504	Dental Insurance	9,688	10,020	10,244	10,700	9,756	-9%	10,732	10%
01-32-56505	Vision Insurance	1,102	1,328	1,526	1,750	1,097	-37%	1,508	37%
01-32-56506	Life, S/T, L/T Disability Ins.	6,873	6,576	7,184	8,564	8,961	5%	9,183	2%
01-32-56507	Retirement-CalPERS	61,877	78,788	83,249	90,295	95,713	6%	100,079	5%
01-32-56512	Tuition Reimbursement	505	2,025	105	1,000	0	-100%	-	0%
01-32-56515	Worker's Comp. Insurance	10,919	19,578	19,740	20,410	16,895	-17%	17,884	6%
01-32-56516	State Unemployment Ins, E.T.T.	943	941	771	921	735	-20%	805	10%
01-32-56518	Duty Pay	19,580	19,668	19,690	19,500	25,740	32%	25,740	0%
01-32-56519	Accrued PTO		0	94,720	92,507	96,854	5%	102,658	6%
01-32-56520	Deferred Compensation	18,866	20,800	21,322	21,970	21,320	-3%	21,320	0%
	Total Payroll Expenses	**$ 1,173,291**	**$ 1,254,810**	**$ 1,412,486**	**$ 1,267,076**	**$ 1,366,216**	8%	**$ 1,438,024**	5%
01-32-60000	Electronics	13,286	441	17,910	13,000	13,000	0%	13,520	4%
01-32-63100	Equipment Maint. & Repairs	13,095	6,204	20,573	50,000	30,000	-40%	31,200	4%
01-32-63102	Equipment Maint. Contract	20,323	21,647	30,944	31,000	35,000	13%	36,400	4%
01-32-63200	Equipment Rental	62,916	67,138	74,397	42,000	50,000	19%	52,000	4%
01-32-63401	Building Maintenance	49,009	16,560	14,464	22,000	20,000	-9%	20,800	4%
01-32-72000	Supplies & Services	367,094	508,664	569,049	890,000	650,000	-27%	676,000	4%
01-32-72010	Tank Maintenance	931,185	992,457	780,872	293,500	300,000	2%	312,000	4%
01-32-72150	Regulatory Permits	73,390	52,432	57,813	68,000	72,000	6%	74,880	4%
01-32-73000	Small Tools & Equipment	6,163	6,117	6,987	7,500	7,500	0%	7,800	4%
01-32-75300	Travel/Conferences/Training	2,095	3,044	236	2,500	9,000	260%	9,360	4%
01-32-78000	Utilities	45,120	65,892	69,103	79,000	84,000	6%	87,360	4%
01-32-78700	Propane	162	0	162	200	200	0%	208	4%
	Total Maintenance & Supply	**$ 1,583,839**	**$ 1,740,596**	**$ 1,642,509**	**$ 1,498,700**	**$ 1,270,700**	-15.2%	**$ 1,321,528**	4.0%
	TOTAL OPERATIONS EXPENSES	**$ 2,757,129**	**$ 2,995,406**	**$ 3,054,995**	**$ 2,765,776**	**$ 2,636,916**	-5%	**$ 2,759,552**	5%

Rainbow Muncipal Water District
Operating Budget Expense Detail

VALVE MAINTENANCE EXPENSES

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
01-33-56101	Regular Salaries	$ 224,284	$ 254,501	$ 217,864	$ 189,021	$ 203,391	8%	$ 213,903	5%
01-33-56103	Overtime & Comp Time	4,061	3,823	4,832	25,508	4,959	-81%	5,241	6%
01-33-56501	Employer's Share SSI	13,049	15,545	16,348	14,593	13,902	-5%	14,700	6%
01-33-56502	Employer's Share Medicare	3,052	3,635	3,840	3,413	3,251	-5%	3,438	6%
01-33-56503	Medical Insurance	31,778	35,971	39,361	53,043	38,874	-27%	42,761	10%
01-33-56504	Dental Insurance	3,610	4,008	4,128	4,280	2,998	-30%	3,297	10%
01-33-56505	Vision Insurance	411	531	614	700	548	-22%	603	10%
01-33-56506	Life, S/T, L/T Disability Ins.	2,253	2,315	2,526	2,490	2,719	9%	2,817	4%
01-33-56507	Retirement-CalPERS	21,549	29,052	29,252	21,698	23,450	8%	24,636	5%
01-33-56512	Tuition Reimbursement	862	321	550	1,000	2,500	150%	2,500	0%
01-33-56515	Worker's Comp. Insurance	1,004	6,339	5,764	5,501	4,184	-24%	4,453	6%
01-33-56516	State Unemployment Ins, E.T.T.	375	404	322	368	294	-20%	322	10%
01-33-56518	Duty Pay	1,122	1,452	1,100	1,950	2,574	32%	2,574	0%
01-33-56519	Accrued PTO		0	32,224	24,552	26,286	7%	27,958	6%
01-33-56520	Deferred Compensation	7,088	7,800	7,439	5,200	8,710	68%	8,710	0%
	Total Payroll Expenses	**$ 314,498**	**$ 365,697**	**$ 366,163**	**$ 353,317**	**$ 338,640**	-4%	**$ 357,914**	6%
01-33-72000	Supplies & Services	94,749	96,361	77,190	80,000	80,000	0%	83,200	4%
01-33-73000	Small Tools & Equipment	5,421	161	6,620	3,000	3,000	0%	3,120	4%
01-33-75300	Travel/Conferences/Training	-	98.00	-	1,000.00	1,000.00	0%	1,040	4%
	Total Maintenance & Supply	**$ 100,169**	**$ 96,620**	**$ 83,810**	**$ 84,000**	**$ 84,000**	0%	**$ 87,360**	4%
	TOTAL VALVE MAINTENANCE EXPENSES	**$ 414,667**	**$ 462,317**	**$ 449,973**	**$ 437,317**	**$ 422,640**	-3%	**$ 445,274**	5%

Rainbow Muncipal Water District
Operating Budget Expense Detail

CONSTRUCTION EXPENSES

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
01-34-56101	Regular Salaries	$ 795,751	$ 1,047,429	$ 882,408	$ 1,308,753	$ 1,462,418	12%	$ 1,726,100	18%
01-34-56103	Overtime & Comp Time	149,300	129,366	188,335	200,559	208,445	4%	256,819	23%
01-34-56501	Employer's Share SSI	70,000	84,444	90,698	97,520	105,784	8%	125,629	19%
01-34-56502	Employer's Share Medicare	17,361	20,775	21,597	23,922	25,846	8%	30,715	19%
01-34-56503	Medical Insurance	175,663	226,874	227,116	277,687	338,324	22%	431,171	27%
01-34-56504	Dental Insurance	18,040	22,037	19,625	22,094	29,650	34%	37,571	27%
01-34-56505	Vision Insurance	2,384	3,508	3,097	4,550	3,976	-13%	4,977	25%
01-34-56506	Life, S/T, L/T Disability Ins.	15,666	12,871	13,889	16,399	18,683	14%	21,582	16%
01-34-56507	Retirement-CalPERS	96,949	132,510	127,812	137,374	152,162	11%	175,295	15%
01-34-56512	Tuition Reimbursement	8,869	16,443	11,023	6,000	13,750	129%	18,750	36%
01-34-56515	Worker's Comp. Insurance	15,926	36,357	31,824	38,466	31,754	-17%	36,353	14%
01-34-56516	State Unemployment Ins, E.T.T.	2,874	2,420	2,842	2,393	2,132	-11%	2,657	25%
01-34-56518	Duty Pay	18,282	17,336	17,468	10,725	15,444	44%	18,018	17%
01-34-56519	Accrued PTO		0	167,560	160,364	174,957	9%	203,633	16%
01-34-56520	Deferred Compensation	25,254	30,345	29,947	47,580	74,100	56%	84,500	14%
	Total Payroll Expenses	**$ 1,412,317**	**$ 1,782,715**	**$ 1,835,241**	**$ 2,354,386**	**$ 2,657,425**	13%	**$ 3,173,770**	19%
	Less: Capitalized Labor				$ (115,981)	$ (462,269)		$ (656,234)	
	Total Payroll Expenses	**$ 1,412,317**	**$ 1,782,715**	**$ 1,835,241**	**$ 2,238,405**	**$ 2,195,156**	-2%	**$ 2,517,536**	15%
01-34-72000	Supplies & Services	705,050	1,247,152	1,361,926	1,000,000	1,000,000	0%	1,040,000	4%
01-34-72001	Easement Maintenance	164,638	211,646	75,891	297,574	300,000	1%	312,000	4%
01-34-49201	Grant Revenue		-		0	0	0%	0	0%
01-34-73000	Small Tools & Equipment	1,657	10,307	3,973	20,000	20,000	0%	20,800	4%
01-34-75300	Conferences/Training	5,203	3,562	1,187	5,000	15,000	200%	15,600	4%
01-34-78700	Utilities - Propane			260	0	0	0%	0	0%
	Total Maintenance & Supply	**$ 876,548**	**$ 1,472,667**	**$ 1,443,237**	**$ 1,322,574**	**$ 1,335,000**	1%	**$ 1,388,400**	4%
	TOTAL CONST. EXPENSES	**$ 2,288,866**	**$ 3,255,382**	**$ 3,278,478**	**$ 3,560,979**	**$ 3,530,156**	-1%	**$ 3,905,936**	11%

Rainbow Muncipal Water District
Operating Budget Expense Detail

METERS EXPENSES

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
01-35-56101	Regular Salaries	$ 479,573	$ 482,449	$ 449,608	$ 488,022	$ 543,049	11%	$ 544,622	0%
01-35-56103	Overtime & Comp Time	38,151	28,151	27,523	49,627	38,949	-22%	38,681	-1%
01-35-56501	Employer's Share SSI	28,853	30,623	31,103	36,623	38,675	6%	38,953	1%
01-35-56502	Employer's Share Medicare	6,748	7,161	7,274	8,565	9,045	6%	9,110	1%
01-35-56503	Medical Insurance	101,753	107,508	114,316	122,837	130,899	7%	143,989	10%
01-35-56504	Dental Insurance	9,662	10,020	10,241	10,700	11,451	7%	12,596	10%
01-35-56505	Vision Insurance	1,099	1,328	1,527	1,750	1,440	-18%	1,584	10%
01-35-56506	Life, S/T, L/T Disability Ins.	5,600	5,037	5,534	6,418	7,145	11%	7,571	6%
01-35-56507	Retirement-CalPERS	41,845	51,038	54,611	59,563	65,378	10%	63,997	-2%
01-35-56512	Tuition Reimbursement	1,295	1,360	1,934	1,000	-	-100%	-	0%
01-35-56515	Worker's Comp. Insurance	2,276	10,543	10,111	3,214	2,650	-18%	2,654	0%
01-35-56516	State Unemployment Ins, E.T.T.	945	941	805	921	772	-16%	845	10%
01-35-56518	Duty Pay	176	1,540	1,848	4,875	6,435	32%	6,435	0%
01-35-56519	Accrued PTO		0	66,141	66,234	74,005	12%	74,055	0%
01-35-56520	Deferred Compensation	14,727	16,250	16,193	16,250	24,050	48%	24,050	0%
	Total Payroll Expenses	**$ 732,704**	**$ 753,949**	**$ 798,769**	**$ 876,599**	**$ 953,943**	9%	**$ 969,141**	2%
01-35-63404	Backflow Expenses	4,851	4,479	4,628	8,500	6,000	-29%	6,240	4%
01-35-72000	Supplies & Services	65,973	268,527	147,684	130,000	90,000	-31%	93,600	4%
01-35-73000	Small Tools & Equipment	37,819	2,319	494	2,500	1,000	-60%	1,040	4%
01-35-75300	Conferences/Travel	1,808	0	130	1,500	10,000	567%	10,400	4%
	Total Maintenance & Supply	**$ 110,451**	**$ 275,325**	**$ 152,936**	**$ 142,500**	**$ 107,000**	-25%	**$ 111,280**	4%
	TOTAL METER EXPENSES	**$ 843,155**	**$ 1,029,274**	**$ 951,705**	**$ 1,019,099**	**$ 1,060,943**	4%	**$ 1,080,421**	2%

Rainbow Muncipal Water District
Operating Budget Expense Detail

WASTEWATER EXPENSES

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
02-61-56101	Regular Salaries	$ 442,895	$ 482,872	$ 434,067	$ 438,158	$ 465,138	6%	$ 489,558	5%
02-61-56103	Overtime & Comp Time	101,381	93,373	98,922	93,358	106,863	14%	112,456	5%
02-61-56501	Employer's Share SSI	32,662	34,708	35,565	36,244	38,844	7%	41,200	6%
02-61-56502	Employer's Share Medicare	7,639	8,117	8,318	8,476	9,084	7%	9,635	6%
02-61-56503	Medical Insurance	92,376	93,535	71,467	71,142	85,791	21%	94,370	10%
02-61-56504	Dental Insurance	7,809	8,016	6,359	8,560	9,012	5%	9,913	10%
02-61-56505	Vision Insurance	888	1,062	1,205	2,202	1,097	-50%	1,206	10%
02-61-56506	Life, S/T, L/T Disability Ins.	5,164	4,775	4,978	5,765	6,137	6%	6,324	3%
02-61-56507	Retirement-CalPERS	49,363	61,584	57,265	64,581	63,908	-1%	66,675	4%
02-61-56512	Tuition Reimbursement	896	1,834	1,579	2,000	-	-100%	-	0%
02-61-56515	Worker's Comp. Insurance	549	9,364	8,722	8,851	7,222	-18%	7,667	6%
02-61-56516	State Unemployment Ins, E.T.T.	798	753	804	736	588	-20%	644	10%
02-61-56518	Duty Pay	19,206	18,854	18,568	19,500	25,750	32%	25,750	0%
02-61-56519	Accrued PTO		17,323	64,564	61,314	61,298	0%	65,045	6%
02-61-56520	Deferred Compensation	10,308	9,400	8,700	10,660	13,260	24%	13,260	0%
	Gross Payroll Expenses	**$ 771,934**	**$ 845,570**	**$ 821,084**	**$ 831,547**	**$ 893,990**	8%	**$ 943,704**	6%
	Maintenance & Supply								
02-61-60000	Electronics	0	0	0	1,000	-	-100%	-	0%
02-61-63100	Equipment Maint. & Repairs	55,878	55,213	43,897	73,000	47,000	-36%	48,410	3%
02-61-63200	Equipment Rental	38,827	53,891	35,100	50,000	50,000	0%	51,500	3%
02-61-70000	Professional Services	39,340	19,210	124,074	45,000	125,000	178%	128,750	3%
02-61-72000	Supplies & Services	94,756	248,574	199,816	350,000	250,000	-29%	257,500	3%
02-61-72150	Regulatory Permits	11,257	14,360	13,888	16,000	16,000	0%	16,480	3%
02-61-72400	Dues & Subscriptions	202	1,538	0	2,000	2,000	0%	2,060	3%
02-61-72600	Sewer Line Cleaning/Maint.	129,321	51,365	32,993	120,000	120,000	0%	123,600	3%
02-61-73000	Small Tools & Equipment	6,669	6,259	6,811	5,000	5,000	0%	5,150	3%
02-61-75300	Travel/Conferences/Training	0	220	2,356	1,000	6,000	500%	6,180	3%
02-61-77000	Sewage Treatment Oceanside	0	1,314,342	1,709,451	1,718,782	2,290,709	33%	2,657,222	16%
02-61-78000	Utilities	88,221	115,066	145,215	185,000	190,000	3%	195,700	3%
02-61-78300	Hazardous Waste Disposal	72,161	2,620	2,386	10,200	14,000	37%	14,420	3%
02-61-78700	Utilities-Propane	104	4,477	930	1,500	2,000	33%	2,060	3%
	Total Maintenance & Supply	**$ 536,735**	**$ 1,887,135**	**$ 2,316,917**	**$ 2,578,482**	**$ 3,117,709**	21%	**$ 3,509,032**	13%
02-99-52176	Overhead Transfer to Gen Fund	1,491,398	1,926,314	1,458,894	1,237,154	1,237,868	0%	1,305,111	5%
	Total Transfers	**$ 1,491,398**	**$ 1,926,314**	**$ 1,458,894**	**$ 1,237,154**	**$ 1,237,868**	0%	**$ 1,305,111**	5%
	TOTAL WASTEWATER EXPENSES	**$ 2,800,067**	**$ 4,659,019**	**$ 4,596,894**	**$ 4,647,183**	**$ 4,355,577**	-6%	**$ 4,814,143**	11%

Rainbow Muncipal Water District
Operating Budget Expense Detail

BOARD OF DIRECTOR EXPENSES

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
03-20-56202	Board Member Expenses	$ 16,500	$ 19,350	21,800	$ 26,500	$ 44,100	66%	$ 44,100	0%
03-20-56501	Employer's Share SSI	1,023	1,153	1,398	1,250	2,734	119%	2,734	0%
03-20-56502	Employer's Share Medicare	239	270	327	350	828	137%	828	0%
03-20-56515	Worker's Comp Insurance	59.00	95.00	104	100	200	100%	200	0%
	Total Payroll Expenses	**$ 17,821**	**$ 20,868**	**$ 23,629**	**$ 28,200**	**$ 47,862**	70%	**$ 47,862**	0%
03-20-70300	Legal Services				-	5,000	100%	5,200	4%
03-20-72000	Supplies & Services	209		27	100	250	150%	260	4%
03-20-72400	Dues & Subscriptions			949	1,825	0	-100%	-	0%
03-20-75300	Travel/Conferences/Training	20,520	29,034	20,063	30,000	30,000	0%	31,200	4%
	Total Supplies Expenses	**$ 20,729**	**$ 29,034**	**$ 21,039**	**$ 31,925**	**$ 35,250**	10%	**$ 36,660**	4%
	TOTAL BOARD EXPENSES	**$ 38,550**	**$ 49,902**	**$ 44,668**	**$ 60,125**	**$ 83,112**	38%	**$ 84,522**	2%

Rainbow Muncipal Water District
Operating Budget Expense Detail

GARAGE EXPENSES

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
03-36-56101	Regular Salaries	$ 120,098	$ 118,032	$ 114,125	$ 133,562	$ 126,688	-5%	$ 136,100	7%
03-36-56103	Overtime & Comp Time	23,362	17,282	21,137	24,886	29,138	17%	31,016	6%
03-36-56501	Employer's Share SSI	8,101	8,033	9,294	10,687	10,137	-5%	10,857	7%
03-36-56502	Employer's Share Medicare	1,895	1,879	2,174	2,499	2,371	-5%	2,539	7%
03-36-56503	Medical Insurance	19,639	20,776	22,193	23,407	25,720	10%	28,292	10%
03-36-56504	Dental Insurance	1,957	2,004	2,069	2,140	2,253	5%	2,478	10%
03-36-56505	Vision Insurance	223	266	308	350	274	-22%	302	10%
03-36-56506	Life, S/T, L/T Disability Ins.	1,289	1,172	1,329	1,749	1,701	-3%	1,770	4%
03-36-56507	Retirement-CalPERS	12,210	14,836	17,091	16,516	18,683	13%	19,887	6%
03-36-56515	Worker's Comp. Insurance	1,541	3,233	3,597	3,982	2,960	-26%	3,151	6%
03-36-56516	State Unemployment Ins, E.T.T.	189	188	161	368	147	-60%	161	10%
03-36-56519	Accrued PTO	0	0	15,338	17,516	17,738	1%	18,880	6%
03-36-56520	Deferred Compensation	2,600	2,600	2,600	3,510	2,600	-26%	2,600	0%
	Total Payroll Expenses	**$ 193,104**	**$ 190,301**	**$ 211,416**	**$ 241,172**	**$ 240,409**	0%	**$ 258,032**	7%
	Less Capitalized Labor:				**$ (5,852)**				
	Total Payroll Expenses	**$ 193,104**	**$ 190,301**	**$ 211,416**	**$ 235,320**	**$ 240,409**	2%	**$ 258,032**	7%
	Maintenance & Supply								
03-36-60000	Equipment	2,857	5,737	13,346	6,000	6,500	8%	6,760	4%
03-36-63100	Equipment Maintenance	45,864	80,717	42,294	46,000	80,000	74%	83,200	4%
03-36-63421	Fuel & Oil	168,847	171,683	151,862	180,000	200,000	11%	208,000	4%
03-36-63422	Repair, Supplies, Auto	108,745	57,441	71,000	91,000	91,000	0%	94,640	4%
03-36-72000	Supplies & Services	126,984	129,269	161,231	138,000	160,000	16%	166,400	4%
03-36-72150	Regulatory Permits	1,476	0	0	1,500	0	-100%	0	0%
03-36-72400	Dues & Subscriptions	0	0	8,719	0	0	0%	0	0%
03-36-73000	Small Tools & Equipment	7,388	6,303	8,397	7,000	7,000	0%	7,280	4%
03-36-75300	Travel/Conferences/Training	3,964	0	0	0	2,000	100%	2,080	4%
	Total Maintenance & Supply	**$ 466,126**	**$ 451,150**	**$ 456,849**	**$ 469,500**	**$ 546,500**	16%	**$ 568,360**	4%
	TOTAL GARAGE EXPENSES	**$ 659,230**	**$ 641,451**	**$ 668,265**	**$ 704,820**	**$ 786,909**	12%	**$ 826,392**	5%

Rainbow Muncipal Water District
Operating Budget Expense Detail

ADMINISTRATION EXPENSES

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
03-41-56101	Regular Salaries	$ 462,489	$ 570,980	406,047	$ 412,623	$ 438,548	6%	$ 459,957	5%
03-41-56103	Overtime & Comp Time	4,591	3,390	2,431	3,346	6,145	84%	6,425	5%
03-41-56501	Employer's Share SSI	18,040	26,739	19,347	20,616	21,359	4%	21,971	3%
03-41-56502	Employer's Share Medicare	5,896	8,115	6,161	6,930	6,778	-2%	7,429	10%
03-41-56503	Medical Insurance	25,326	42,397	44,360	47,428	52,544	11%	57,799	10%
03-41-56504	Dental Insurance	2,206	3,561	4,124	4,280	4,506	5%	4,956	10%
03-41-56505	Vision Insurance	396	561	615	700	548	-22%	603	10%
03-41-56506	Life, S/T, L/T Disability Ins.	3,293	3,491	3,346	3,991	4,147	4%	4,204	1%
03-41-56507	Retirement-CalPERS	47,506	63,286	61,486	60,785	67,850	12%	70,970	5%
03-41-56511	Employee Uniform Allowance	24,946	32,315	29,625	35,000	30,000	-14%	30,000	0%
03-41-56512	Tuition Reimbursement		0	0		-	0%	-	0%
03-41-56515	Worker's Comp. Insurance	13,901	2,378	2,202	2,532	1,957	-23%	2,151	10%
03-41-56516	State Unemployment Ins, E.T.T.	333	846	426	368	294	-20%	322	10%
03-41-56519	Accrued PTO		0	45,323	49,031	49,692	1%	54,636	10%
03-41-56520	Deferred Compensation	2,601	11,381	15,112	15,120	15,120	0%	15,120	0%
	Total Payroll Expenses	**$ 611,524**	**$ 769,440**	**$ 640,606**	**$ 662,750**	**$ 699,489**	6%	**$ 736,543**	5%
03-41-63200	Equipment Rental	50,867	42,348	38,242	50,000	50,000	0%	52,000	4%
03-41-63400	Kitchen Supplies	15,623	17,532	9,153	8,500	9,000	6%	9,360	4%
03-41-63401	Building Maintenance	110,513	298,674	86,054	120,000	120,000	0%	124,800	4%
03-41-70000	Professional Services	405,109	413,397	97,865	200,000	200,000	0%	208,000	4%
03-41-70300	Legal Services	223,895	689,960	142,728	150,000	150,000	0%	156,000	4%
03-41-72000	Supplies & Services	30,930	301,656	33,960	30,000	25,000	-17%	26,000	4%
03-41-72400	Dues & Subscriptions	69,906	73,666	72,357	89,000	90,000	1%	93,600	4%
03-41-72702	Public Notices/Advertising	800	3,095	330	1,000	1,000	0%	1,040	4%
03-41-72900	Stationary & Office Supplies	4,330	5,842	4,507	4,500	5,000	11%	5,200	4%
03-41-74000	Communications & Phone Bills	13,057	14,336	14,770	15,500	18,500	19%	19,240	4%
03-41-74100	Phone Bill	104,586	100,130	104,388	105,000	105,000	0%	109,200	4%
03-41-75300	Travel/Conferences/Training	9,599	8,547	14,126	15,000	15,000	0%	15,600	4%
03-41-78000	Utilities-Electricity	73,457	72,734	76,478	95,000	102,000	7%	106,080	4%
03-41-78700	Utilities -Propane	5,394	2,642	5,576	7,000	7,000	0%	7,280	4%
03-41-78900	Trash Pick-Up	10,517	14,136	16,594	15,000	25,000	67%	26,000	4%
	Total Maintenance & Supply	**$ 1,128,583**	**$ 2,058,695**	**$ 717,159**	**$ 905,500**	**$ 922,500**	2%	**$ 959,400**	4%
	TOTAL ADMIN EXPENSES	**$ 1,740,106**	**$ 2,828,135**	**$ 1,357,765**	**$ 1,568,250**	**$ 1,621,989**	3%	**$ 1,695,943**	5%

Rainbow Muncipal Water District
Operating Budget Expense Detail

Human Resources Expenses

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
03-42-56101	Regular Salaries	$ 236,316	$ 259,588	$ 277,846	$ 271,460	$ 299,963	10%	$ 318,786	6%
03-42-56103	Overtime & Comp Time	949	1,843	5,802	4,433	6,789	53%	7,250	7%
03-42-56501	Employer's Share SSI	12,409	14,313	16,980	16,336	17,578	8%	17,270	-2%
03-42-56502	Employer's Share Medicare	3,530	3,824	4,559	4,404	4,697	7%	4,039	-14%
03-42-56503	Medical Insurance	31,424	41,955	39,268	34,421	38,942	13%	42,837	10%
03-42-56504	Dental Insurance	3,110	4,008	4,138	4,280	2,998	-30%	3,297	10%
03-42-56505	Vision Insurance	425	531	617	700	548	-22%	603	10%
03-42-56506	Life, S/T, L/T Disability Ins.	5,555	2,342	2,710	3,160	3,376	7%	3,426	1%
03-42-56507	Retirement-CalPERS	14,008	16,345	18,398	18,047	20,175	12%	21,182	5%
03-42-56512	Tuition Reimbursement	-	-	2,079	5,250	-	-100%	-	0%
03-42-56515	Worker's Comp. Insurance	1,034	1,327	1,387	1,393	1,175	-16%	1,006	-14%
03-42-56516	State Unemployment Ins, E.T.T.	397	377	322	368	294	-20%	322	10%
03-42-56519	Accrued PTO		0	35,628	37,520	40,255	7%	33,964	-16%
03-42-56520	Deferred Compensation	4,537	5,550	7,150	9,360	12,870	38%	12,870	0%
	Total Payroll Expenses	**$ 313,694**	**$ 352,003**	**$ 416,883**	**$ 411,132**	**$ 449,660**	9%	**$ 466,852**	4%
03-42-56513	Employee Relations	24,232	23,006	19,121	28,000	30,000	7%	31,200	4%
03-42-70000	Professional Services	5,802	4,266	38,330	20,000	30,000	50%	31,200	4%
03-42-70300	Legal Services	3,089	9,166	6,073	10,500	15,000	43%	15,600	4%
03-42-72000	Supplies & Services	1,270	1,403	14,810	4,000	4,000	0%	4,160	4%
03-42-72200	Books & Resources	0	0	-	-		0%	-	0%
03-42-72400	Dues & Subscriptions	5,797	4,220	9,236	4,500	17,200	282%	17,888	4%
03-42-75300	Travel/Conferences/Training	3,393	6,828	12,610	8,200	14,000	71%	14,560	4%
03-42-75400	Workforce Development	10,828	2,580	23,434	38,000	28,000	-26%	29,120	4%
03-42-75500	Recruitment	33,978	35,950	12,584	28,000	32,000	14%	33,280	4%
	Total Maintenance & Supply	**$ 88,388**	**$ 87,419**	**$ 136,197**	**$ 141,200**	**$ 170,200**	21%	**$ 177,008**	4%
	TOTAL HR EXPENSES	**$ 402,081**	**$ 439,422**	**$ 553,081**	**$ 552,332**	**$ 619,860**	12%	**$ 643,860**	4%

NOTES

Legal services is higher to have a new employee handbook reviewed

Dues & subscriptions includes new subscription to Holly for compensation analysis - 2 year contract, plus Neogov, Energage, Criteia, Kahoot, Canva, change to background check
Governmentjobs.com could be moved to Recruitment

Temp labor for 6 months or part-time all year to help with scanning project - $32K - half under Supplies and Services and half to CIP

Rainbow Muncipal Water District
Operating Budget Expense Detail

RISK MANAGEMENT EXPENSES

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
03-43-56101	Regular Salaries	$ 163,093	$ 133,741	$ 143,481	$ 144,356	$ 156,672	9%	$ 166,178	6%
03-43-56103	Overtime & Comp Time	1,664	0	578	-	-	0%	-	0%
03-43-56501	Employer's Share SSI	9,576	7,170	8,959	9,845	10,263	4%	10,667	4%
03-43-56502	Employer's Share Medicare	2,242	1,677	2,095	2,302	2,400	4%	2,495	4%
03-43-56503	Medical Insurance	13,360	18,732	21,981	23,714	7,200	-70%	7,920	10%
03-43-56504	Dental Insurance	1,804	1,670	2,060	2,140	2,253	5%	2,478	10%
03-43-56505	Vision Insurance	208	228	307	350	274	-22%	302	10%
03-43-56506	Life, S/T, L/T Disability Ins.	1,360	1,252	1,630	1,893	2,092	11%	2,156	3%
03-43-56507	Retirement-CalPERS	7,818	9,021	11,186	11,950	12,969	9%	13,488	4%
03-43-56512	Tuition Reimbursement	1,398	-199	3,389	5,250	5,250	0%	5,250	0%
03-43-56513	Employee Relations			5,081	-	-	0%	-	0%
03-43-56515	Worker's Comp. Insurance	1,177	574	703	3,865	3,188	-18%	3,315	4%
03-43-56516	State Unemployment Ins, E.T.T.	189	377	161	184	147	-20%	161	10%
03-43-56519	Accrued PTO		0	17,215	17,321	18,799	9%	19,550	4%
03-43-56520	Deferred Compensation	3,254	1,350	3,507	5,720	5,720	0%	5,720	0%
	Total Payroll Expenses	**$ 207,143**	**$ 175,594**	**$ 222,333**	**$ 228,890**	**$ 227,228**	-1%	**$ 239,680**	5%
03-43-63100	Equipment Maintenance	1,896	5,132	-	-	-	0%	-	0%
03-43-63102	Equipment Maint. Contract	4,105	2,508	2,508	5,000	5,240	5%	5,450	4%
03-43-65000	Property Liability Insurance	387,155	402,266	412,104	572,000	533,000	-7%	554,320	4%
03-43-65100	District-Paid Claims	70,666	19,432	9,682	20,000	-	-100%	-	0%
03-43-70000	Professional Services	1,731	0	-	-	-	0%	-	0%
03-43-70300	Legal Services	0	5,753	990	7,000	6,615	-6%	6,880	4%
03-43-72000	Supplies & Services	32,260	12,330	17,094	12,000	12,911	8%	13,427	4%
03-43-72150	Regulatory Permits		0	1,956	7,000	7,072	1%	7,355	4%
03-43-72200	Books & Resources	525	642	-	-	-	0%	-	0%
03-43-72400	Dues & Subscriptions	2,858	4,141	8,416	10,000	22,459	125%	23,357	4%
03-43-72500	Safety Supplies	44,916	44,315	48,462	50,000	54,000	8%	56,160	4%
03-43-75300	Travel/Conferences/Training	50	1,964	5,274	5,000	9,150	83%	9,516	4%
03-43-75400	Workforce Development		0	-	12,600	17,104	36%	17,788	4%
	Total Maintenance & Supply	**$ 546,162**	**$ 498,483**	**$ 506,487**	**$ 700,600**	**$ 667,551**	-5%	**$ 694,253**	4%
	TOTAL RISK MGMT. EXPENSES	**$ 753,305**	**$ 674,077**	**$ 728,819**	**$ 929,490**	**$ 894,779**	-4%	**$ 933,933**	4%

NOTES

Conferences and Travel change is to budget for the ACWA-JPIA year-long leadership program in addition to the safety conference.

Dues & subscription change is to account for software subscriptions that are increasing and to add a lone worker app and a LMS

Add confrence details.

ACWA-JPIA leadership essentials program, 4 quarterly hotel stays in Costa Mesa

Rainbow Muncipal Water District
Operating Budget Expense Detail

IT EXPENSES

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
03-44-56101	Regular Salaries	$ 462,886	$ 495,374	$ 476,747	$ 563,310	$ 634,980	13%	$ 690,731	9%
03-44-56103	Overtime & Comp Time	4,959	3,101	3,074	3,650	6,324	73%	6,862	9%
03-44-56501	Employer's Share SSI	29,970	32,547	37,129	36,067	39,509	10%	41,580	5%
03-44-56502	Employer's Share Medicare	7,622	8,201	9,325	9,043	9,856	9%	9,724	-1%
03-44-56503	Medical Insurance	53,767	55,219	68,677	67,492	84,907	26%	93,398	10%
03-44-56504	Dental Insurance	4,965	5,340	6,057	5,697	6,740	18%	7,414	10%
03-44-56505	Vision Insurance	845	1,062	1,310	1,400	1,371	-2%	1,508	10%
03-44-56506	Life, S/T, L/T Disability Ins.	6,390	5,698	6,181	6,940	7,925	14%	8,287	5%
03-44-56507	Retirement-CalPERS	41,674	53,872	51,646	46,755	47,747	2%	51,802	8%
03-44-56512	Tuition Reimbursement	13,392	10,932	11,570	11,500	7,750	-33%	7,750	0%
03-44-56515	Worker's Comp. Insurance	(1,147)	8,386	7,904	7,836	6,114	-22%	6,401	5%
03-44-56516	State Unemployment Ins, E.T.T.	697	644	1,099	921	735	-20%	805	10%
03-44-56518	Duty Pay	374	418	0	-	-	0%	-	0%
03-44-56519	Accrued PTO		0	78,279	70,631	77,730	10%	75,390	-3%
03-44-56520	Deferred Compensation	7,150	7,150	7,450	15,470	28,470	84%	28,470	0%
	Gross Payroll Expenses	**$ 633,543**	**$ 687,944**	$ 766,447	$ 846,712	$ 960,157	13%	$ 1,030,121	7%
	Less: Capitalized Labor				$ (98,649)	$ (97,309)	-1%	$ (104,558)	7%
	Total Payroll Expenses	**$ 633,543**	**$ 687,944**	**$ 766,447**	**$ 748,063**	**$ 862,848**	15%	**$ 925,563**	7%
03-44-60000	Electronics	16,304	28,402	12,156	25,000	25,000	0%	26,000	4%
03-44-60100	Hardware	42,719	71,930	50,766	107,300	99,800	-7%	103,792	4%
03-44-70000	Professional Services	38,774	10,585	15,950	30,000	38,000	27%	39,520	4%
03-44-72000	Supplies & Services	67,525	42,401	56,689	89,000	119,000	34%	123,760	4%
03-44-72400	Dues & Subscriptions	315,865	570,010	449,113	552,410	582,805	6%	606,117	4%
03-44-73000	Small Tools & Equipment	8,560	4,193	2,129	18,000	19,000	6%	19,760	4%
03-44-75300	Travel/Conferences/Training	1,298	0	2,379	10,750	7,500	-30%	7,800	4%
	Total Maintenance & Supply	**$ 694,942**	**$ 727,521**	**$ 589,182**	**$ 832,460**	**$ 891,105**	7%	**$ 926,749**	4%
	TOTAL IT EXPENSES	**$ 1,328,485**	**$ 1,415,465**	**$ 1,355,629**	**$ 1,580,523**	**$ 1,753,953**	11%	**$ 1,852,312**	6%

Rainbow Muncipal Water District
Operating Budget Expense Detail

PR EXPENSES

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
03-45-56101	Regular Salaries	$ 968	$ 57,329	$ 87,489	$ 104,024	$ 110,444	6%	$ 117,628	7%
03-45-56103	Overtime & Comp Time	0	839	1,372	2,401	12,161	406%	12,924	6%
03-45-56501	Employer's Share SSI	290	2,632	5,560	6,970	8,034	15%	8,544	6%
03-45-56502	Employer's Share Medicare	68	615	1,300	1,630	1,879	15%	1,998	6%
03-45-56503	Medical Insurance	0	0	0	23,714	26,825	13%	29,507	10%
03-45-56504	Dental Insurance	0	0	0	2,140	2,253	5%	2,478	10%
03-45-56505	Vision Insurance	0	0	0	350	274	-22%	302	10%
03-45-56506	Life, S/T, L/T Disability Ins.	0	(49)	0	1,251	1,473	18%	1,531	4%
03-45-56507	Retirement-CalPERS	0	0	5,695	8,280	9,070	10%	9,638	6%
03-45-56515	Worker's Comp. Insurance	20	206	420	516	453	-12%	481	6%
03-45-56516	State Unemployment Ins, E.T.T.	105	272	393	184	147	-20%	161	10%
03-45-56519	Accrued PTO	0	0	4,037	9,999	10,952	10%	11,639	6%
03-45-56520	Deferred Compensation	0	0	0	1,300	5,200	300%	5,200	0%
	Total Payroll Expenses	**$ 1,451**	**$ 61,845**	**$ 106,265**	**$ 162,759**	**$ 189,165**	16%	**$ 202,032**	7%
03-45-69000	Postage	0	0	0	0	500	100%	520	100%
03-45-70000	Professional Services	0	0	8,771	0	29,000	100%	30,160	100%
03-45-70300	Legal Services	0	17,435	0	3,000	3,000	0%	3,120	4%
03-45-72000	Supplies & Services	3,932	0	17,653	32,000	35,000	9%	36,400	4%
03-45-72400	Dues & Subscriptions	0	0	1,730	3,500	4,500	29%	4,680	4%
03-45-72702	Advertising	0	0	0	3,500	3,500	0%	3,640	4%
03-45-72703	Outreach/Special Events	20	0	0	6,000	7,500	25%	7,800	4%
03-45-75300	Travel/Conferences/Training	21	1,547	1,755	3,500	4,500	29%	4,680	4%
	Total Maintenance & Supply	**$ 3,973**	**$ 19,192**	**$ 29,908**	**$ 51,500**	**$ 87,500**	70%	**$ 91,000**	4%
	TOTAL PR EXPENSES	**$ 5,424**	**$ 81,036**	**$ 136,174**	**$ 214,259**	**$ 276,665**	29%	**$ 293,032**	6%

NOTES

Dues & subscriptions - to cover the cost of a social media management platform

Conferences and training - CAPIO conference is in Monterey next year, more expensive than San Diego

Events - to cover field trips with County of San Diego Splash Lab for K-5 students

Professional Services includes costs for a quarterly printed newsletter for all customers ($29,000) (put in Postage as a placeholder)

Supplies and services includes increase for collateral printing costs

Confrence: CAPIO in Monterey for Amanda W and Karleen in May

Rainbow Muncipal Water District
Operating Budget Expense Detail

FINANCE EXPENSES

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
03-51-56101	Regular Salaries	$ 698,075	$ 756,377	$ 632,744	$ 627,215	$ 640,211	2%	$ 681,883	7%
03-51-56103	Overtime & Comp Time	7,494	6,212	8,093	5,641	21,779	286%	23,493	8%
03-51-56501	Employer's Share SSI	42,226	43,939	38,557	43,082	43,084	0%	44,449	3%
03-51-56502	Employer's Share Medicare	10,725	11,489	9,925	10,076	10,196	1%	10,395	2%
03-51-56503	Medical Insurance	105,325	102,614	98,986	111,394	115,256	3%	126,782	10%
03-51-56504	Dental Insurance	10,735	11,585	8,968	11,408	8,993	-21%	9,892	10%
03-51-56505	Vision Insurance	1,557	1,706	1,659	2,100	1,645	-22%	1,810	10%
03-51-56506	Life, S/T, L/T Disability Ins.	7,876	7,580	6,361	8,255	8,381	2%	8,640	3%
03-51-56507	Retirement-CalPERS	46,923	56,496	39,275	50,558	50,861	1%	53,915	6%
03-51-56512	Tuition Reimbursement	5,335	974	6,439	13,000	10,500	-19%	10,500	0%
03-51-56515	Worker's Comp. Insurance	3,830	5,432	3,035	5,207	5,100	-2%	5,366	5%
03-51-56516	State Unemployment Ins, E.T.T.	1,288	1,427	1,729	1,105	882	-20%	966	10%
03-51-56519	Accrued PTO	0	0	62,383	72,298	76,445	6%	77,647	2%
03-51-56520	Deferred Compensation	22,357	19,255	16,115	25,740	34,320	33%	34,320	0%
	Total Payroll Expenses	**$ 963,745**	**$ 1,025,087**	**$ 934,269**	**$ 987,079**	**$ 1,027,652**	4%	**$ 1,090,057**	6%
	Less: Capitalized Labor				-	**(122,000)**		**(100,000)**	
	Total Payroll Expenses	**$ 963,745**	**$ 1,025,087**	**$ 934,269**	**$ 987,079**	**$ 905,652**	-8%	**$ 990,057**	9%
03-51-69000	Postage	38,319	35,736	17,732	20,000	9,000	-55%	9,360	4%
03-51-70000	Professional Services	30,428	13,499	52,731	15,000	15,000	0%	15,600	4%
03-51-70100	Annual Audit Services	8,025	36,940	21,620	45,000	47,500	6%	49,400	4%
03-51-70300	Legal Services	0	0	48,921	0	0	0%	0	0%
03-51-70400	Bank Service Charges	41,314	16,155	45,201	45,000	55,000	22%	57,200	4%
03-51-72000	Supplies & Services	823	1,975	7,496	1,000	1,500	50%	1,560	4%
03-51-72400	Dues & Subscriptions	535	1,578	864	2,000	1,000	-50%	1,040	4%
03-51-72700	Printing & Reproductions	2,302	0	0	1,500	2,000	33%	2,080	4%
03-51-75300	Travel/Conferences/Training	11,942	7,992	3,769	8,000	10,000	25%	10,400	4%
	Total Maintenance & Supply	**$ 133,688**	**$ 113,874**	**$ 198,334**	**$ 137,500**	**$ 141,000**	3%	**$ 146,640**	4%
	TOTAL FINANCE EXPENSES	**$ 1,097,433**	**$ 1,138,961**	**$ 1,132,603**	**$ 1,124,579**	**$ 1,046,652**	-7%	**$ 1,136,697**	9%

NOTES

Finance OT increased due to planned ERP implementation, which will be offset by CIP labor.

Rainbow Muncipal Water District
Operating Budget Expense Detail

CUSTOMER SERVICE EXPENSES

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
03-52-56101	Regular Salaries	$ 315,877	$ 272,767	$ 341,680	$ 434,529	$ 475,600	9%	$ 509,098	7%
03-52-56103	Overtime & Comp Time	12,235	1,022	2,013	2,796	3,476	24%	3,718	7%
03-52-56501	Employer's Share SSI	19,360	17,034	27,519	29,703	31,809	7%	34,063	7%
03-52-56502	Employer's Share Medicare	4,528	3,984	6,436	6,947	7,439	7%	7,966	7%
03-52-56503	Medical Insurance	56,928	54,297	83,265	109,247	136,731	25%	150,404	10%
03-52-56504	Dental Insurance	5,581	4,630	7,983	9,977	11,823	19%	13,005	10%
03-52-56505	Vision Insurance	835	1,090	1,807	2,100	1,577	-25%	1,734	10%
03-52-56506	Life, S/T, L/T Disability Ins.	2,719	4,284	4,947	5,746	6,440	12%	6,718	4%
03-52-56507	Retirement-CalPERS	21,428	20,595	33,011	35,938	39,579	10%	42,290	7%
03-52-56512	Tuition Reimbursement	875	0	0	3,000	2,500	-17%	2,500	0%
03-52-56515	Worker's Comp. Insurance	1,126	1,375	2,004	2,207	1,844	-16%	1,976	7%
03-52-56516	State Unemployment Ins, E.T.T.	1,586	963	964	1,105	845	-24%	926	10%
03-52-56519	Accrued PTO	0	0	53,164	50,201	54,412	8%	58,256	7%
03-52-56520	Deferred Compensation	3,700	3,750	7,650	16,900	32,890	95%	32,890	0%
	Total Payroll Expenses	**$ 446,778**	**$ 385,790**	**$ 572,442**	**$ 710,396**	**$ 806,966**	14%	**$ 865,544**	7%
03-52-69000	Postage	1,100	0	31,928	30,000	35,000	17%	36,400	4%
03-52-70000	Professional Services	240	1,838	6,174	5,000	6,500	30%	6,760	4%
03-52-70300	Legal Services	0	0	1,080	2,000	0	-100%	0	0%
03-52-72000	Supplies & Services	144,337	133,637	154,316	140,000	155,000	11%	161,200	4%
03-52-72700	Printing & Reproductions	51	0	0	200	0	-100%	0	0%
03-52-75300	Travel/Conferences/Training	435	35	0	2,000	1,500	-25%	1,560	4%
	Total Maintenance & Supply	**$ 146,164**	**$ 135,509**	**$ 193,498**	**$ 179,200**	**$ 198,000**	10%	**$ 205,920**	4%
	TOTAL CS EXPENSES	**$ 592,942**	**$ 521,300**	**$ 765,940**	**$ 889,596**	**$ 1,004,966**	13%	**$ 1,071,464**	7%

Rainbow Muncipal Water District
Operating Budget Expense Detail

ENGINEERING EXPENSES

GL Account	Description	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Adopted Budget	FY 2027 Proposed Budget	% Change	FY 2028 Proposed Budget	% Change
03-91-56101	Regular Salaries	$ 558,487	$ 742,376	$ 403,450	$ 677,144	$ 846,919	25%	$ 894,418	6%
03-91-56103	Overtime & Comp Time	8,760	8,793	4,127	10,026	15,714	57%	16,557	5%
03-91-56501	Employer's Share SSI	34,373	47,111	26,684	43,635	54,219	24%	55,170	2%
03-91-56502	Employer's Share Medicare	8,228	11,460	6,576	10,918	13,207	21%	13,838	5%
03-91-56503	Medical Insurance	63,846	104,490	70,660	105,869	113,229	7%	124,552	10%
03-91-56504	Dental Insurance	5,806	8,487	6,147	9,268	9,374	1%	10,312	10%
03-91-56505	Vision Insurance	938	1,550	1,129	1,750	1,508	-14%	1,659	10%
03-91-56506	Life, S/T, L/T Disability Ins.	7,015	8,197	4,836	8,354	10,534	26%	10,674	1%
03-91-56507	Retirement-CalPERS	55,682	88,820	54,229	87,837	103,952	18%	109,575	5%
03-91-56512	Tuition Reimbursement	120	1,421	130	3,000	6,500	117%	1,250	-81%
03-91-56515	Worker's Comp. Insurance	(184)	6,756	2,585	6,510	6,175	-5%	6,337	3%
03-91-56516	State Unemployment Ins, E.T.T.	1,010	1,127	731	921	809	-12%	886	10%
03-91-56519	Accrued PTO		0	82,104	84,618	108,497	28%	113,796	5%
03-91-56520	Deferred Compensation	13,051	11,735	11,161	18,460	31,070	68%	31,980	3%
	Gross Payroll Expenses	**$ 757,132**	**$ 1,042,324**	$ 674,547	$ 1,068,310	$ 1,321,707	24%	$ 1,391,003	5%
	Less: Capitalized Labor				$ (258,726)	$ (447,246)	73%	$ (469,907)	5%
	Total Payroll Expenses	**$ 757,132**	**$ 1,042,324**	**$ 674,547**	**$ 809,584**	**$ 874,461**	8%	**$ 921,096**	5%
03-91-60000	Equipment	0	0	0	20,000	1,500	-93%	1,560	4%
03-91-70000	Professional Services	322,362	219,025	63,591	100,000	75,000	-25%	78,000	4%
03-91-70300	Legal Expenses	112,794	113,057	81,852	25,000	20,000	-20%	20,800	4%
03-91-72000	Supplies & Services	23,218	130,162	45,914	6,500	56,000	762%	58,240	4%
03-91-72200	Books & Resources	0	0	0	0	1,000	100%	1,040	4%
03-91-72400	Dues & Subscriptions	5,324	10,925	5,433	5,000	8,000	60%	8,320	4%
03-91-72702	Public Notices & Advertising	893	0	0	1,000	0	-100%	0	0%
03-91-75300	Travel/Conferences/Training	2,539	2,870	9,111	12,000	15,000	25%	15,600	4%
	Total Maintenance & Supply	**$ 467,130**	**$ 476,039**	**$ 205,902**	**$ 169,500**	**$ 176,500**	4%	**$ 183,560**	4%
	TOTAL ENGINEERING EXPENSES	**$ 1,224,262**	**$ 1,518,363**	**$ 880,449**	**$ 979,084**	**$ 1,050,961**	7%	**$ 1,104,656**	5%

RAINBOW
MUNICIPAL WATER DISTRICT

BOARD ACTION
Item No.10.E

BOARD OF DIRECTORS

May 26, 2026

SUBJECT

CONSIDER ADOPTION OF AN ORDINANCE AUTHORIZING AMENDMENT TO SECTION 3.01.010 – REGULAR MEETINGS

BACKGROUND

Administrative Code Section 3.01.010 establishes that the starting time for the regular meeting Open Session shall be 1:00 p.m.

DESCRIPTION

In response to the Board of Directors' request to address Closed Session matters prior to Open Session items during Board Meetings, staff evaluated potential scheduling adjustments. Staff does not recommend changing the established 1:00 p.m. regular meeting start time, as the public, Board members, and staff have become accustomed to the 1:00 p.m. start time for Open Session discussion of agendized items, and the current schedule has functioned effectively.

Instead, staff recommends adding language to the Administrative Code authorizing the Board the option to convene the Closed Session portion of regular meetings at 12:00 p.m., prior to the commencement of the public Open Session agenda. This approach would provide flexibility for the Board to address Closed Session matters before Open Session when warranted, while still allowing the flexibility for Closed Session items to remain at the end of the agenda when that format is more efficient.

Providing this option would also minimize disruption and inconvenience to members of the public wishing to attend the Open Session portion of Regular Board meetings, as attendees would not be required to wait for Closed Session matters to conclude before the public meeting begins at the customary 1:00 p.m. start time.

The District's legal counsel has reviewed the proposed policy amendment, and any 12:00 p.m. Closed Session will be clearly noticed on the respective meeting agenda.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Five: Customer Service
Strategic Focus Area Six: Communication

ENVIRONMENTAL

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

BOARD OPTIONS/FISCAL IMPACTS

Approving the suggested language be added to the Administrative Code would provide flexibility for addressing Closed Session matters prior to the established open session start time, when most efficient, without inconvenience to members of the public who wish to attend public meetings.

Option 1: Adopt the Ordinance Authorizing Amendment to Section 3.01.010 – Regular Meetings, to add the option to address closed session items prior to the 1:00 pm. Regularly established public meeting start time.

Option 2: Do not adopt the foregoing ordinance and revised policy language.

Option 3: Provide Direction to staff.

STAFF RECOMMENDATION

Staff recommends approval of Option 1 as the next step in the formation of the JPA and its regular meetings, as well as adoption of the foregoing ordinance to establish compensation for attending the meetings.

Attachments:
Draft Ordinance
Section 3.01.010 Redline

Jake Wiley May 26, 2026
General Manager

Ordinance No. 26-xx

Ordinance of the Board of Directors of the Rainbow Municipal Water District Amending and Updating Administrative Code Section 3.01.010 – Regular Meetings

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

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

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

NOW, THEREFORE,

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

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

Section 3.01.010 – Regular Meetings

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

3. This ordinance shall take effect immediately upon its adoption on this 26th day of May, 2026.

_____
Hayden Hamilton, Board President

ATTEST:

_____
Terese Quintanar, District Secretary

Section 3.01.010
Regular Meetings

All regular meetings of the Board of Directors will be conducted in the Board room of the District at 3707 Old Highway 395, Fallbrook, California 92028.

The date and time of the regular meetings shall be established by the Board of Directors at the last Board meeting of each calendar year.

3.01.010.01 Schedule

Regular meetings shall be held on the fourth (4th) Tuesday of each calendar month. November and December Meetings may be held on alternative dates to avoid holiday conflicts.

The starting time for the regular meeting Open Session shall be 1:00 p.m. Closed sessions, when necessary and properly agendized, may be held immediately prior to the open session.

3.01.010.02 Open Sessions

Each regular meeting will include an Open Session. Open Sessions are for the purpose of discussing in an open forum any matters that are not of confidential nature as permitted by law and are open to the public.

Although the Board is not prohibited from taking testimony at regular meetings on matters not on the agenda which a member may wish to bring before the Board, the Board cannot discuss or take action on such matters at that meeting but may briefly respond, ask a question for clarification, make an announcement, report their own activities, refer the item to staff for follow-up, or place it on a future agenda for discussion and action.

Three (3) minutes may be allotted to each speaker unless extended by the chairperson. A time limit may be imposed on the speaker by the meeting chairperson at their sole discretion.

3.01.010.03 Closed Sessions

The Board, General Manager, or District Counsel may schedule a Closed Session as part of any regular meeting. Closed Sessions are for the purpose of discussing confidential matters as permitted by law and are closed to the public.

When requested and called upon, members of the public may provide public comment on any matters appearing on an agenda during open session, including closed session matters.

3.01.010.04 Agenda Item Order

The chairperson of the meetings described herein may determine the order in which agenda items shall be considered for discussion and/or action by the Board.

RAINBOW
MUNICIPAL WATER DISTRICT

BOARD ACTION
Item No. 10.F

BOARD OF DIRECTORS

May 26, 2026

SUBJECT

CONSIDER APPROVAL OF POLICY FOR CREDIT CARD PROCESSING SERVICE FEES AND ADOPTION OF AN ORDINANCE AUTHORIZING AMENDMENT TO ADMINISTRATIVE CODE SECTIONS 8.12.0.0 AND 9.02.270

BACKGROUND

Rainbow Municipal Water District currently offers customers multiple options to pay utility bills, including credit card payments, ACH, checks, and cash. The District has historically absorbed the processing costs associated with customer credit card payments.

Credit card payment options provide customer convenience; however, the related processing fees are direct transaction costs generated only by customers who elect to use credit cards. Under the current structure, those costs are paid by the District and therefore become part of the District's general operating costs, which are ultimately borne by the customer base as a whole.

Staff is recommending that the District transition to a credit card service fee model effective June 30, 2026. Under the proposed model, the District would no longer absorb credit card processing fees for customers who elect to pay by credit card. ACH payments will remain a free payment option for customers, along with other no-fee payment methods available through the District.

The proposed change is intended to improve cost recovery, maintain customer choice, and ensure that the cost of an optional payment method is paid by the customers who choose to use that method.

DESCRIPTION

The District's payment processor, InfoSend, reviewed the District's processing history, including the number of credit card transactions and the average transaction amount. Based on that review, InfoSend proposed a credit card service fee of 2.95% of the transaction amount.

Card interchange rates in the United States generally range from approximately 1.5% to 3.5% of the transaction amount. In addition to percentage-based interchange costs, credit card transactions may also include a flat per-transaction charge, commonly around $0.10 per transaction. The actual processing cost can vary based on the type of card used, including whether the card is a standard personal credit card, rewards card, business card, or premium card.

Visa and Mastercard processing costs are generally closely aligned, although slight differences can occur. Under the service fee model proposed by InfoSend, the District would not apply a variable fee based on the specific card type or network. Instead, the same 2.95% service fee would apply uniformly to credit card transactions.

The proposed 2.95% service fee allows InfoSend to pay the applicable interchange and processing costs on the District's behalf, while managing the risk that some transactions may exceed the 2.95% threshold. The service fee would also replace the per-item processing fee structure currently applicable under the existing payment arrangement.

District Absorbed Credit Card Processing Costs (FY24/25)

Month	Credit Card Fees Absorbed by District	Credit Card Transactions
07-2024	$8,574.51	3,079
08-2024	$7,692.32	2,963
09-2024	$8,558.11	3,103
10-2024	$5,225.57	3,407
11-2024	$8,367.02	2,888
12-2024	$9,026.54	3,153
01-2025	$6,823.86	3,039
02-2025	$10,320.03	3,024
03-2025	$9,040.67	3,105
04-2025	$8,061.50	3,049
05-2025	$7,707.49	3,056
06-2025	$9,340.40	3,125
FY 2025 Total	**$98,738.02**	**36,991**

For FY 2025, the District absorbed **$98,738.02** in credit card processing fees across 36,991 credit card transactions. This represents an average of approximately $8,228 per month and approximately $2.67 per credit card transaction. In the current FY 2026, costs have increased to an average of $11,876 per month, or approximately **$142,512** per fiscal year. This represents a 44% year-over-year increase. Continuing to absorb these costs requires all customers to subsidize an optional payment method used only by customers who elect to pay by credit card.

Under the proposed policy, customers who choose to pay by credit card would pay the applicable 2.95% service fee at the time of payment. Customers who pay by ACH or other payment methods would continue to have free payment options.

The proposed policy would require clear disclosure before payment completion. Staff will coordinate with InfoSend to update the payment portal, customer-facing payment screens, utility bill messaging, website language, and customer service scripts before the July 1, 2026 rollout date.

To incorporate this policy into the Administrative Code, staff recommends amendments to Sections 8.12 and 9.02.270 to specify that any convenience fee, surcharge, or processing fee associated with the use of a credit card, debit card, or other electronic payment method for payment of monthly service bills shall be borne by the customer choosing that payment method.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Four: Fiscal Responsibility

The proposed credit card service fee policy supports fiscal responsibility by reducing operating costs, improving cost recovery, and aligning optional payment processing costs with the customers who choose to use that payment method. The proposed change also promotes transparency by clearly disclosing the cost of credit card payment processing at the time of payment.

ENVIRONMENTAL

In accordance with CEQA Guidelines Section 15378, the action is an administrative and fiscal action that does not constitute a "project" as defined by CEQA and further environmental review is not required at this time.

BOARD OPTIONS/FISCAL IMPACTS

This matter will be presented to the Board for consideration on May 26, 2026, for approval of one of the options below:

1. Adopt a policy authorizing a 2.95% credit card processing service fee for customers who elect to pay utility bills by credit card, effective August 3, 2026.
2. Adopt the policy with modifications.
3. Request additional information from staff.
4. Determine that the District shall continue absorbing credit card processing fees.

Fiscal Impact:

The proposed policy is expected to reduce District operating costs by discontinuing the District's practice of absorbing credit card processing costs. Based on current fiscal year 2026 activity, the District is absorbing **$142,512** in credit card processing fees. Actual future savings are projected to be higher and will depend on transaction volume, customer payment behavior, and the number of customers who transition to ACH or other no-fee payment methods.

The 2.95% service fee would apply only to credit card payments. ACH payments will remain free to customers.

ACH payments will remain available as a free payment option for customers.

STAFF RECOMMENDATION

Option 1: Staff recommends that the Board of Directors adopt a policy authorizing the District to discontinue absorbing credit card processing fees and implement a 2.95% credit card processing service fee for customers who elect to pay utility bills by credit card, effective August 3, 2026; and

Adopt an Ordinance amendment to Sections 8.12.020 – Payment of Bills and 9.02.270 – Sewer Service Charge, of the Administrative Code to establish that any convenience fee, surcharge, or processing fee associated with the use of a credit card, debit card, or other electronic payment method for payment of monthly service bills shall be borne by the customer choosing that payment method; and

Authorize the General Manager, or designee, to take all necessary administrative actions to implement the policy, including coordination with InfoSend, customer notification, payment portal disclosures, website updates, utility bill messaging, customer service training, and review of final implementation language by legal counsel.

Option 2: Do not adopt the policy or ordinance and provide Direction to staff.

ATTACHMENTS

1. Proposed Customer Notice Language
2. Ordinance Authorizing Amendent to the Administrative Code
3. Section 8.12.020 Redline
4. Section 9.02.270 Redline

Konstantin Shilkov, CPA — May 26, 2026
Chief Financial Officer

PROPOSED CUSTOMER NOTICE LANGUAGE

Rainbow Municipal Water District works to keep customer costs fair and transparent. The District has historically absorbed processing fees for customers who choose to pay their utility bills by credit card. These processing costs are charged by payment processors and card networks and are currently paid by the District.

Beginning August 3, 2026, customers who elect to pay by credit card will be charged a 2.95% service fee at the time of payment. This fee applies only to customers who choose to pay by credit card.

Customers may avoid this fee by paying through ACH, which will remain free, or by using other no-fee payment methods offered by the District. If you would like assistance transitioning to an alternative payment method to avoid credit card fees, please contact the District's customer service staff at (760) 728-1178, and they will guide you through the process.

This change helps ensure that costs incurred for credit card processing are paid by the customers who choose to use that payment method, rather than being absorbed as a general District operating cost.

Ordinance No. 26-xx

Ordinance of the Board of Directors of the Rainbow Municipal Water District Amending and Updating Administrative Code Sections 8.12.020 and 9.02.270

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

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

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

NOW, THEREFORE,

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

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

Section 8.12.020 – Payment of Bills
Section 9.02.270- Sewer Service Charge

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

3. This ordinance shall take effect immediately upon its adoption on this 26th day of May, 2026.

_____
Hayden Hamilton, Board President

ATTEST:

_____
Terese Quintanar, District Secretary

Section 8.12.010
Rendering of Bills

Bills will be rendered once a month.

Section 8.12.020
Payment of Bills

All bills for water or for service or materials are due and payable upon receipt. Failure to receive a bill does not relieve a customer of liability for payment.

To ensure fairness to all customers, any convenience fee, surcharge, or processing fee associated with the use of a credit card, debit card, or other electronic payment method for payment of monthly service bills shall be borne by the customer choosing that payment method.

8.12.020.01 Delinquent

8.12.020.01.1 Bills are issued to cover the preceding billing period. Payment is due and payable upon receipt and delinquent thirty (30) days after the billing date. At that time, a delinquent charge will be added to the unpaid balance. If said bills are not paid within sixty-five (65) days of the billing date, the District may discontinue service until all charges have been paid in full, provided that residential services may be discontinued per Sections 8.13 and 8.14. An established turn-on charge will be made to restore service following discontinuance.

If a payment made by check or credit card is not honored by the issuing bank for any reason, the District will inform the Customer of the returned payment. The Customer shall have five (5) business days to pay the full amount with cash or certified check only. If the Customer does not pay in full within the allotted time, the District will discontinue service, provided that residential services may be discontinued per Sections 8.13 and 8.14.

8.12.020.01.2 Any Customer desiring water service from the District who has had service discontinued for non-payment of a bill at any time or whose check has been returned by the Customer's bank shall be required to post a security deposit equal to twice the estimated average periodic bill.

8.12.020.01.2.1 This deposit is in addition to the payment of all charges due and any applicable re-establishment of service charges

8.12.020.01.2.2 The General Manager may waive or adjust the security deposit requirement with sufficient written justification.

8.12.020.01.2.3 The security deposit will be returned to the depositor two (2) years after the last lock-off for non-payment, if the depositor has maintained a timely paid, delinquent free account record during the two-year period, or when the account is paid in full on termination of service, whichever occurs first.

Section 9.02.250
Sewer Capacity Fee

Sewer Capacity Fee: A charge imposed by the District for obtaining sewer service from the District by means of its sewerage facilities. Also see "Connection Fee."

Section 9.02.260
Sewerage Facilities

Sewerage Facilities: Any facilities owned or used by the District in the collection, transportation, treatment, disposal and reclamation of sewage and industrial wastes.

Section 9.02.270
Sewer Service Charge

Sewer Service Charge: A monthly charge established by the District from time to time for sewer service.

To ensure fairness to all customers, any convenience fee, surcharge, or processing fee associated with the use of a credit card, debit card, or other electronic payment method for payment of monthly service bills shall be borne by the customer choosing that payment method.

Section 9.02.280
Surcharge

Surcharge: A charge imposed by the District for the provision of a special service not normally provided by the District, such as situations involving unusual quantity or quality requirements.

Section 9.02.290
Trunk Sewers

Trunk Sewers: The main interceptor sewer line of the District to which there are no connections other than main line sewers to a manhole.

RAINBOW
MUNICIPAL WATER DISTRICT

BOARD INFORMATION
Item No. 11.A

BOARD OF DIRECTORS

May 26, 2027

SUBJECT

REVIEW THE OPTERRA ENERGY SERVICES PROPOSED PROJECTS

DESCRIPTION

Rainbow Municipal Water District (District) has been working with Opterra Energy Services (Opterra) for several months to identify a paid-through-savings comprehensive energy conservation program. Opterra will be provide an update on solar project options. No action required, informational item only.

Chad Williams 05/26/2027
Engineering & CIP Program Manager

RAINBOW
MUNICIPAL WATER DISTRICT

BOARD INFORMATION
Item No. 12.A

BOARD OF DIRECTORS

May 26, 2026

SUBJECT

Operations Report for April 2026

DESCRIPTION

Activities for Operations & Maintenance Division

CONSTRUCTION & MAINTENANCE DEPARTMENT:

March	Repairs**(R)**	**Installations(I)(LF)**	**Leaks(L)**
Mainline	3	10LF	3
Service	1		1
Hydrants		1	
Valves	1	6	
Meters			
Blow-Offs	3		2
Air Vacs			
Annual Totals	**18**	**3870LF of Mainline Installations, 15 Valves & 20 Appurtenances**	**14**

- 394 utility locates were completed in the month of April- an Annual Total of 1914.
- Installed 10LF of 8" DR-14 C900 at La Canada.
- Installed one hydrant at 29352 Integrity Ct
- Repaired one service leak at 3022 Protea Vista.
- Repaired three leaking water mains- one at 1417 Tecolote Dr, one at Catherine Rd. and one at 2443 Los Alisos.
- Installed 6 Valves, two 8-inch and one 6-inch at the intersection of Westmont & Gird and two 8-inch and one 6-inch at Dulin Rd

WATER OPERATIONS AND VALVE MAINTENANCE DEPARTMENT

Water Operations:

- Assessed 0 Water Quality Complaints. **Annual total 6**
- Performed 0 fire flow tests. **Annual total 3**
- Performed routine maintenance and rebuilt 5 pressure stations (CLA VALs). A**nnual total 34**

- Collected all system tank and reservoir nitrification samples
- Completed all reservoir cover inspections
- Completed triannual ROV inspections at all tanks and reservoirs
- Completed Morro Reservoir cover repairs
- Installed new mixer/injection mount at Morro reservoir
- Supported FPUD with fire flow test

Valve Maintenance:

Monthly Totals	Valves (Distribution)	Appurtenance Valves	Annual Totals
Exercised	71	46	**590**
Inoperable	5	0	**17**
Repaired			
Replaced	0	0	**0**
Installed	0	0	**0**

Valve Maintenance completed and oversaw the following:
- Performed 11 shutdowns - **Annual total 24.**
- Replaced 10 air vents - **Annual total 30.**
- Painted 88 appurtenances - **Annual total 371.**
- Replaced 0 Fire Hydrants - **Annual total 4**

METERS DEPARTMENT:
- **148** Service Requests were resolved in **APRIL** 2026, for a total of **622 YTD**. (Previous Year Month Comparison: **APRIL** 2025: **158** Service Requests: **DOWN 6%**).
- **128** Check Bills were completed in **APRIL** 2026. **YTD total 596**. (Previous Year Month Comparison: **APRIL** 2025: **194** Check Bills: **DOWN 34%**).
- **YTD** Service Requests and Check Bills combined: **1,218** (Previous YTD 2025 Comparison: **1,286** combined Service Requests & Check Bills: **DOWN 5%**)

Backflows:
- **466** backflows were tested in **April** 2026 – **1,818 YTD.**

WASTEWATER:
- California Integrated Water Quality System (CIWQS): Monthly No Spill Report for April 2026 #2714209

Lift Stations:
- On April 15, 2026, an Evoqua operator mistakenly discharged 195 gallons of bioxide odor control chemical. RMWD informed Evoqua of the issue and got it resolved. Evoqua issued the district a 195 - gallon credit for the lost product.

Collection System:

April	Monthly Totals	YTD Totals
Sewer Main Cleaning in ft	6,315	32,945
Inspected Manholes	58	259
Completed ft of CCTV inspections	7,582	26,331

- April 2026 Cleaned a total of 6,315 feet of sewer main.
- April 2026 Inspected a total of 58 manholes.
- April 2026 Completed 7,582 feet of CCTV inspections.

Customer service:

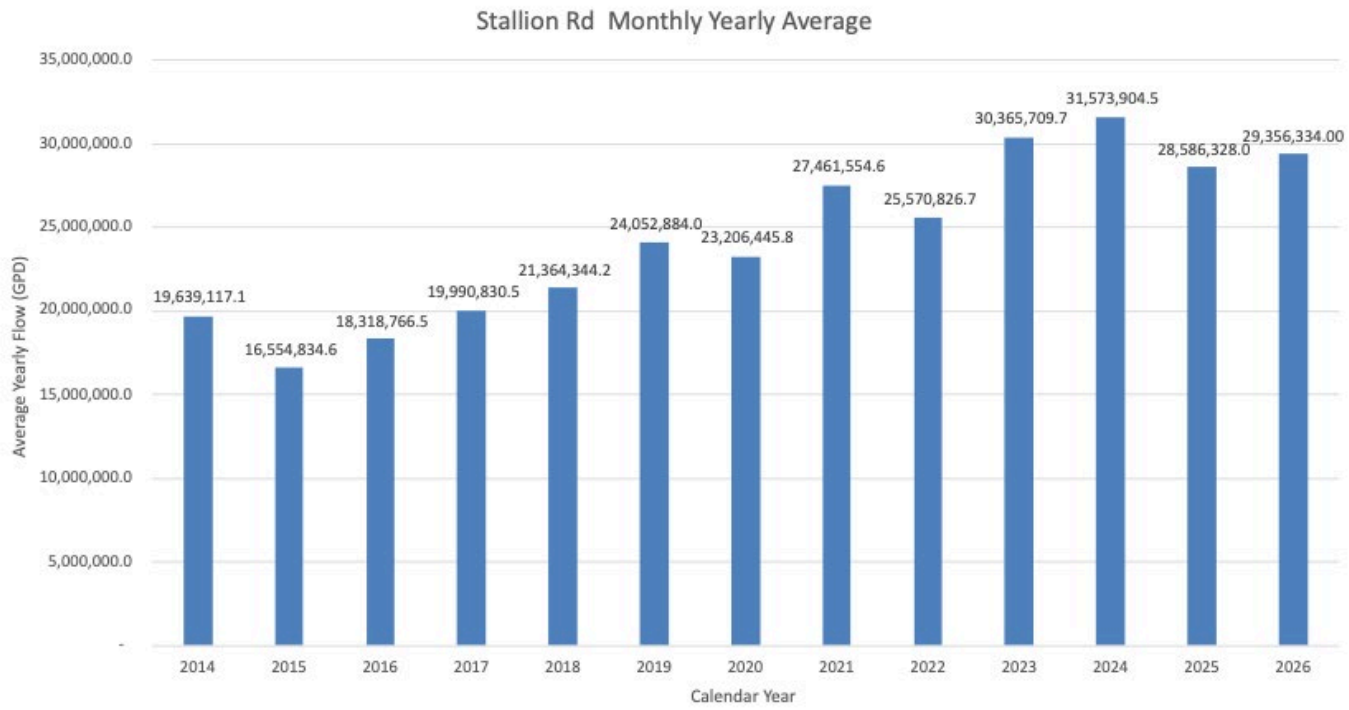
- April 23, 2026 - A neighboring Ramona MWD customer called in to inquire about the Fats, Oil & Grease RMWD program for a coffee shop. Advised updated

Projects:

- July 2025 - July 2026 1st annual contract Evoqua sewer odor control treatment (Horse Creek wet wells & Thoroughbred wet wells).
- The Farm - Temporary flow meter at manhole P-0_16 to measure Rainbow sewer flow sent to San Luis Rey Wastewater Treatment Plant in Oceanside.

Mutual Aid:

- Fallbrook Equipment Rental - Water truck.
- Evoqua - Sewage odor treatment (2025-2026).
- Haaker Equipment - Vactor Rental, CCTV unit



Robert Gutierrez 05/26/2026
Chief Operating Officer

RAINBOW
MUNICIPAL WATER DISTRICT

BOARD INFORMATION
Item No. 12.B

BOARD OF DIRECTORS

May 26, 2026

SUBJECT

ADMINISTRATIVE SERVICES REPORT FOR MAY 2026

DESCRIPTION

Human resources, safety, risk management, and communications report for May 2026

HUMAN RESOURCES:

RECRUITMENT:

Engineering Intern: We are excited to welcome Aidan Hicks as the District's new APWA Engineering Intern beginning June 2, 2026. The District looks forward to the knowledge, energy, and perspective he will bring to the Engineering team.

WORKFORCE DEVELOPMENT:

PDP onboarding: The ACWA-JPIA offers a Professional Development Program (PDP) that includes specialty certificates in Operations, Supervision, and Human Resources. More than 30 staff members attended a training on May 18th with the General Manager to learn about the roles and responsibilities of the General Manager and Board of Directors, and District financial management. This training was a required first step to enrolling in one of the specialty certificate programs.

Peer-to-Boss: The ACWA-JPIA will be on-site to deliver training on May 26th to staff members who have recently been promoted into a position where they have to transition from a team member to a team leader relationship with their colleagues. This includes new supervisors, leads, and senior utility workers who may direct crew members. This training will also be open to staff from other ACWA-JPIA member agencies.

Performance Management: The ACWA-JPIA will deliver onsite training on May 28th for all supervisors and managers who have direct reports. This course will provide participants with the necessary tools to manage the performance of their employees by shaping, coaching, and directing their efforts.

EMPLOYEE ANNIVERSARIES:

Hire Date	Employee Name	Department	Years of Service
5/8/23	SARA JAEGER	Customer Service	3 years
5/8/23	REBEKAH SNYDER	Customer Service	3 years
5/12/08	RUBEN LOPEZ	Wastewater	18 years
5/15/23	AMANDA WEBER	Administration	3 years
5/20/19	RYAN STOCKTON	Engineering	7 years
5/24/16	KARLEEN HARP	Administration	10 years
5/28/25	RAMIRO GONZALEZ	Construction	1 year

WORKFORCE ANALYTICS:

Current headcount:	59	FYTD new hires:	5
FYTD separations:	4	Average tenure:	8.5
FYTD turnover:	5.2%	Projected annual turnover:	9.9%
Retention rate:	95.08%	Projected retirements this year:	1

EVENTS:

2026 Padres Group Outing: Employees and managers participated in the third annual Padres game outing at Petco Park on Saturday, May 23rd, 2026. Through staff-led planning and contributions, employees and their families enjoyed an evening focused on camaraderie, team bonding, and strengthening cross-department relationships outside of the workplace.

RISK MANAGEMENT:

Injuries

- None to report

Claims in Progress/Completed

	Claims Received	Open Claims at JPIA	Value of Open Claims at JPIA	Small Claims Pending	Small Claims Rejected	Small Claims Approved	Value of Small Claim Settlements
Fiscal YTD	12	0	$0	2	5	5	$9,319.99
New Claims in Current Month	2	0	$0	2	0	0	$0

Program Management

- Annual Review and update of Safety Policies and Procedures:
  - Emergency Response Plan is in review
- Now that the SCADA position is filled, we plan to test out the Becklar Lone Worker App.
- 16 staff members attended an eight-hour Fall Protection Competent Person course.
- 20 staff scheduled for Confined Space Training June 2nd and 3rd.

Grants

- **ACWA-JPIA Risk Control Grant:** Funding was received for $8,547.71 to purchase and install AI-enabled security cameras at the District yard.
- **CalOES Hazard Mitigation Grant:** application submitted for 4 Pump Station Generators. It is now "Waitlisted" with FEMA.
- **CalOES BRIC Grant:** Safety and Engineering attended a Kickoff Meeting with CalOES to learn about a new grant opportunity. Based on the scoring criteria, our project at best may score around 50 points out of 100 and is not a strong candidate for this nationally competitive funding opportunity.
- **CalFire Grant :** Submission due June 30th, 2026

Environmental Programs

- Herbicide use reported through CalAgPermits was reviewed. No report necessary since none was used.
- Working with APCD and CARB to establish the Whisperwatt Generator as a low-use to remain compliant. The engine phases out on December 31st, 2026, and may require replacement if Low-Use isn't established.

- CARB sent out a notice about a new bill effective January 2026 that begins to phase out all non-zero-emission forklifts. Safety is attending a discussion in July 2026 to review changes. Phase-out for small fleets is required by January 1st, 2029.

Emergency Response Programs

- Operations and safety are working together to schedule a training exercise and a mock EOC setup.
- The Emergency Response Plan is being updated, and ERP folders are being added to the EOC SharePoint and are available in SiteDocs.
- District held a Fire Drill 5/13 and conducted a gap analysis on gaining accountability of staff, audible sirens and strobes, buiding sweeps and communication. Safety working with IT to resolve the issues and run another test. Testing will be done quarterly.

Safety Training / Tailgate Talks

- Safety tailgates this month have included Personal Protective Equipment, Fall Protection, and review of the Emergency Action Plan

COMMUNICATIONS:

Award & Recognitions

- Earned the District's first CAPIO Excellence in Public Information and Communications Award of Distinction for the Annual Water Quality Report at the California Public Information Officials conference in May 2026.

Strategic Communications Plan Update

- Reported launch of customer feedback survey in April at the community events
- Expanded educational outreach with plant giveaway program, agriculture workshop, onsite school visits to Bonsall Elementary's Ready Across America, and Bonsall High School portfolio reviews.
- Debuted new website design with document accessibility
- Launched email campaign for events, feedback, and surveys
- Updated collateral with new rack cards, planting guide, and annual reports in progress

CropSWAP Program

- Two years after the regional agriculture project launched, Rainbow Water reported $1,393,950 in total reserved grant funds.
    - 119 Total projects, 53 projects completed, 13 projects pre-approved, 6 waitlisted, and 4 new applications received as of May 2026
    - Projects by customer type reported: 52 agriculture, 57 agriculture with domestic, 5 commercial, and 5 single-family

CAPIO Conference: District staff attended the California Public Information Officer's conference in San Diego in May, a multi-day event for California public information and communications professionals. The conference highlighted bold storytelling, emerging tech like AI, and innovative campaigns in public-sector communications.

Community Events

- Recap of 2026 Events
    - Avocado Festival, April 19: 1,300 visitors to the booth, over 900 items distributed, six team members worked the event, with three high school volunteers.
    - Plant Giveaway Program, April 25: distributed over 800 agave plants and 134 flats of succulents sourced from local nurseries, 100 customers received plants to reduce outdoor irrigation, 12 team members and 9 high school volunteers worked the event.

- Spring Blood Drive, May 21: Bi-annual blood drive was promoted with local chambers of commerce and the Village News. Over 15 appointments were registered online for San Diego Blood Bank, and a half dozen walk-up donors attended the event.
- Bonsall High School Outreach: Staff participated in two portfolio exhibition events to meet with students about their progress in the new Bonsall Academies Program.

Newsletter Features

May Community Newsletter articles included:

- Multi-agency response to the Mission Fires
- Around the District: Highlights on Infrastructure Week and La Canada Pipeline Replacement Project
- 2026 Farm Tour Day hosted by San Diego Farm Bureau
- Ballot drop-off location at Rainbow Water headquarters
- Spring planting rebates and landscape class
- Rainbow Water Rundown: Recap of the April Board meeting and future meeting dates



Karleen Harp May 26, 2026
Administrative Services Manager

RAINBOW
MUNICIPAL WATER DISTRICT
ESTABLISHED 1953

BOARD INFORMATION
Item No. 12.C

BOARD OF DIRECTORS

May 26, 2026

SUBJECT

Engineering Report for April 2026

DESCRIPTION

CAPITAL IMPROVEMENT PROJECTS:

Eagles Perch Water Pipeline, Division 1: (PN: 600043) This project is for the installation of new segments of pipelines at Eagles Perch Lane and includes several private driveways/roadways. The proposed segments of pipeline to be added are 8-inch steel pipe as well as new appurtenances and relocating water service lateral connections. The proposed pipelines will eliminate existing pipelines running behind homes. The original design was completed in 2020. District staff reviewed those plans and, in September 2025, conducted a site visit to field-verify the planned improvements and prepared additional comments. The plan markups have been provided to the design engineer. The design plans have not been finalized due to the determination that the District is not a party to the existing roadway and utility easements. District staff have been meeting with the design engineer (Omnis), Dokken Engineering, and the Surveyor (KDM) to discuss the project alignment and easement acquisition, and logistics. An assignment letter was issued to KDM to order title reports and to provide support in developing legal and plat maps as part of the easement acquisition. KDM has acquired the title reports and is currently reviewing the title reports. Several coordination meetings occurred during this period with the surveyor and design engineer. Once easement documents have been prepared, District staff will engage the affected property owners on the project and coordinate the easement acquisition requests. A list of all the affected residents in the subject neighborhood has been developed. It is worth noting that the engineer's estimate in 2020 was $1.6 million dollars. It is anticipated that escalation over the past six (6) years will likely be in the $2.0 million range. An updated engineer's estimate is part of Omnis' scope of work in finalizing/updating the plans.

La Canada Pipeline Replacement & PRS, Division 3: (PN: 600093) This project is to replace 4,000 LF of pipeline along La Canada from Hillrise Road to Via Monserate. The County Encroachment Permit was issued in early January 2026, and the Environmental CEQA documentation was also filed in early January 2026. A project kickoff meeting occurred in late January and construction commenced in February. The 4,000 LF of pipeline installation was completed during this period. Meter connections and water quality testing is anticipated to be completed in April. At the April meeting, the Board approved a contract with LC Paving and Seal, Inc. for the street improvement and paving work.

Gopher Pump Station, Division 1: (PN: 600094) This project involves replacing the temporary Pump Skid with a permanent pump station. The District entered into an agreement with Dexter Wilson to provide project design services in 2025. The 60% design was submitted for review. A 90% design was submitted during this period for District review and comments.

Camino Del Rey Waterline Relocation Project, Division 1: (PN: 600026) The County of San Diego (County) is proposing the Camino Del Rey Drainage and Roadway Improvements Project, which will improve a portion of Camino Del Rey by raising the roadway, incorporating culvert crossings under the road, improving intersections, and installing Green Street Best Management Practices (BMPs) for water quality treatment. As a result of the County's project, existing District infrastructure will be impacted. There is currently a 14-inch water main that runs down Camino Del Rey, a 20-inch water main at Camino Del Cielo, a 6-inch main for the San Luis Rey Downs Racetrack, and a sewer gravity main crossing that conflicts with the County's proposed improvements. The County and District are working together to determine the extent of prior rights along Camino Del Rey and each agency's scope of work for utility relocations. Coordination between the District and the County is ongoing. District staff also reached out to the County's Design Engineer to request a proposal to assist with design plans for the District's portion of the proposed work. District staff executed a design proposal with Nasland Engineering. The design agreement is for limited design services to generate a schematic for the District. Nasland Engineering submitted a draft schematic design. District staff has provided some comments on the conceptual design to the consultant. Also the consultant informed staff that the County may be reducing the scope of their project. The project continues to be on-hold while the County of SD coordinates right-of-way conflicts with adjacent property owners.

Electrical Panel Switches (Manual Transfer Switch), Districtwide: (PN: 600058) This project is for the installation of manual transfer switches at three pump stations that include (1) Morro Hills, (2) Vallecitos, and (3) Rainbow Hills Pump Station. Harris & Associates (H&A) submitted updated plans and specifications. Work has been completed at all three sites. Construction of the project was completed in April 2026. A Notice of Completion will be presented for approval at the May Board meeting.

Morro Tank Rehabilitation, Division 2: (PN: 600097): This project is for the ongoing assessment of tank movement/settlement and needed rehabilitation. Two (2) inclinometers were installed along the southern slope and registered ¼-inch movement. The Board approved creating a CIP project and adding a project budget at the February 2025 meeting. A Notice to Proceed was issued to Peterson Structural Engineers (structural assessment) and KDM Meridian (survey) in March 2025. A site visit was conducted with District staff, Geotech, structural engineer, and survey team on October 31st. The multidisciplinary team has been meeting regularly and are preparing a technical report based on monitoring results and analysis. District entered into a professional services agreement with Lee & Ro during this period to assist with engineer estimates for different rehabilitation or replacement options for the tank. Lee & Ro has been working on developing cost estimates for different rehabilitation or replacement of the tank. The team continues to work on a draft presentation for the Board.

Rancho Monserate, Rancho Viejo, and HQ B-Plant Emergency Generators, Division 4: (PN: 530023) This project entails procuring emergency generators for each of the sewer lift station sites (Rancho Monserate, Rancho Viejo, and HQ B plant lift stations) via grant funding. Staff expanded the project scope to include replacement generators at two additional lift stations sites: Fallbrook Oaks Lift Station and Lift Station-1. The grant application was finalized and submitted to the United States Environmental Protection Agency in June of 2025. Multiple comments were received during this period by US EPA on the grant application. District staff continues to address comments and work with the EPA representative.

Water and Wastewater Master Plans, Districtwide: (PN: 400001) This project includes the development of updated water and wastewater masterplans. The updated masterplans will help guide the District's future CIP planning. The Board awarded an agreement to Engineering Resources of Southern California. Staff worked on processing the agreement with the added Urban Water Management Plan scope of

services. The amended agreement was approved at the September Board meeting. Staff has been gathering data requested by ERSC and met in January 2026.

Line NN Pipeline Replacement Project, Division 1: (PN: 800061) This project is to replace a segment of 16-inch Fusible PVC pipe located on both sides of Hwy 76. On June 11, 2025, District staff responded to a main line break. The 16-inch Fusible PVC pipe on the north side of Hwy 76 was severely damaged. On June 24, 2025, the District's Board of Directors approved the General Managers declaration of emergency and approved $500,000 to facilitate planning, design and regulatory clearance. District staff entered into an agreement with Hazen and Sawyer for engineering design support, Helix Environmental for environmental support, and KDM Meridian for survey support. District staff entered into an agreement with Verdantas for Geotech support. Several trenchless technologies were presented to the District in a workshop by Hazen and Sawyer, including cost. District staff has been meeting weekly with Hazen and Sawyer. The current design services agreement with Hazen and Sawyer is in the amount of $393,245 and assumes a 28-week schedule. At the March 2026 meeting, the Board approved a construction contract with Vadnais Microtunneling for the replacement of the pipeline. A pre-construction meeting was held during this reporting period. The contractor has mobilized and is currently working at the project site.

MAJOR DEVELOPER PROJECTS:

Citro (FKA Meadowood) by Tri Pointe Homes (FKA Pardee Homes), Division 4: (PN: 700027) Approximately 844 Units off of Pala Road/Horse Ranch Creek Road. The Contractor is working on punch list items throughout the development. Once all work is complete, a Notice of Completion (NOC) will be brought before the Board for consideration.

Havens (FKA Bonsall Oaks), Division 1: (PN: 700014) 164 SFR / 205.8 EDUs–District staff continues coordinating with the Developer on plan reviews for future phases (Phases 1B, 2A and 2B). The District completed plan check No. 3 for those phases. Previous issues with new sewer manholes being more than 20-feet deep and extremely flat slopes along the gravity main have been resolved by adding a sewer lift station. Plans for Phase 1B-2B have been approved. There are many outstanding items that the Developer is working on. Once these items are addressed to the satisfaction of the District, a Pre-Construction meeting will be held and work to install water and sewer facilities will begin. The General Manager signed the construction agreement for Phase II in March 2026. At the April meeting, the Board approved a Sewer Service Agreement for Phase II work. Staff is reviewing construction submittals.

North River Farms Development, Division 2: (PN: 700064) Relocation and construction of the sewer flow meter station, which monitors flow from the District to the City of Oceanside. Draft agreements are being reviewed by the District and the City.

Ocean Breeze Ranch, Division 1: (PN: 700035) The Developer has joined the CFD/SCIP Program, and as part of this program, the District and Developer negotiated to enter into an Acquisition Agreement. The Acquisition Agreement was executed in September 2023. The District received the Water and Sewer Plans for all phases of the development on February 25, 2025. The project includes two (2) sewer lift stations and various sewer mains, two (2) pressure reducing stations, and a high-pressure transmission main and various distribution mains. Staff has received improvement plans for PA 1 and PA 2 (residential) and is waiting for PA 3 plans for the larger estates lots. The equestrian area is not a part of the project. The developer requested a temporary water connection at West Lilac Road to the suction line for the West Lilac Pump Station for their model homes. A memorandum of understanding was executed in November 2025 to include terms such as duration, water supply limitations, and liabilities to ensure due diligence. A Joint Use Agreement and Water/Sewer Capacity agreement were presented at the February Special Board meeting for consideration of approval. The Board approved these actions. At the March 2026 meeting, the Board approved entering into six (6) construction agreements with the Developer. Staff is working with the Developer for construction submittals.

Pala Ranch (FKA Campus Park West) (Pappas Investments), Division 4: (PN: 700029) Residential and Commercial development. The District has approved the proposed water and sewer improvement

plans; however, the Developer informed the District that construction has been delayed to September 2026. These delays are because of CalTrans and County of San Diego requirements in Highway 76.

Pala Mesa Market Development Plan, Division 4: (PN: 700047) District staff met with the Developer in July 2024 to restart the project. Construction plans and submittals comments have been returned for corrections to the Developer in March 2026.

San Luis Rey Racetrack Improvement Plan, Division 1: (PN: 700054) The Developer paid a deposit for Sewer and Water Analysis. Dexter Wilson Engineering, Inc. produced a memorandum discussing the expected impacts on sewer infrastructure related to one of two expansion scenarios proposed by the Developer. Staff are waiting on data from the Developer related to the second expansion scenario to complete a second memorandum. The Developer stated that they are not ready to expand nor add horses. Instead, this new effort is solely related to their Federal process water discharge permit. This new regulation requires that process water from horses be discharged into the sewer system instead of the storm drain system. Staff is scheduled to meet with the Developer in March 2026. The Developer would like to move forward with expansion. Discussions are on-going with the exchange of data and options.

Havens Country Club Pool fka Vista Valley, Division 1: (PN: 700069). In April, staff reviewed the plans, submittals and applications for a new water service, fire hydrant, and expansion of sewer facilities. Construction is now underway for the new and expanded facilities. The proposed sewer facilities have been installed. Construction plans for the water facilities are currently under review by the District.

ITEMS	NO#
Water Meters Purchased	0



Chad Williams 05/26/2026
Engineering and CIP Program Manager

RAINBOW
MUNICIPAL WATER DISTRICT
ESTABLISHED 1953

SEWER EQUIVALENT DWELLING UNITS (EDUs) STATUS REPORT
April 2026

STATUS SUMMARY	EDUs	
Total Treatment Capacity Purchased from Oceanside	8,333	
Less 5% Contractual Allowance	417	
EDUs Set Aside by Board for Emergencies	60	
EDUs Connected	6,301	*
EDUs Unconnected/Committed	678	
Total EDUs Available for Purchase:	**878**	

DEVELOPMENTS WITH UNCONNECTED/COMMITTED EDUs	EDUs	CAPACITY FEES / CFD Bonds
Bonsall Oaks (Polo Club) - 164 (SF/Other)	131	$ 1,453,560
Citro (fka Meadowood) - 947 (SF/MF/Other)	25	$ -
Ocean Breeze Ranch-520.5	521	$ 7,723,509
Other Development w/5 or less EDUs - (SF & Other)	1	$ -
TOTAL UNCONNECTED:	**678**	**$ 9,177,069**

Notes:

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

RAINBOW
MUNICIPAL WATER DISTRICT

BOARD INFORMATION
Item No. 12.D

BOARD OF DIRECTORS

May 26, 2026

SUBJECT

FINANCE REPORT FOR MARCH 2026

DESCRIPTION

Summary:

Water Sales:
FY 25/26 Budget - 11,000 AF
Actual March FYTD 25/26 8,587 AF
Actual March FYTD 24/25 10,410 AF
Actual March FYTD 23/24 8,048 AF
Actual March FYTD 22/23 9,907 AF

March FYTD 2025/2026 Budget vs Actual:

Water Fund

Water operating revenues through March 2026 totaled $37.3 million, or 2% below budget for this point in the fiscal year. The variance is primarily attributable to lower than average water demand through March, as discussed further in the Water Purchases section below. This shortfall is partially offset by a timing variance related to the District's Readiness to Serve charges placed on the property tax roll, which are generally received primarily between December and May.

Water operating expenses through March 2026 totaled $25 million, or 10% below budget, primarily due to lower imported water purchase costs resulting from reduced sales volume. As a result, net operating revenue for the Water Fund was approximately $12.3 million, or 17% above budget, through the ninth month of the fiscal year.

Capital expenditures for water projects totaled $2.5 million through March, representing approximately 40% of the annual capital budget.

Water net non-operating revenues were negative $4.0 million, which is consistent with budget. The negative balance is primarily due to interest expense on debt service exceeding interest earnings on investments.

Wastewater Fund

Wastewater operating revenues through March 2026 totaled $4.9 million, or 8% above budget. This favorable variance is primarily due to modest EDU growth within the District, along with increased fixed charges that became effective at the beginning of February.

Wastewater operating expenses totaled $3.6 million, or 2% above budget, primarily due to higher than anticipated invoices from the City of Oceanside, which continue to drive pass through treatment costs upward.

Despite this increase, net operating revenue for the Wastewater Fund was approximately $1.3 million, or 27% above budget, through the ninth month of the fiscal year.

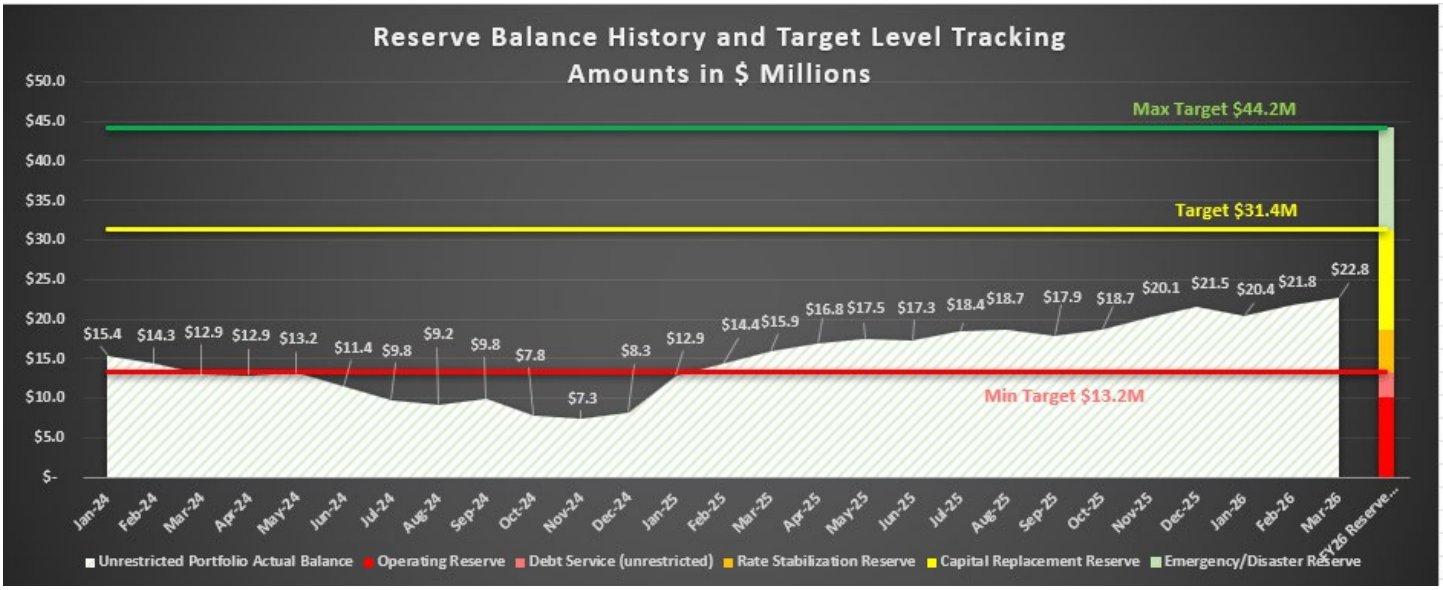
Wastewater capital expenditures through March totaled approximately $140 thousand, or 8.2% of the annual capital budget. During the period, the District initiated work on the Rancho Monserate, Rancho Viejo Lift Station, and Headquarters B Plant Emergency Generators projects. A significant portion of the Wastewater CIP budget consists of prior year appropriations that have been carried forward.

Treasury Report:

At the end of March 2026, the District's total investment portfolio was approximately $35.0 million. Of this amount, $22.8 million was unrestricted, and $1.7 million represented remaining restricted proceeds from the District's $10 million U.S. Bank loan, designated for budgeted water capital projects in FY 2026.

The increase in restricted balances during the month was primarily driven by the receipt of $7.7 million in capacity fee revenues from the Ocean Breeze Ranch development, of which approximately $3.0 million is allocated to water capital projects and $4.7 million to wastewater capital projects. The unrestricted portfolio balance increased from $21.8 million in February 2026 to $22.8 million in March 2026, reflecting positive operating cash flow and continued savings from operations. The graph below illustrates historical unrestricted portfolio balances in comparison to the reserve targets adopted by the Board in June 2024.

Interest revenue earned through March totaled approximately $663 thousand, compared to $599 thousand for the same period in the prior year. Current investment yields are approximately 3.79% for CAMP and 3.83% for LAIF. Given the District's near term liquidity needs, particularly in light of higher debt service requirements over the next year, staff does not recommend investing funds beyond the District's most liquid and secure options, including CAMP, Money Market accounts, and LAIF, until reserve levels have further strengthened. At this time, these highly liquid investment options continue to provide yields that are competitive with, and in some cases exceed, longer term alternatives.



Water Purchases & Water Sales:

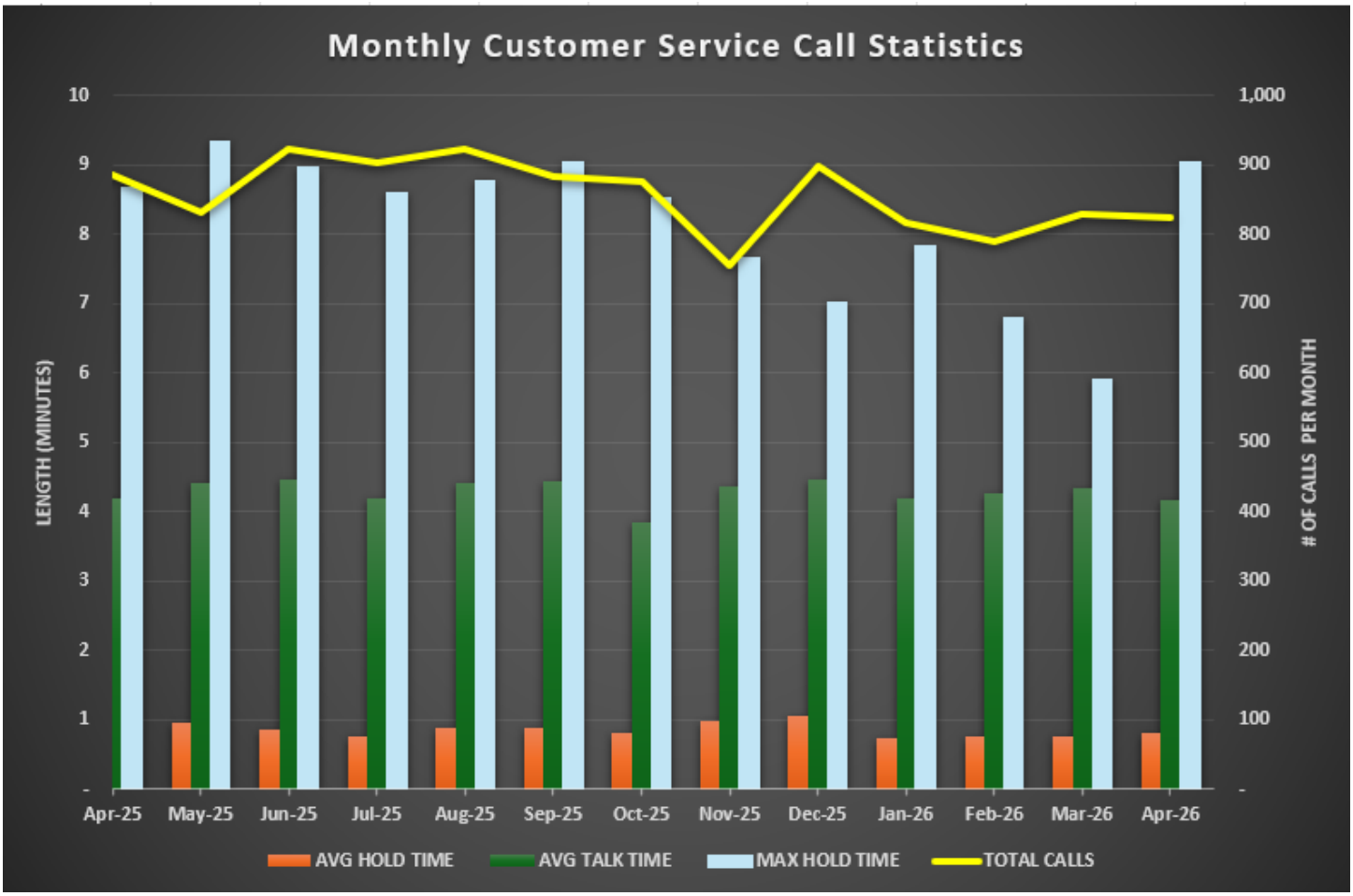
The Five-Year Water Purchases Demand Chart (Attachment D) reports imported water purchases; this data is available in real time. System demand for the current fiscal year totaled 8,972 AF through March, or 16%

below the system demand at the same time last year, and 2% below budget for this time of year based on the average 5-year demand trend through March.

The District recorded 8,587 AF in water sales through March for FY26 compared to 10,410 AF in sales for FY25 for the same period, or 18% lower than prior year due to less hot and dry weather this year 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 April 2026 was 823 calls to customer service with an average hold time of 48 seconds and an average talk time of 4 minutes and 10 seconds. The max time in queue in April was 9 minutes and 03 seconds. See the chart below for the comparison of call statistics over the last 12 months.



Attachments:

A. Budget vs Actuals (March FY26)
B. CIP Budget to Actuals (March FY26)
C. Treasury Report (March FY26)
D. Five-Year Water Purchases Demand Chart (through 04/01/2026)
E. Water Sales Summary (March FY26)
F. Check Register (March FY26)
G. Directors' Expense Report (March FY26)
H. Credit Card Breakdown (March FY26)

Konstantin Shilkov, CPA May 26, 2026
Chief Financial Officer/Treasurer

PMIA/LAIF Performance Report as of 03/25/26

Quarterly Performance Quarter Ended 12/31/25

LAIF Apportionment Rate[2]:	4.20
LAIF Earnings Ratio[2]:	0.00011512010685708
LAIF Administrative Cost[1]*:	0.27
LAIF Fair Value Factor[1]:	1.002181483
PMIA Daily[1]:	3.97
PMIA Quarter to Date[1]:	4.09
PMIA Average Life[1]:	244

PMIA Average Monthly Effective Yields[1]

February	**3.871**
January	3.931
December	4.025
November	4.096
October	4.150
September	4.212

Pooled Money Investment Account Monthly Portfolio Composition [1] 2/28/26 $164.6 billion

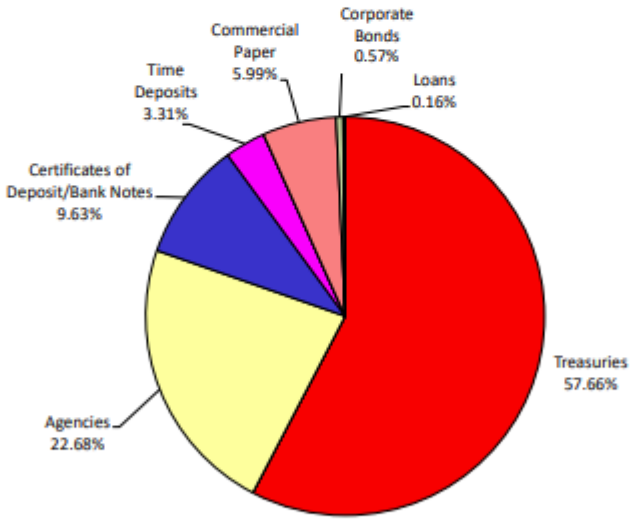


Chart does not include $855,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. View PMIA Daily Rates

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) .

**The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.*

Source:
[1] State of California, Office of the Treasurer
[2] State of California, Office of the Controller

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

Description	FY 2026 Actuals YTD 03/31/2026	Current $ (Under)/Over Full Year Budget	Current % of Full Year Budget	Budget as of 03/31/2026	$ Over/(Under) as of 03/31/2026	% Over/(Under) as of 03/31/2026	FY 2026 Adopted Budget
Water Operating & Non-Operating Fund							
Water Operating Revenues	$ 37,312,980	$ (12,127,237)	75%	$ 38,242,142	$ (929,162)	-2%	$ 49,440,217
Water Operating Expenses	$ 25,025,655	(10,771,391)	70%	27,716,961	$ (2,691,306)	-10%	35,797,046
Water Fund Net Operating Revenue	**$ 12,287,325**	**$ (1,355,846)**	**90%**	**$ 10,525,181**	**$ 1,762,144**	17%	**$ 13,643,171**
Water Non-Operating Revenues	$ 962,762	$ (133,524)	88%	$ 822,215	$ 140,547	17%	$ 1,096,286
Water Non-Operating Expenses	4,931,232	(1,409,398)	78%	4,755,473	$ 175,760	4%	6,340,630
Water Fund Net Non-Operating Revenue	**$ (3,968,470)**	**$ 1,275,874**	**76%**	**$ (3,933,258)**	**$ (35,212)**	1%	**$ (5,244,344)**
WATER NET REVENUE	**$ 8,318,855**	**$ (79,972)**	**99%**	**$ 6,591,923**	**$ 1,726,932**	26%	**$ 8,398,827**
Wastewater Operating & Non-Operating Fund							
Wastewater Operating Revenues	4,861,983	(1,157,305)	81%	4,514,466	347,517	8%	6,019,288
Wastewater Operating Expenses	3,559,582	(1,087,601)	77%	3,485,387	74,195	2%	4,647,183
Wastewater Fund Net Operating Revenue	**$ 1,302,400**	**$ (69,704)**	**95%**	**$ 1,029,079**	**$ 273,322**	27%	**$ 1,372,105**
Wastewater Non-Operating Revenues	186,188	(15,112)	92%	150,975	35,213	23%	201,300
Wastewater Non-Operating Expenses	663,021	(407,704)	62%	803,043	(140,022)	-17%	1,070,724
Wastewater Fund Net Non-Operating Revenue	**$ (476,833)**	**$ 392,591**	**55%**	**$ (652,068)**	**$ 175,235**	-27%	**$ (869,424)**
WASTEWATER NET REVENUE	**$ 825,567**	**$ 322,887**	**164%**	**$ 377,010**	**$ 448,557**	119%	**$ 502,681**
WATER & WASTEWATER NET REVENUE	**$ 9,144,423**	**$ 242,915**	**103%**	**$ 6,968,933**	**$ 2,175,489**	31%	**$ 8,901,508**

% of Annual Budget

79% *Water Purchases/Sales based on historical average*

75% *Fixed Fee Revenue & Expenses are based on time*

Rainbow Muncipal Water District
Water Fund Operating Budget Summary

Water Operating

Description	FY 2026 Actuals YTD 03/31/2026	Current $ (Under)/Over Full Year Budget	Current % of Full Year Budget	Budget as of 03/31/2026	$ Over/(Under) as of 03/31/2026	% Over/(Under) as of 03/31/2026	FY 2026 Adopted Budget
Operating Revenues							
Water Sales	$ 37,091,538	$ (12,019,940)	76%	$ 37,995,588	$ (904,050)	-2%	$ 49,111,478
Other Water Services	$ 221,442	(107,297)	67%	$ 246,554	$ (25,112)	-10%	328,739
Total Operating Revenues	**$ 37,312,980**	**$ (12,127,237)**	**75%**	**$ 38,242,142**	**$ (929,162)**	**-13%**	**$ 49,440,217**
Operating Expenses							
Purchased Water	13,063,682	(5,209,596)	71%	14,461,636	(1,397,954)	-10%	18,273,278
Pumping	1,396,605	(391,070)	78%	1,340,756	55,849	4%	1,787,675
Operations	2,064,846	(700,930)	75%	2,074,332	(9,486)	0%	2,765,776
Valve Maintenance	294,441	(142,881)	67%	327,992	(33,550)	-10%	437,322
Construction	1,921,921	(1,527,217)	56%	2,586,854	(664,933)	-26%	3,449,139
Meters	726,573	(292,526)	71%	764,324	(37,751)	-5%	1,019,099
General Fund Transfer	5,483,480	(2,581,277)	68%	6,048,568	(565,088)	-9%	8,064,757
Water Conservation Program	74,106	(75,894)	49%	112,500	(38,394)		150,000
Total Operating Expenses	**$ 25,025,655**	**$ (10,771,391)**	**70%**	**$ 27,716,961**	**$ (2,691,306)**	-10%	**$ 35,797,046**
NET OPERATING REVENUE	**$ 12,287,325**	**$ (1,355,846)**	**90%**	**$ 10,525,181**	**$ 1,762,144**	17%	**$ 13,643,171**
Non-Operating Revenues							
Investment Income	574,891	108,785	123%	349,580	225,312	64%	466,106
Property Tax Revenue	385,409	(227,072)	63%	459,361	(73,951)	-16%	612,481
Other Non-Operating Revenue	2,461	(15,238)	14%	13,274	(10,813)	-81%	17,699
Total Non-Operating Revenues	**$ 962,762**	**$ (133,524)**	**88%**	**$ 822,215**	**$ 140,547**	17%	**$ 1,096,286**
Non-Operating Expenses							
Debt Service (Principal & Interest)	4,931,232	(1,409,398)	78%	4,755,473	175,760	4%	**6,340,630**
Total Non-Operating Expenses	**$ 4,931,232**	**$ (1,409,398)**	**78%**	**$ 4,755,473**	**$ 175,760**	4%	**$ 6,340,630**
NET NON-OPERATING REVENUE	**$ (3,968,470)**	**$ 1,275,874**	**76%**	**$ (3,933,258)**	**$ (35,212)**	1%	**$ (5,244,344)**
NET REVENUE	**$ 8,318,855**	**$ (79,972)**	**99%**	**$ 6,591,923**	**$ 1,726,932**	26%	**$ 8,398,827**
							11,000AF

Rainbow Muncipal Water District
Wastewater Fund Operating Budget Summary

Description	FY 2026 Actuals YTD 03/31/2026	Current $ (Under)/Over Full Year Budget	Current % of Full Year Budget	Budget as of 03/31/2026	$ Over/(Under) as of 03/31/2026	% Over/(Under) as of 03/31/2026	FY 2026 Adopted Budget
Operating Revenues							
Wastewater Revenues	$ 4,861,733	$ (1,155,955)	81%	$ 4,513,266	$ 348,467	8%	$ 6,017,688
Other Revenues	250	(1,350)	16%	$ 1,200	$ (950)	-79%	1,600
Total Operating Revenues	**$ 4,861,983**	**$ (1,157,305)**	**81%**	**$ 4,514,466**	**$ 347,517**	**8%**	**$ 6,019,288**
Operating Expenses							
Total Payroll Expenses	619,666	(211,881)	75%	$ 623,660	$ (3,994)	-1%	831,547
Total Maintenance & Supply	2,098,736	(479,746)	81%	$ 1,933,862	$ 164,874	9%	2,578,482
General Fund Transfer	841,180	(395,974)	68%	$ 927,866	$ (86,686)	-9%	1,237,154
Total Operating Expenses	**$ 3,559,582**	**$ (1,087,601)**	**77%**	**$ 3,485,387**	**$ 74,195**	**2%**	**$ 4,647,183**
NET OPERATING REVENUE	**1,302,400**	**(69,704)**	**95%**	**1,029,079**	**273,322**	**27%**	**1,372,105**
Non-Operating Revenues							
Investment Income	88,198	(21,802)	80%	$ 82,500	$ 5,698	7%	110,000
Property Tax Revenue	56,499	(34,801)	62%	$ 68,475	$ (11,976)	-17%	91,300
Grants Revenue	-	-	0%	$ -	$ -	#DIV/0!	-
Other Non-Operating Revenue	41,491	41,491	0%	$ -	$ 41,491	#DIV/0!	-
Total Non-Operating Revenues	186,188	(15,112)	92%	150,975	35,213	23%	**201,300**
Non-Operating Expenses							
Oceanside- Prior Period Wastewater Treatment	-	-	0%	$ -	$ -	#DIV/0!	-
Oceanside - Contribution to Repl. Reserve	-	(407,703)	0%	$ 305,777	$ (305,777)	-100%	407,703
Debt Service (Principal & Interest)	663,021	(0)	100%	$ 497,266	$ 165,755	33%	663,021
Total Non-Operating Expenses	663,021	(407,704)	62%	803,043	(140,022)	-17%	**1,070,724**
NET NON-OPERATING REVENUE	**$ (476,833)**	**$ 392,591**	**55%**	**$ (652,068)**	**$ 175,235**	-27%	**$ (869,424)**
NET REVENUE	**$ 825,567**	**$ 322,887**	**164%**	**$ 377,010**	**$ 448,557**	119%	**$ 502,681**

Rainbow Muncipal Water District
General Fund Operating Budget Summary

General Operating

Description	FY 2026 Actuals YTD 03/31/2026	Current $ (Under)/Over Full Year Budget	Current % of Full Year Budget	Budget as of 03/31/2026	% Over/(Under) as of 03/31/2026	% Over/(Under) as of 03/31/2026	FY 2026 Adopted Budget
Operating Revenues							
Water Overhead Transfer	$ 5,483,480	$ (2,581,277)	68%	$ 6,048,568	$ (565,088)	-9%	$ 8,064,757
Wastewater Overhead Transfer	$ 841,180	(395,974)	68%	$ 927,866	$ (86,686)	-9%	1,237,154
Other General Fund Revenue	517,895	(308,252)	63%	$ 619,610	$ (101,715)	-16%	826,146
Total Operating Revenues	**$ 6,842,555**	**$ (3,285,503)**	**68%**	**$ 7,596,043**	**$ (753,489)**	**-10%**	**$ 10,128,058**
Operating Expenses							
Board of Directors	$ 47,866	$ (12,259)	80%	$ 45,094	$ 2,772	6%	$ 60,125
Garage	505,559	(199,261)	72%	$ 528,615	$ (23,056)	-4%	704,820
Administration	1,090,200	(478,050)	70%	$ 1,176,188	$ (85,987)	-7%	1,568,250
Human Resources	372,030	(180,302)	67%	$ 414,249	$ (42,219)	-10%	552,332
Risk Management	749,480	(180,010)	81%	$ 697,118	$ 52,363	8%	929,490
IT Services	1,139,609	(440,914)	72%	$ 1,185,392	$ (45,783)	-4%	1,580,523
Public Relations	126,797	(87,462)	59%	$ 160,694	$ (33,898)	-21%	214,259
Finance	872,389	(252,190)	78%	$ 843,434	$ 28,955	3%	1,124,579
Customer Service	588,234	(301,362)	66%	$ 667,197	$ (78,963)	-12%	889,596
Engineering	592,690	(386,394)	61%	$ 734,313	$ (141,623)	-19%	979,084
CalPERS UAL Payment	737,437	(787,563)	48%	$ 1,143,750	$ (406,313)	-36%	1,525,000
Other Post Employment Benefits	20,262	20,262	0%	$ -	$ 20,262	#DIV/0!	0
Total Operating Expenses	**$ 6,842,555**	**$ (3,285,503)**	**68%**	**$ 7,596,043**	**$ (753,489)**	**-10%**	**$ 10,128,058**
CHANGE IN NET POSITION	**$ -**	**$ -**	**$ -**				**$ -**

Water Capital Projects - FY26 Budget to Actuals through March 2026

Project #	Project Name	PY Adjusted Budget - FY25	Prior Year Actual (FY25)	PY Remaining Budget - FY25	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 03-31-26	Remaining Budget
		FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 25/26	FY 25/26	FY 25/26	FY 25/26	FY 25/26
600003	San Luis Rey Imported Return Flow Recovery	$ 152,328	$ 10,121	$ 142,207	Yes	$ 142,207	$ -		$ 142,207	$ 12,744	$ 129,463
600007	Pressure Reducing Stations	$ 150,000	$ -	$ 150,000	Yes	$ 150,000			$ 150,000	$ 88,638	$ 61,362
600009	Isolation Valve Installation Program	$ 150,000	$ 157,803	$ (7,803)	Yes	$ (7,803)	$ 250,000		$ 242,197	$ 56,936	$ 185,261
600013	Hutton/Rancho Amigos (Turner)/Dentro Pump Stations	$ 4,532,689	$ 4,400,057	$ 132,632	Yes	$ 132,632	$ -		$ 132,632	$ -	$ 132,632
600026	Camino Del Rey Waterline Relocation	$ 100,000	$ 34,118	$ 65,882	Yes	$ 65,882	$ 25,000		$ 90,882	$ 11,777	$ 79,104
600030	Corrosion Prevention Program Development and Implementation	$ -	$ 4,044	$ (4,044)	Yes	$ (4,044)	$ -		$ -	$ -	$ -
600043	Eagles Perch Water Pipeline Improvements	$ -	$ -	$ -	No	$ -	$ 150,000	$ -	$ 150,000	$ 18,252	$ 131,748
600047	Generator at Sumac								$ -	$ -	$ -
600058	Electrical Panel Switches	$ 200,000	$ 43,408	$ 156,592	Yes	$ 156,592	$ 400,000		$ 556,592	$ 48,761	$ 507,832
600088	SDCWA Connections 1, 8, 9 & 10 Acquisition	$ 750,000	$ 728,501	$ 21,499	Yes	$ 21,499			$ 21,499	$ -	$ 21,499
600089	SDCWA Connections 3, 6, 7, 11, & 12 Interim Decommissioning		$ 14,240	$ (14,240)	Yes	$ (14,240)			$ -	$ -	$ -
600091	FPUD Maravilla to RMWD Maravilla (Morro Tank) (750 LF, in-house construction)	$ 209,125	$ 24,966	$ 184,159	Yes	$ 184,159			$ 184,159	$ -	$ 184,159
600092	FPUD Olive Hill to RMWD Olive Hill (Morro Reservoir) (840 LF, in-house construction)	$ 235,000	$ 100,894	$ 134,106	Yes	$ 134,106			$ 134,106	$ -	$ 134,106
600093	La Canada Pipeline Replacement and Pressure Reduction from Hillrise Rd. to Via Monserate (4,000 LF, in-house construction)	$ 100,000	$ 60,666	$ 39,334	Yes	$ 39,334	$ 1,150,000		$ 1,189,334	$ 602,681	$ 586,653
600094	Gopher Skid Pump Station	$ 710,000	$ 25,322	$ 684,678	Yes	$ 684,678			$ 684,678	$ 78,557	$ 606,120
600096	Gopher Canyon Pipeline Extension (FY25)	$ 275,000	$ 258,544	$ 16,456	Yes	$ 16,456			$ 16,456	$ -	$ 16,456
600098	Lookout Mtn Pump Replacement								$ -	$ 27,933	$ (27,933)
800061	Line NN Emergency Repair (add construction cost)						$ 893,245	$ 2,600,000	$ 3,493,245	$ 688,539	$ 2,804,706
600105	Morro Tank Rehabilitation	$ 100,000	$ -	$ 100,000	Yes	$ 100,000			$ 100,000	$ 209	$ 99,791
600106	Pala Mesa Tank								$ -	$ -	$ -
600112	Huntley Rd Pump Station Soft Start Motor								$ -	$ 84,517	$ (84,517)
600114	Turner Tank Interior/Exterior Coating (4M Gallons) Transfer from Operating Budget			$ -			$ 375,000		$ 375,000	$ 274,563	$ 100,437
600115	Gopher Canyon Tank Interior/Exterior Coating (4M Gallons) Transfer from Operating Budget			$ -			$ 375,000		$ 375,000	$ 274,563	$ 100,437
600116	Fall Protection Replacement @ Morro Tank and Out-of-Service Concrete Tank			$ -			$ 75,000		$ 75,000	$ 25,160	$ 49,840
600117	Turner Tank Injection System Upgrades						$ -	$ 152,714	$ 152,714	$ 183,200	$ (30,486)
600118	Hutton Tank Injection System Upgrades						$ 125,000	$ 90,000	$ 215,000	$ 17,092	$ 197,908
600119	Rainbow Heights Tank Injection System Upgrades								$ -	$ -	$ -
600120	Gopher Tank Injection System Upgrades							$ 90,000	$ 90,000	$ 9,571	$ 80,429
N/A	Vehicle/Equipment Acquisition	$ 150,000	$ 192,909	$ (42,909)	Yes	$ (42,909)	$ 450,000		$ 407,091	$ 377,488	$ 29,603
Total		**$ 7,814,142**	**$ 6,055,595**	**$ 1,758,547**	**$ -**	**$ 1,758,547**	**$ 4,268,245**	**$ 2,932,714**	**$ 8,977,791**	**$ 2,881,179**	**$ 6,096,612**
		97,165	7,891.31	89,274					$ 1,805,203	$ 356,911	$ 3,159,291
	= Financed in part or whole by the $10M US Bank Loan (dated 5-1-24)	$ 7,911,307	$ 6,063,486	$ 1,847,821					$ 10,782,994	$ 3,238,091	

Wastewater Capital Projects - FY26 Budget to Actuals through March 2026

Project #	Project Name	PY Adjusted Budget - FY25	Prior Year Actual (FY25)	PY Remaining Budget - FY25	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 03-31-26**	**Remaining Budget**
		FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 25/26	FY 25/26	**FY 25/26**	**FY 25/26**	**FY 25/26**
530001	Thoroughbred Lane Lift Station and Pipeline Repair (LS1 Replacement)	$ 4,039,499	$ 5,966,976	$ (1,927,477)	No	$ -	$ -	$ -	$ -	$ 122,324	$ (122,324)
TBD	North River Road Sewer Replacement						$ 50,000		$ 50,000	$ -	$ 50,000
530023	Rancho Monserate, Rancho Viejo LS & HQ B-Plant Emergency Generators	$ 525,000	$ 11,324	$ 513,676	Yes	$ 513,676	$ 1,075,000	$ -	$ 1,588,676	$ 17,590	$ 1,571,086
530029	LS-1 Rehabilitation/School House LS							$ 75,000	$ 75,000	$ -	$ 75,000
Total		**$ 4,564,499**	**$ 5,978,300**	**$ (1,413,801)**	**$ -**	**$ 513,676**	**$ 1,125,000**	**$ 75,000**	**$ 1,713,676**	**$ 139,914**	**$ 1,573,763**
											$ 1,696,086

General Capital Projects - FY26 Budget to Actuals through March 2026

Project #	Project Name	PY Adjusted Budget - FY25	Prior Year Actual (FY25)	PY Remaining Budget - FY25	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 03-31-26**	**Remaining Budget**
		FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 25/26	FY 25/26	**FY 25/26**	**FY 25/26**	**FY 25/26**
300036	EV Charging Stations at HQ	$ -	$ -	$ -	$ -	$ -	$ 100,000	$ (90,000)	$ 10,000	$ 980	$ 9,020
300008	New District Headquarters	$ 500,000	$ 44,071	$ 455,929	Yes	$ 455,929	$ 500,000		$ 955,929	$ 155,315	$ 800,614
Total		**$ 500,000**	**$ 44,071**	**$ 455,929**	**$ -**	**$ 455,929**	**$ 600,000**	**$ (90,000)**	**$ 965,929**	**$ 156,296**	**$ 809,633**

= Financed in part or whole by the $10M US Bank Loan (dated 5-1-24)

General Capital Projects - FY26 Budget to Actuals through March 2026

		PY Adjusted Budget - FY25	Prior Year Actual (FY25)	PY Remaining Budget - FY25	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 03-31-26**	**Remaining Budget**
Project #	**Project Name**	FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 25/26	FY 25/26	**FY 25/26**	**FY 25/26**	**FY 25/26**
400001	Master Plans (Water & Waste Water)	$ 97,165	$ 7,891	$ 89,274	Yes	$ 89,274	$ 750,000		$ 839,274	$ 60,702	$ 778,571
Total		**$ 97,165**	**$ 7,891**	**$ 89,274**	**$ -**	**$ 89,274**	**$ 750,000**	**$ -**	**$ 839,274**	**$ 60,702**	**$ 778,571**

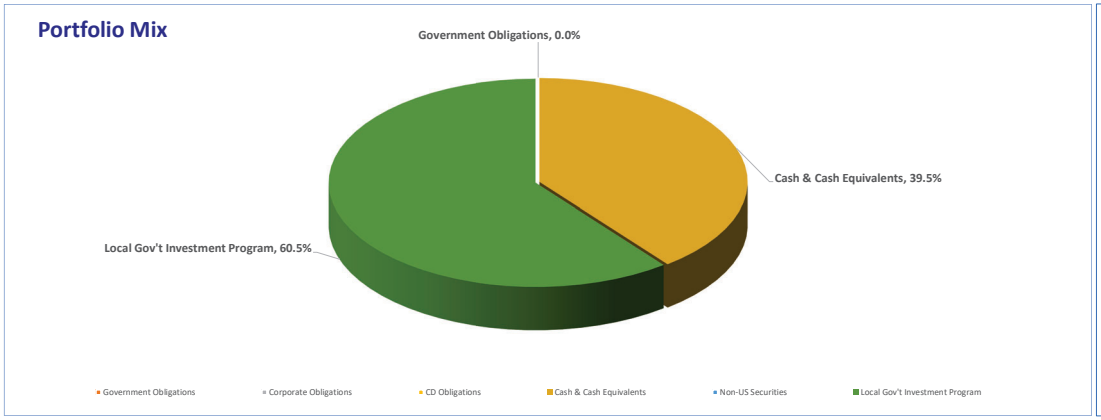
= Financed in part or whole by the $10M US Bank Loan (dated 5-1-24)

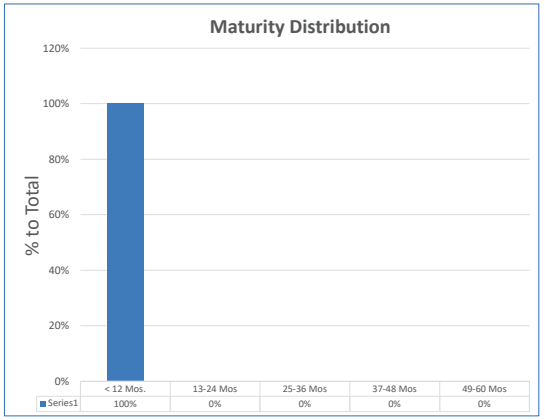
Non-Cap CIP Projects - FY26 Budget to Actuals through March 2026

Project #	Project Name	PY Adjusted Budget - FY25	Prior Year Actual (FY25)	PY Remaining Budget - FY25	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 03-31-26**	**Remaining Budget**
		FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 24/25	FY 25/26	FY 25/26	**FY 25/26**	**FY 25/26**	**FY 25/26**
600097	Morro Reservoir Tank Monitoring	$ 100,000	$ 17,985	$ 82,015	Yes	$ 82,015	$ -	$ -	$ 82,015	$ 72,350	$ 9,665
							$ -		$ -	$ -	$ -
Total		**$ 100,000**	**$ 17,985**	**$ 82,015**	**$ -**	**$ 82,015**	**$ -**	**$ -**	**$ 82,015**	**$ 72,350**	**$ 9,665**

RAINBOW MUNICIPAL WATER DISTRICT
TREASURER'S MONTHLY REPORT OF INVESTMENTS
PORTFOLIO SUMMARY
3/31/2026

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				$ 268,129	$ 268,129	$ 268,129				0
Cash-Oceanside Plant Construction	US Bank x352	Restricted				$ -	$ -	$ -				0
Money Market Funds	First American Government, US Bank	Unrestricted	31846V567			$ 11,721,687	$ 11,721,687	$ 11,721,687				0
Money Market Funds (Debt Reserve)	Western Alliance	Restricted				$ -	$ -	$ -				0
Money Market Funds-Beck Restr (Debt Reserve)	Computershare Corporate Trust 201	Restricted				$ 506,943	$ 506,943	$ 506,943				0
Money Market Funds-Morro Restr (Debt Reserve)	Computershare Corporate Trust 301	Restricted				$ 671,666	$ 671,666	$ 671,666				0
Money Market Funds (Debt Reserve)	39170200 Trust 200	Restricted				$ 131	$ 131	$ 131				0
Money Market Funds (Debt Reserve)	39170300 Trust 300	Restricted				$ 152	$ 152	$ 152				0
Money Market Funds(Debt Reserve)	Zions Bank-D	Restricted				$ 660,990	$ 660,990	$ 660,990				0
Money Market Funds (Debt Reserve)	Zions Bank-E	Restricted				$ 50	$ 50	$ 50				0
Total Cash & Cash Equivalents						$ 13,829,747	$ 13,829,747	$ 13,829,747				
Local Gov't Investment Program												
	California Asset Management Program (CAMP)	Unrestricted	4039-001			$ 11,420,494	$ 11,420,494	$ 11,420,494				
	CAMP - US Bank Loan Proceeds for CIP	Restricted	4039-002			$ 1,750,859	$ 1,750,859	$ 1,750,859				
	Local Agency Investment Fund (LAIF)	Restricted				$ 7,723,509	$ 7,723,509	$ 7,723,509				
	Local Agency Investment Fund (LAIF)	Unrestricted				$ 323,914	$ 323,914	$ 323,914				0
Total Local Gov't Investment Program						$ 21,218,776	$ 21,218,776	$ 21,218,776				
US Bank Government Obligations											$ -	0
Total Government Obligations						$ -	$ -	$ -				
US Bank Corporate Issues												
Total Corporate Issues						$ -	$ -	$ -				
Investment Portfolio Totals						**$ 35,048,523**	**$ 35,048,523**	**$ 35,048,523**				
Less Restricted Cash for Oceanside Replacement Reserve						$ (974,540)	$ (974,540)	$ (974,540)				
Less Restricted Portfolio						$ (11,314,299)	$ (11,314,299)	$ (11,314,299)				
Total Unrestricted Portfolio						**$ 22,759,684**	**$ 22,759,684**	**$ 22,759,684**				





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.

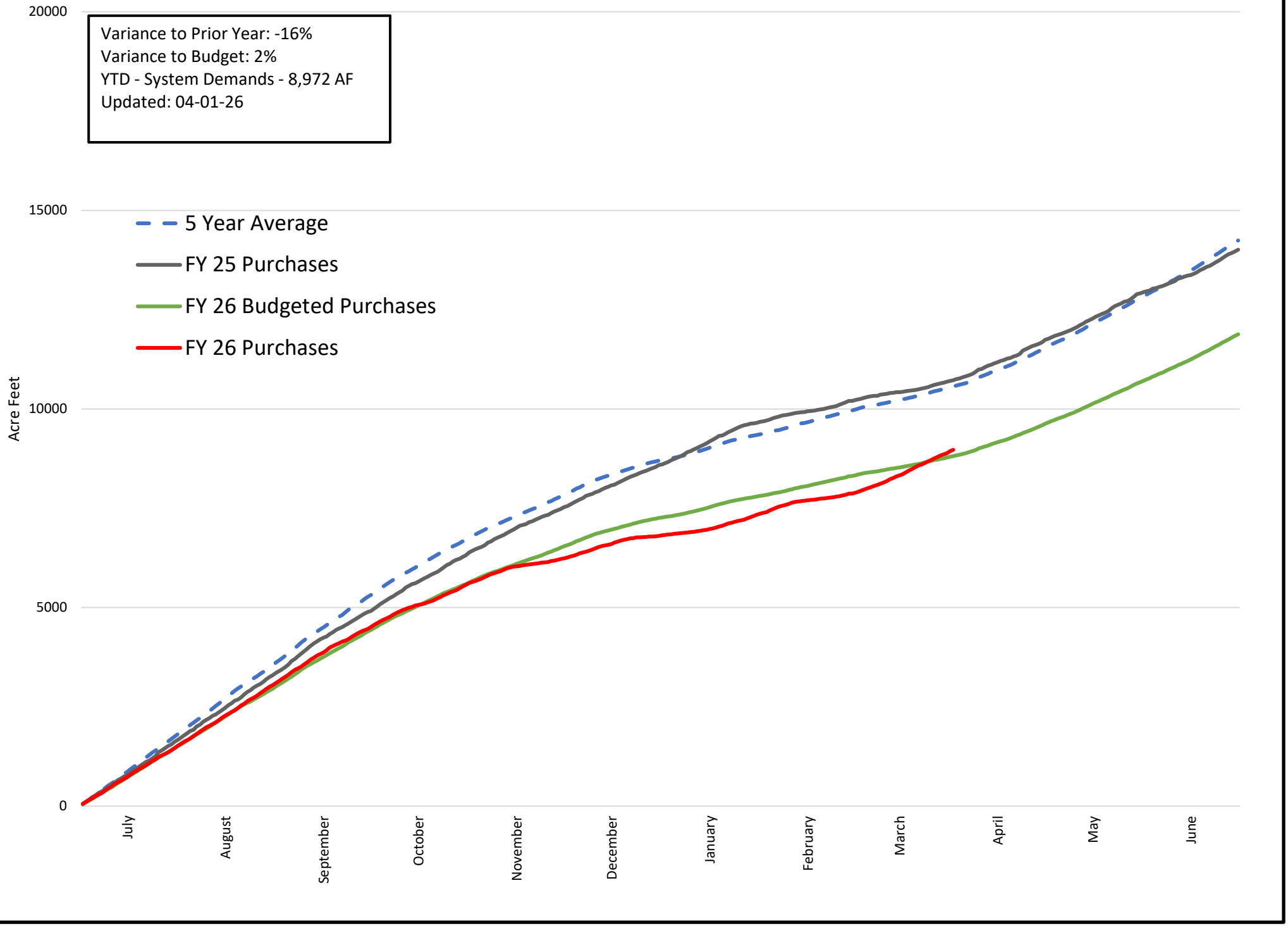
Cathy Lundell

4/22/2026

Cathy Lundell - Accounting Specialist

*Source of Market Value - US Bank monthly statements

System Demands Comparison Chart



Comparative Water Sales YTD from Prior Years

FISCAL YEAR 2025-2026

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Total
1,302	AD	310	402	410	357	306	137	172	150	143	-	-	-	2,386
609	AG	346	484	480	406	331	141	178	160	155	-	-	-	2,682
279	CM	75	104	97	75	69	26	36	27	28	-	-	-	537
20	CN	8	8	9	7	5	1	3	5	4	-	-	-	50
21	IS	5	8	6	5	6	2	3	3	2	-	-	-	42
126	MF	30	39	42	39	38	26	30	25	25	-	-	-	295
-	PC	-	-	-	-	-	-	-	-	-	-	-	-	-
-	PD	-	-	-	-	-	-	-	-	-	-	-	-	-
6,770	SF	320	409	404	348	333	190	221	185	185	-	-	-	2,596
9,127	Total	1,095	1,454	1,447	1,238	1,090	523	642	555	543	-	-	-	8,587

FISCAL YEAR 2024-2025

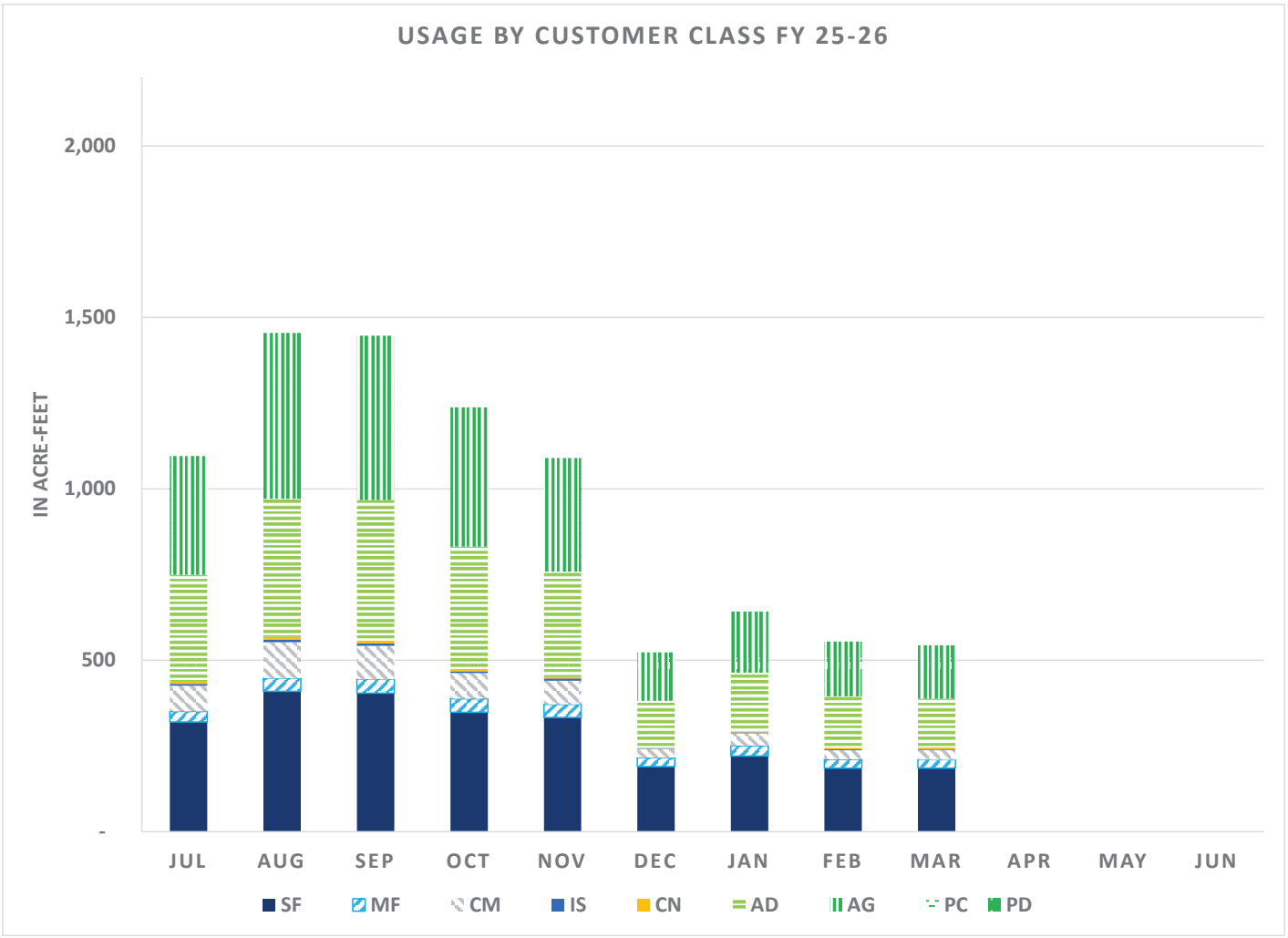
Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
1,186	AD	193	251	269	231	407	267	288	256	129	-	-	-	2,291
513	AG	246	344	374	307	453	290	315	271	124	-	-	-	2,726
275	CM	85	111	123	83	81	51	52	43	21	-	-	-	649
37	CN	6	10	7	11	7	6	5	4	2	-	-	-	58
21	IS	5	7	7	6	6	4	5	4	3	-	-	-	49
124	MF	33	38	37	33	37	30	32	29	24	-	-	-	293
139	PC	140	184	197	171	-	-	-	-	-	-	-	-	692
300	PD	157	202	218	192	-	-	-	-	-	-	-	-	768
6,234	SF	327	405	441	364	379	261	276	262	171	-	-	-	2,885
8,829	Total	1,192	1,553	1,672	1,398	1,370	910	973	868	475	-	-	-	10,410

FISCAL YEAR 2023-2024

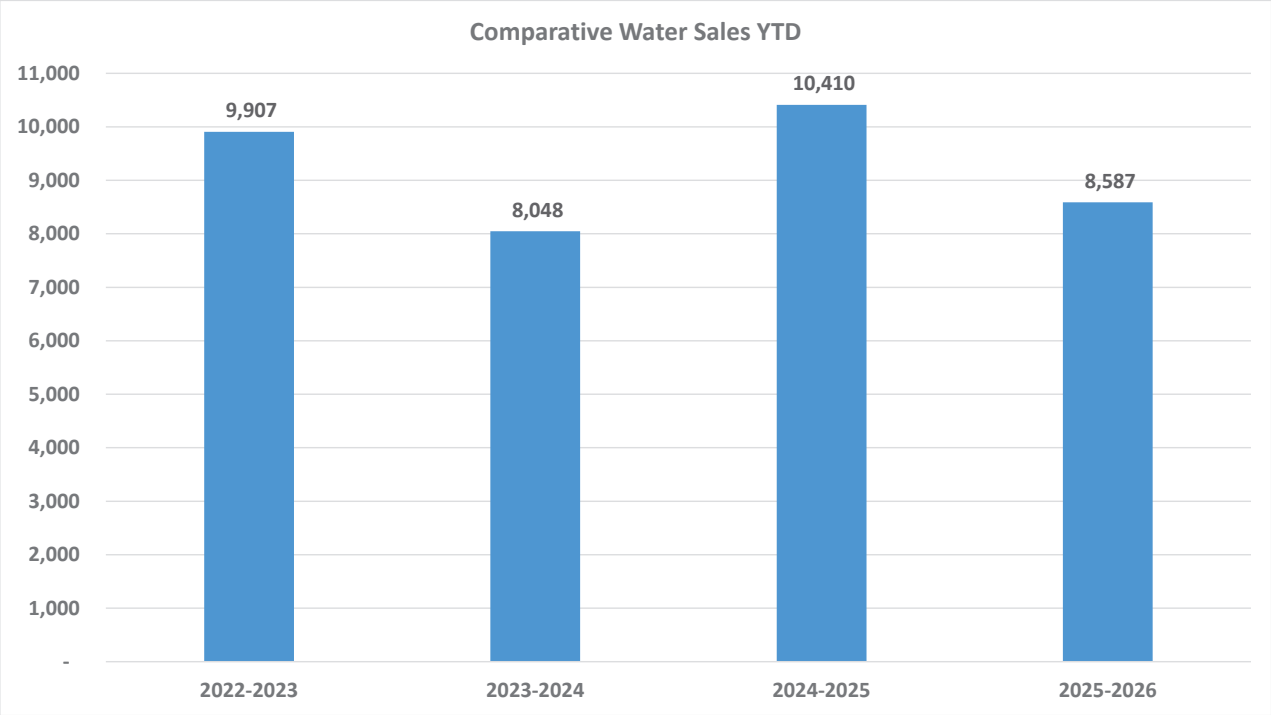
Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
1,227	AD	168	225	211	178	190	147	114	55	31	-	-	-	1,320
531	AG	203	317	311	221	252	170	120	60	39	-	-	-	1,694
276	CM	66	98	88	65	62	43	32	15	11	-	-	-	480
26	CN	6	6	7	5	4	3	6	2	1	-	-	-	41
21	IS	4	6	5	5	5	5	4	3	2	-	-	-	39
121	MF	26	31	37	31	30	31	28	22	21	-	-	-	256
148	PC	100	150	132	120	139	85	62	22	4	-	-	-	815
313	PD	138	200	176	148	156	106	82	37	13	-	-	-	1,057
-	SC	-	-	-	-	-	-	-	-	-	-	-	-	-
-	SD	-	-	-	-	-	-	-	-	-	-	-	-	-
6,012	SF	287	363	365	311	304	254	216	137	110	-	-	-	2,346
8675	Total	998	1,398	1,332	1,085	1,143	844	664	354	231	-	-	-	8,048

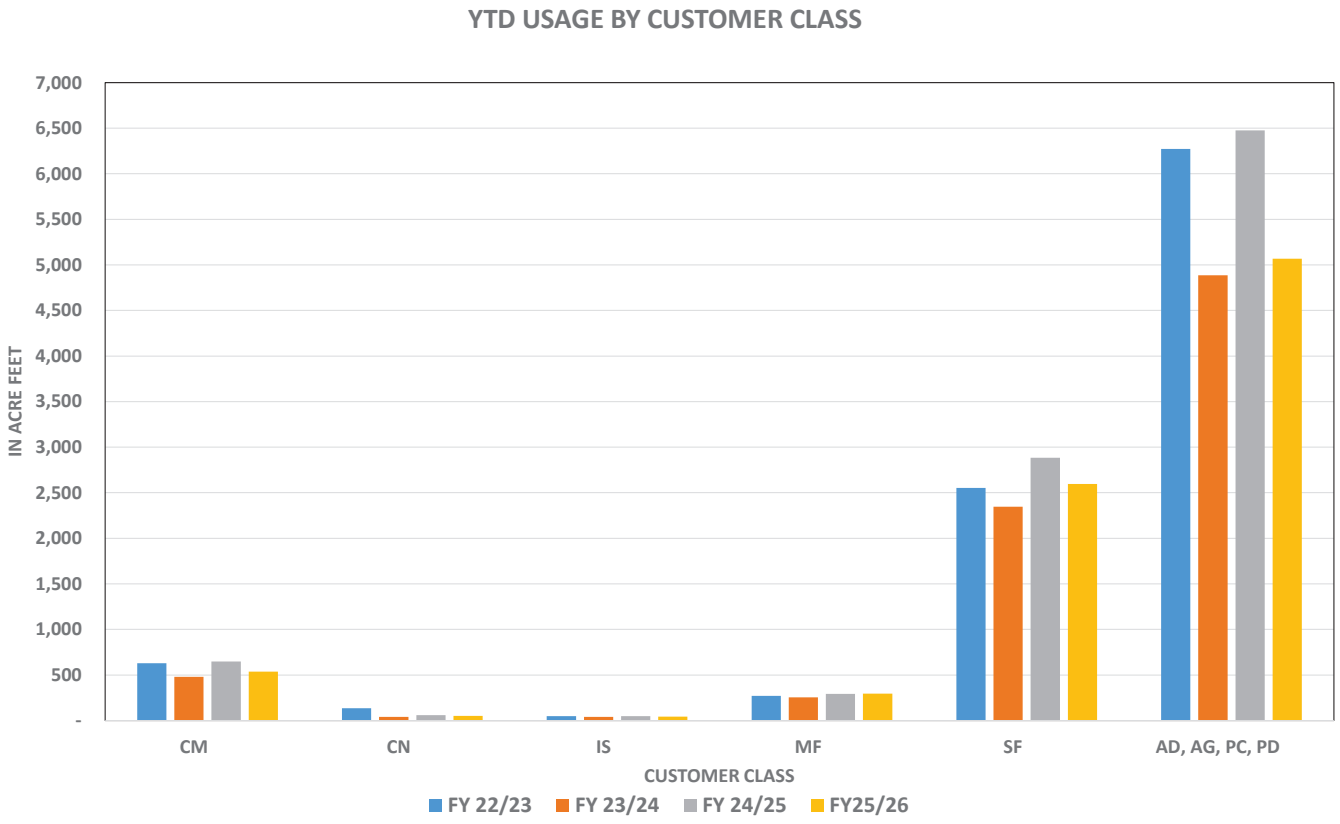
FISCAL YEAR 2022-2023

Quantity of Meters	User Code	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Acre Feet
549	AD	291	249	318	242	184	135	76	41	61	-	-	-	1,597
402	AG	438	400	540	356	235	158	82	44	77	-	-	-	2,332
271	CM	119	110	144	98	70	41	18	13	16	-	-	-	630
24	CN	32	20	37	19	12	7	5	2	2	-	-	-	135
21	IS	10	8	10	6	5	4	3	1	2	-	-	-	49
114	MF	32	29	38	31	27	26	50	19	19	-	-	-	270
	PC	199	177	229	179	128	82	31	10	25	-	-	-	1,060
	PD	235	217	279	202	149	101	43	20	37	-	-	-	1,282
319	SC	-	-	-	-	-	-	-	-	-	-	-	-	-
1,012	SD	-	-	-	-	-	-	-	-	-	-	-	-	-
5,851	SF	417	368	457	363	284	235	178	117	133	-	-	-	2,551
8,563	Total	1,774	1,579	2,053	1,495	1,094	789	486	268	370	-	-	-	9,907


USAGE BY CUSTOMER CLASS FY 25-26
IN ACRE-FEET
2,000
1,500
1,000
500
-
JUL
AUG
SEP
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN
SF
MF
CM
IS
CN
AD
AG
PC
PD

Comparative Water Sales YTD from Prior Years




YTD USAGE BY CUSTOMER CLASS
IN ACRE FEET
7,000
6,500
6,000
5,500
5,000
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
-
CM
CN
IS
MF
SF
AD, AG, PC, PD
CUSTOMER CLASS
FY 22/23
FY 23/24
FY 24/25
FY25/26

RAINBOW
MUNICIPAL WATER DISTRICT

Check Register
Fiscal Year 2026-2027

March 2026

Payments above 50K

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
3601	ACH	700935	ACWA-JPIA	MONTHLY INSURANCE MEDICAL/VISION - APRIL 2026	03/31/2026	108,809.10
30205	CHECK	700659	CITY OF OCEANSIDE	RAINBOW WASTEWATER AGREEMENT, FY26 8 OF 12, O&M NOV	03/03/2026	164,562.43
30205	CHECK	700659	CITY OF OCEANSIDE	RAINBOW WASTEWATER AGREEMENT, FY26 5 OF 12, O&M NOV	03/03/2026	164,562.43
30205	CHECK	700659	CITY OF OCEANSIDE	RAINBOW WASTEWATER AGREEMENT, FY26 6 OF 12, O&M NOV	03/03/2026	164,562.43
30288	CHECK	700659	CITY OF OCEANSIDE	RAINBOW WASTEWATER AGREEMENT, FY26 9 OF 12, O&M MAR	03/19/2026	164,562.43
16451563	WIRE	703027	EASTERN MUNICIPAL WATER DISTRICT	EMWD WATER PURCHASE - JANUARY 2026	03/13/2026	549,472.00
30217	CHECK	700860	FERGUSON WATERWORKS #1083	LA CANADA LIST	03/03/2026	59,594.27
30271	CHECK	702731	MOBILE MODULAR	HQ TRAILERS - DOWN PAYMENT 25%	03/13/2026	87,342.38
30238	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS & ELECTRIC, #1065 087 935 1	03/03/2026	95,898.63
30295	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS & ELECTRIC, #1065 087 935 1	03/19/2026	108,039.59
202603010001	ACH	702788	US NATIONAL CORPORATION	COMMERCIAL LOAN	03/01/2026	104,699.89
3599	ACH	702062	UTILITY SERVICE CO.	QUARTERLY TANK MAINTENANCE - FEBRUARY 2026	03/19/2026	258,077.01

Payments below 50K

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
3566	ACH	700958	AIRGAS USA, LLC	CVR LENS 4-11/16"X5-5/8"	03/03/2026	52.41
3566	ACH	700958	AIRGAS USA, LLC	CYLINDER RENTAL - ACETYLENE, CARBON DIOXIDE	03/03/2026	132.56
3566	ACH	700958	AIRGAS USA, LLC	CYLINDER RENTAL - ACETYLENE, CARBON DIOXIDE, OXYGEN	03/03/2026	350.00
3566	ACH	700958	AIRGAS USA, LLC	1/4"X100' TWIN WLDG, QC ST REG TO HS, TIP CTNG VICTOR ACET	03/03/2026	1,352.97
30300	CHECK	702723	ALPHA DOG TOWING LLC.	TOWING SERVICE	03/31/2026	375.00
30199	CHECK	702098	AMERICAN WATER WORKS ASSOC.	MEMBERSHIP DUES - ROBERT GUTIERREZ	03/03/2026	2,826.00
30248	CHECK	702559	APPLEONE EMPLOYMENT SERVICES	EMPLOYMENT SERVICES-ASI, TLUNETTA	03/13/2026	1,668.18
30248	CHECK	702559	APPLEONE EMPLOYMENT SERVICES	EMPLOYMENT SERVICES-ASI, TLUNETTA	03/13/2026	2,125.28
30301	CHECK	702559	APPLEONE EMPLOYMENT SERVICES	EMPLOYMENT SERVICES-ASI, TLUNETTA	03/31/2026	2,089.68
30301	CHECK	702559	APPLEONE EMPLOYMENT SERVICES	EMPLOYMENT SERVICES-ASI, TLUNETTA	03/31/2026	2,129.60
30200	CHECK	702896	ARDURRA GROUP, INC.	ENGINEERING & DEVELOPMENT PLAN CHECKING SERVICES	03/03/2026	17,630.00
30302	CHECK	702896	ARDURRA GROUP, INC.	ENGINEERING & DEVELOPMENT PLAN CHECKING SERVICES	03/31/2026	28,795.00
3602	ACH	701926	ART'S TRENCH PLATE & KRAIL SERVICE CO, INC.	SHORES ON RENT 3.5 RAILS 22"-36"	03/31/2026	556.75
30303	CHECK	701722	ASPIRE FINANCIAL SERVICES, LLC	ADMINISTRATION FEES	03/31/2026	300.00
30201	CHECK	701264	AT&T	MONTHLY PHONE SERVICE	03/03/2026	73.16
30201	CHECK	701264	AT&T	MONTHLY PHONE SERVICE	03/03/2026	73.16
30201	CHECK	701264	AT&T	MONTHLY PHONE SERVICE	03/03/2026	86.69
30201	CHECK	701264	AT&T	MONTHLY PHONE SERVICE	03/03/2026	86.89
30202	CHECK	702629	ATLAS ENGINEERING WEST, INC.	AS NEEDED GEOTECHNICAL SERVICES	03/03/2026	1,085.00
3567	ACH	701677	AZUGA, INC.	MONTHLY SERVICE FEE	03/03/2026	288.75
3568	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	03/03/2026	30.00
3568	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	03/03/2026	30.00
3568	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	03/03/2026	102.00
3568	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	03/03/2026	102.00
3568	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	03/03/2026	119.00
3568	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	03/03/2026	119.00
3568	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	03/03/2026	137.48
3568	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	03/03/2026	180.00
3600	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	03/25/2026	102.00
3600	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	03/25/2026	119.00

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
3600	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	03/25/2026	119.00
3600	ACH	700830	BABCOCK LABORATORIES, INC	MONTHLY WATER ANALYSIS	03/25/2026	180.00
3581	ACH	702525	BADGER METER INC.	ORION CELLULAR LTE SERV UNIT - FEB 2026	03/13/2026	525.30
3595	ACH	702525	BADGER METER INC.	1" BADGER M70 METER W/ M25 REGISTER	03/19/2026	14,317.33
30304	CHECK	703110	BLUE-WHITE INDUSTRIES LTD	TUBE ASSY FLEX-A-PRENE, KIT QD .37T FKM BWI	03/31/2026	5,180.83
30203	CHECK	700586	BONSALL PEST CONTROL	RODENT CONTROL SERVICE AT 7 OF SITE BUILDING	03/03/2026	220.00
3603	ACH	701510	BOOT BARN INC	SAFETY BOOTS - JCRUZ	03/31/2026	250.00
3582	ACH	701187	BP BATTERY INC.	A NOCO GENIUS-10 - DISTRICT CHARGER FOR UNIT #4	03/13/2026	129.29
3582	ACH	701187	BP BATTERY INC.	58-BP-5 BATTERY PROS 5 YR W/ CORE EXCHANGE	03/13/2026	179.45
30204	CHECK	703161	CALI BREEZE HEATING AND AIR CONDITIONING	FILTER REPLACEMENT - MAINTENANCE 4 OF 4	03/03/2026	998.75
30305	CHECK	700616	CALIFORNIA AIR RESOURCES BOARD	PORTABLE EQUIPMENT REGISTRATION PROGRAM (PERP)	03/31/2026	1,100.00
30242	CHECK	703204	CALMAT CO.	COLD MIX 3/8 SC8	03/03/2026	4,119.39
30242	CHECK	703204	CALMAT CO.	COLD MIX 3/8 SC8	03/03/2026	4,199.97
30282	CHECK	703204	CALMAT CO.	HRLY HAUL CHG	03/13/2026	442.00
30249	CHECK	703130	CATHY LUNDELL	CSMFO CONFERENCE - EXPENSE REIMBURSEMENT	03/13/2026	233.94
30250	CHECK	700637	CDW GOVERNMENT, INC.	SONICWALL NSA3800 HIGH AVAILABILITY & FRU POWER SUPPLY	03/13/2026	2,873.57
30287	CHECK	700637	CDW GOVERNMENT, INC.	SONICWALL NSA3800 SECURE UPG ADV 3 YR	03/19/2026	10,079.81
3569	ACH	700638	CECILIA`S SAFETY SERVICE	TRAFFIC CONTROL - LA CANADA RD/HILLRISE RD FALLBROOK CA	03/03/2026	8,200.00
3569	ACH	700638	CECILIA`S SAFETY SERVICE	TRAFFIC CONTROL - LA CANADA RD/HILLRISE RD FALLBROOK CA	03/03/2026	8,375.00
3596	ACH	700638	CECILIA`S SAFETY SERVICE	TRAFFIC CONTROL - LA CANADA RD/HILLRISE RD FALLBROOK CA	03/19/2026	10,525.00
3604	ACH	700638	CECILIA`S SAFETY SERVICE	TRAFFIC CONTROL - LA CANADA RD/HILLRISE RD FALLBROOK CA	03/31/2026	4,650.00
30306	CHECK	700668	CITY OF SAN DIEGO FIRE/EMS	AED SERVICE AGREEMENT	03/31/2026	125.00
30206	CHECK	702988	CLEARSTAR, INC.	BACKGROUND CHECK	03/03/2026	176.04
30251	CHECK	702988	CLEARSTAR, INC.	BACKGROUND CHECK	03/13/2026	58.56
30207	CHECK	700650	COLONIAL LIFE & ACCIDENT INS.	PR BATCH 2604_HEALTH AND ACCIDENTAL INSURANCE	03/03/2026	27.88
30252	CHECK	700650	COLONIAL LIFE & ACCIDENT INS.	PR BATCH 2605_HEALTH AND ACCIDENTAL INSURANCE	03/13/2026	27.88
30307	CHECK	700650	COLONIAL LIFE & ACCIDENT INS.	PR BATCH 2606_HEALTH AND ACCIDENTAL INSURANCE	03/31/2026	27.88
30208	CHECK	701977	CORE & MAIN LP	8" X 1" IP BRS SAD DBL WIDE	03/03/2026	4,633.25
30253	CHECK	701977	CORE & MAIN LP	HACH CHEMKEY REAGENTS AMMONIA & MONOCHLORAMINE	03/13/2026	691.76
30253	CHECK	701977	CORE & MAIN LP	8 AND 6 POXFLG ADPT C153 IMP BID, TYTON RUBBER GASKETS	03/13/2026	970.98
30308	CHECK	701977	CORE & MAIN LP	BRASS GROUND CLAMPS	03/31/2026	87.93
30308	CHECK	701977	CORE & MAIN LP	TYTON JT RUBBER GASKETS, FITTING RESTRAINERS	03/31/2026	1,106.57
30254	CHECK	700874	CORELOGIC INFORMATION	RQ2 NATIONWIDE COMMITMENT PACKAGE	03/13/2026	212.50
30209	CHECK	700667	COSTCO WHOLESALE MEMBERSHIP	MEMBERSHIP FEE - COMPANY CARD & CHRIS DAUGHERTY	03/03/2026	130.00
30210	CHECK	700688	COUNTY OF S.D. DEPT OF ENVIRONMENTAL HEALTH	ANNUAL HAZMAT PERMIT FOR HORSE CREEK RANCH L/S	03/03/2026	608.00
30245	CHECK	703235	COUNTY OF SAN DIEGO - DEPT GENERAL SERVICES	EMERGENCY NN PIPELINE REPLACEMENT PROJECT	03/03/2026	2,500.00
30255	CHECK	700681	COUNTY OF SAN DIEGO DEPT OF PUBLIC WORKS	EXCAVATION PERMIT APPLICATION	03/13/2026	210.00
30255	CHECK	700681	COUNTY OF SAN DIEGO DEPT OF PUBLIC WORKS	B-PERMIT OPENING PWG, B-PERMIT PROCESSINGS, B-PRECON MTG PWG	03/13/2026	1,429.03
30211	CHECK	702652	COUNTY OF SAN DIEGO, RCS	WATER RADIOS ON THE 800 MHZ NETWORK	03/03/2026	2,925.59
30256	CHECK	702652	COUNTY OF SAN DIEGO, RCS	WATER RADIOS ON THE 800 MHZ NETWORK	03/13/2026	2,925.59
3570	ACH	701731	CUSTOM TRUCK BODY & EQUIPMENT, INC.	MISC PARTS: FILTERS, OIL, VALVES, 400 HOUR KITS	03/03/2026	6,875.01
30212	CHECK	700738	CWEA	CWEA MEMEBSHIP DUES - ID# 44100-2026, RLOPEZ	03/03/2026	251.00
30213	CHECK	700793	DEXTER WILSON ENGINEERING	DESIGN SERVICES - LIFT STATION 1	03/03/2026	900.00
30257	CHECK	700793	DEXTER WILSON ENGINEERING	AS NEEDED CIVIL ASSIST - PRELIM DESIGN SERVICES - LS1	03/13/2026	1,727.50
30309	CHECK	700793	DEXTER WILSON ENGINEERING	DESIGN SERVICES FOR GOPHER PUMP STATION PROJECT	03/31/2026	4,600.00
30258	CHECK	700797	DIAMOND ENVIRONMENTAL SERVICES	PORTA POTTY RENTAL	03/13/2026	76.62
30258	CHECK	700797	DIAMOND ENVIRONMENTAL SERVICES	PORTA POTTY RENTAL	03/13/2026	76.62
30310	CHECK	703210	DOKKEN ENGINEERING	RIGHT OF WAY SERVICE FOR EAGLES PERCH PIPELINE	03/31/2026	2,695.00
30214	CHECK	700833	ELECTRICAL SALES, INC.	BLT-ON GE, SQUARE D, OMEGA	03/03/2026	701.36
30214	CHECK	700833	ELECTRICAL SALES, INC.	PANEL AND PARTS - CSD302412 HOFFMAN, ALLEN BRADLEY, PHOENIX	03/03/2026	3,915.99
30311	CHECK	703239	ERIC SKJARSTAD	SETTLEMENT AGREEMENT FOR DAMAGES	03/31/2026	4,989.19
30290	CHECK	703095	EVOQUA WATER TECHNOLOGIES LLC	BIOXIDE CN9-ORANGE	03/19/2026	11,733.98
30312	CHECK	703095	EVOQUA WATER TECHNOLOGIES LLC	BIOXIDE CN9-ORANGE	03/31/2026	9,782.22
30313	CHECK	702718	FALLBROOK ACE HARDWARE	QUIK INT DETAILER, EGGBEATER MIXR MTL 29.8"	03/31/2026	41.95

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
30215	CHECK	700845	FALLBROOK AUTO PARTS	CONNECTOR, QUALITY HTR HOSES	03/03/2026	53.62
30259	CHECK	700845	FALLBROOK AUTO PARTS	CREDIT FOR PART # 2559 XA, 2559 XB CORE DEPOSIT	03/13/2026	-133.03
30259	CHECK	700845	FALLBROOK AUTO PARTS	BLISTER PACK CAPSULES	03/13/2026	80.81
30259	CHECK	700845	FALLBROOK AUTO PARTS	AUTO REPAIR PARTS - UNIT #14	03/13/2026	153.21
30259	CHECK	700845	FALLBROOK AUTO PARTS	TPMS SENSOR VALVES, CABIN AIR FILTERS, AIR FILTERS	03/13/2026	176.67
30259	CHECK	700845	FALLBROOK AUTO PARTS	OIL ABSORBENT, PIG ABS SOCK, UNIV MAT, ABS MAT	03/13/2026	251.52
30259	CHECK	700845	FALLBROOK AUTO PARTS	M18 OMT BARE TOOL	03/13/2026	264.28
30259	CHECK	700845	FALLBROOK AUTO PARTS	AIR FILTERS, MOTOR TUNE-UP, ENGINE FLUSH, BUG WASH	03/13/2026	282.74
30259	CHECK	700845	FALLBROOK AUTO PARTS	NEW PIG MAT PADS	03/13/2026	293.06
30259	CHECK	700845	FALLBROOK AUTO PARTS	MWAUKEE TOOL M12: RIVET, BATTERY, FUEL, UNDERHOOD	03/13/2026	962.02
30314	CHECK	700845	FALLBROOK AUTO PARTS	WIPER BLADES	03/31/2026	31.00
30314	CHECK	700845	FALLBROOK AUTO PARTS	8DR BIT SOCKET TOR, 4DR BITSOCKET TORX	03/31/2026	44.13
30314	CHECK	700845	FALLBROOK AUTO PARTS	FUEL & HYDRAULIC FILTERS - UNIT #107	03/31/2026	113.11
30314	CHECK	700845	FALLBROOK AUTO PARTS	MX-SENSOR	03/31/2026	162.72
30314	CHECK	700845	FALLBROOK AUTO PARTS	NAPA GOLD ENGINE AIR FILTERS	03/31/2026	169.38
30314	CHECK	700845	FALLBROOK AUTO PARTS	REAR DISC BRAKE PADS - UNIT #21	03/31/2026	211.69
30314	CHECK	700845	FALLBROOK AUTO PARTS	AIR OPERATED FLUID EV	03/31/2026	397.59
30314	CHECK	700845	FALLBROOK AUTO PARTS	MAXITPMS ITS600 KIT	03/31/2026	713.22
30314	CHECK	700845	FALLBROOK AUTO PARTS	AIR/FUEL/HYDRAULIC FILTERS	03/31/2026	1,074.22
3583	ACH	700853	FALLBROOK EQUIPMENT RENTAL	COMPACTOR 1-3 TON ROLLER, PUMP HYDROSTATIC TEST GAS	03/13/2026	680.00
3583	ACH	700853	FALLBROOK EQUIPMENT RENTAL	WATER TRUCK 2000 GAL	03/13/2026	2,700.00
3605	ACH	700853	FALLBROOK EQUIPMENT RENTAL	EXCAVATOR 12,000 LB	03/31/2026	600.00
3605	ACH	700853	FALLBROOK EQUIPMENT RENTAL	WATER TRUCK 2000 GAL	03/31/2026	2,700.00
30291	CHECK	702551	FALLBROOK PROPANE GAS CO.	PROPANE - 277.8	03/19/2026	1,292.59
30216	CHECK	700905	FALLBROOK PUBLIC UTILITY DIST	STATE AND FEDERAL REPRESENTATION SERVICES - COST SHARE JAN	03/03/2026	7,500.00
30292	CHECK	701169	FALLBROOK WASTE AND RECYCLING	HAULING SERVICE - FEBRUARY 2026	03/19/2026	2,240.00
30217	CHECK	700860	FERGUSON WATERWORKS #1083	8" DI FLG 250# 90 ELL DOM	03/03/2026	1,003.15
30217	CHECK	700860	FERGUSON WATERWORKS #1083	INVENTORY PARTS - BRS COUP, BRS BUSH, MIP X FIP BALL CORP	03/03/2026	5,672.44
30217	CHECK	700860	FERGUSON WATERWORKS #1083	4" 90-01BY GLOBE VLV, 2" 90-01 CLA-VAL PRV	03/03/2026	7,615.77
30315	CHECK	700860	FERGUSON WATERWORKS #1083	LA CANADA LIST	03/31/2026	-1,221.89
30315	CHECK	700860	FERGUSON WATERWORKS #1083	8X12 GAL 20 GA VLV CAN, LF BRS NIP GBL	03/31/2026	919.11
30315	CHECK	700860	FERGUSON WATERWORKS #1083	8" DI FLG 250# 90 ELL DOM	03/31/2026	1,003.15
30315	CHECK	700860	FERGUSON WATERWORKS #1083	W.O. 248759 - KELLY LANE - BALANCE DUE	03/31/2026	3,000.00
30315	CHECK	700860	FERGUSON WATERWORKS #1083	FCR1614 125# CONC RED, 14 & 16 MJXFLG C153 ADPT L/A	03/31/2026	6,797.84
30315	CHECK	700860	FERGUSON WATERWORKS #1083	MEGALUG EBAA SEAL ACCY PKG, C900 PVC BLUE PIPE, T316 BOX SET	03/31/2026	7,914.24
30260	CHECK	701711	FLUME TECH	FLUME SMART WATER SYSTEM	03/13/2026	1,166.73
3571	ACH	701930	FLYERS ENERGY LLC	ORDER #4391827-26, DSL 100 UNITS/ETH 100 UNITS	03/03/2026	890.26
3571	ACH	701930	FLYERS ENERGY LLC	ORDER #4388792-26, DSL 50 UNITS/ETH 165 UNITS	03/03/2026	921.74
3584	ACH	701930	FLYERS ENERGY LLC	ORDER #4414185-26, DSL 50 UNITS/ETH 150 UNITS	03/13/2026	881.84
3584	ACH	701930	FLYERS ENERGY LLC	ORDER #4411111-26, DSL 50 UNITS/ETH 300 UNITS	03/13/2026	1,518.74
3584	ACH	701930	FLYERS ENERGY LLC	ORDER #4395334-26, DSL 100 UNITS/ETH 300 UNITS	03/13/2026	1,752.24
3584	ACH	701930	FLYERS ENERGY LLC	ORDER #4399289-26, DSL 250 UNITS/ETH 190 UNITS	03/13/2026	1,962.52
3584	ACH	701930	FLYERS ENERGY LLC	ORDER #4406384-26, DSL 582 UNITS/ETH 100 UNITS	03/13/2026	3,090.40
3606	ACH	701930	FLYERS ENERGY LLC	ORDER #4420039-26, DSL 130 UNITS/ETH 200 UNITS	03/31/2026	1,651.90
30218	CHECK	700915	FREEDOM AUTOMATION, INC.	ENGINEERING SERVICES - LS #4 WETWELL LEVEL TRANSMITTER	03/03/2026	1,280.00
30219	CHECK	703022	GARDA CL WEST, INC	ARMORED TRANSPORTATION SERVICE	03/03/2026	18.75
30261	CHECK	703022	GARDA CL WEST, INC	ARMORED TRANSPORTATION SERVICE	03/13/2026	323.33
30220	CHECK	700939	GLOBAL POWER GROUP INC.	DIAGNOSTIC SERVICE - ADMIN GENERATOR	03/03/2026	2,970.00
30262	CHECK	702393	GOLDEN STATE INDUSTRIAL COATINGS, INC.	PREP AND PAINT - HILLRISE WATER PRESSURE STATION	03/13/2026	3,300.00
30262	CHECK	702393	GOLDEN STATE INDUSTRIAL COATINGS, INC.	PREP AND PAINT - HUNTLEY PRESSURE STATION	03/13/2026	3,900.00
3572	ACH	700959	HAAKER EQUIPMENT CO.	RENTAL CHARGES, 01/13/26 TO 02/06/26	03/03/2026	10,775.00
30221	CHECK	700974	HAWTHORNE MACHINERY COMPANY	EQUIPMENT - COLD PLANER, MODEL PC306B	03/03/2026	25,260.91
30263	CHECK	700974	HAWTHORNE MACHINERY COMPANY	EQUIPMENT RENTAL - 01/30/26-02/27/26 - LA CANADA	03/13/2026	6,225.55
30263	CHECK	700974	HAWTHORNE MACHINERY COMPANY	EQUIPMENT RENTAL - 02/02/26-03/02/26 - LA CANADA	03/13/2026	6,355.52

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
30264	CHECK	701549	HAZEN AND SAWYER	DESIGN SERVICES FOR EMERGENCY NN PIPELINE REPLACEMENT	03/13/2026	37,291.25
3585	ACH	701400	HELIX ENVIRONMENTAL PLANNING INC	ENVIRONMENTAL CONSULTING FOR THE EMERGENCY NN PIPELINE	03/13/2026	747.50
3607	ACH	701400	HELIX ENVIRONMENTAL PLANNING INC	AS-NEEDED ENVIRONMENTAL SERVICES	03/31/2026	570.00
3607	ACH	701400	HELIX ENVIRONMENTAL PLANNING INC	AS-NEEDED ENVIRONMENTAL SERVICES	03/31/2026	3,663.75
30222	CHECK	701006	HILL BROTHERS CHEMICAL CO.	LIQUID AMMONIUM SULFATE	03/03/2026	3,642.55
30265	CHECK	701006	HILL BROTHERS CHEMICAL CO.	LIQUID AMMONIUM SULFATE	03/13/2026	4,015.74
30316	CHECK	701010	HOCH CONSULTING, APC	SAN LUIS REY VALLEY GROUND WATER RECOVERY	03/31/2026	1,811.25
30223	CHECK	700988	HOUSTON AND HARRIS	VIDEO PIPE INSPECT - APPROX. 4,134 LF OF 10" SEWER LINE	03/03/2026	3,253.75
30223	CHECK	700988	HOUSTON AND HARRIS	VIDEO PIPE INSPECT- APPROXIMATELY 4513LF OF 10" SEWER LINE	03/03/2026	3,560.00
3573	ACH	700663	ICONIX WATERWORKS (US) INC	3/8 CRD 30-300 AND REPAIR KITS, DRY VALVE POSITION INDICATOR	03/03/2026	5,845.49
3573	ACH	700663	ICONIX WATERWORKS (US) INC	4" 250# AVK GATE VALVE	03/03/2026	5,969.12
3573	ACH	700663	ICONIX WATERWORKS (US) INC	3/4" & 1" PSI RANGE 80-150; 1.5" PSI 75-160, 2" PSI 75-200	03/03/2026	7,453.69
3586	ACH	700663	ICONIX WATERWORKS (US) INC	14", 16", 18" 150# SLIP ON WELD FLG FF	03/13/2026	1,401.97
3586	ACH	700663	ICONIX WATERWORKS (US) INC	3/8 X 3/8 X 1/8 TUBE RESTRICTORS	03/13/2026	1,710.00
3597	ACH	700663	ICONIX WATERWORKS (US) INC	14X14 FLG TEE IMP, 16X6 FLG TEE IMP, 14X14 FLG 90 ELL IMP	03/19/2026	11,348.29
3597	ACH	700663	ICONIX WATERWORKS (US) INC	BUTTERFLY VALVES	03/19/2026	33,315.90
3608	ACH	700663	ICONIX WATERWORKS (US) INC	INVENTORY PARTS - 3/8 BRASS 90, BRASS BUSINGS	03/31/2026	176.83
30224	CHECK	702576	INDUCTIVE AUTOMATION, LLC	PRIORITYCARE SUPPORT PLAN	03/03/2026	7,536.00
30225	CHECK	701570	INFOSEND, INC.	MONTHLY SUPPORT FEE - JANUARY 2026	03/03/2026	2,231.19
30225	CHECK	701570	INFOSEND, INC.	MONTHLY MAILING OF WATER BILLS AND NEWSLETTERS	03/03/2026	4,155.31
3609	ACH	702463	INLAND KENWORTH (US) INC	CLEANBLUE 55 GA DRUM TRUCK, CLEANBLUE DEF, PACCAR AIR ELEME	03/31/2026	734.64
30266	CHECK	703032	INSIGHT PUBLIC SECTOR INC.	SPLUNK ENTERPRISE - TERM LICENSE 02/19/26 - 02/18/27	03/13/2026	9,865.76
30267	CHECK	702141	JCG TECHNOLOGIES	SUPPORT SERVICES PACKAGE RENEWAL	03/13/2026	475.00
30246	CHECK	703223	JOHN AND SHERYL HAILEY	OVERPAYMENT ON FINAL BILL, REFUND CREDIT ON CLOSED ACCT	03/05/2026	1,092.00
30268	CHECK	701409	KNOCKOUT PEST CONTROL& TERMITE, INC.	ONE TIME BEE REMOVAL	03/13/2026	100.00
30269	CHECK	703151	KONSTANTIN SHILKOV	STUDENT LOAN REIMBURSEMENT - MARCH 2026	03/13/2026	437.50
30293	CHECK	703151	KONSTANTIN SHILKOV	CSMFO CONFERENCE 2026 - MILEAGE	03/19/2026	137.75
30227	CHECK	701656	LINCOLN NATIONAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - MAR 2026	03/03/2026	6,768.71
30317	CHECK	701656	LINCOLN NATIONAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - APR 2026	03/31/2026	6,868.59
30318	CHECK	703131	LUKE JOHNSON	SAFETY SUPPLIES REIMBURSEMENT	03/31/2026	163.97
30294	CHECK	702452	MICHAEL MACK	MILEAGE REIMBURSEMENT - CSDA CHAPTER DINNER	03/19/2026	60.90
30294	CHECK	702452	MICHAEL MACK	MEAL EXPENSE REIMBURSEMENT - URBAN WATER CONFERENCE 2026	03/19/2026	64.00
30294	CHECK	702452	MICHAEL MACK	MILEAGE REIMBURSEMENT - URBAN WATER CONFERENCE 2026	03/19/2026	110.20
30228	CHECK	702731	MOBILE MODULAR	OFFICE SPACE RENTAL, 01/06/26 TO 02/04/26	03/03/2026	880.60
30270	CHECK	702731	MOBILE MODULAR	OFFICE SPACE RENTAL, 03/07/26 TO 04/05/26	03/13/2026	880.60
30270	CHECK	702731	MOBILE MODULAR	OFFICE SPACE RENTAL, 03/04/26 TO 04/02/26	03/13/2026	3,782.72
30272	CHECK	701180	MODULAR BUILDING CONCEPTS, INC	LEASE AGREEMENT	03/13/2026	492.42
30272	CHECK	701180	MODULAR BUILDING CONCEPTS, INC	LEASE AGREEMENT	03/13/2026	540.91
30272	CHECK	701180	MODULAR BUILDING CONCEPTS, INC	LEASE AGREEMENT	03/13/2026	951.43
30229	CHECK	702825	MOTION & FLOW CONTROL PRODUCTS, INC.	FEM-501-12FO NON SPILL COUPLINGS	03/03/2026	337.20
3587	ACH	703199	MURRIETA ACCESSORY CENTER	BEDLINER UTILITY W/ LIFT GATE, PASSENGER/DRIVER STEPS	03/13/2026	1,576.88
30230	CHECK	702606	NINYO & MOORE GEOTECHNICAL & ENVIRONMENTAL SCIENCES CONSULTANTS	AS-NEEDED GEOTECHNICAL SERVICES	03/03/2026	2,000.00
3598	ACH	701229	NOSSAMAN, LLP	LEGAL SERVICES, THROUGH 12/31/2025	03/19/2026	2,890.00
3598	ACH	701229	NOSSAMAN, LLP	LEGAL SERVICES, THROUGH 01/31/2026	03/19/2026	3,976.00
3598	ACH	701229	NOSSAMAN, LLP	LEGAL SERVICES, THROUGH 12/31/2025	03/19/2026	4,544.00
3598	ACH	701229	NOSSAMAN, LLP	LEGAL SERVICES, THROUGH 01/31/2026	03/19/2026	16,236.10
30231	CHECK	701020	OCCUPATIONAL HEALTH CENTERS OF CA, A MEDICAL CORP	SERVICES PERFORMED	03/03/2026	114.00
30231	CHECK	701020	OCCUPATIONAL HEALTH CENTERS OF CA, A MEDICAL CORP	SERVICES PERFORMED	03/03/2026	114.00
30232	CHECK	701320	PACIFIC PIPELINE SUPPLY	VALVE AVK RW GATE POXFLG AWWA-HF 8"	03/03/2026	-2,548.29
30232	CHECK	701320	PACIFIC PIPELINE SUPPLY	STEEL PLUG HEX-HEAD THREADED 1"	03/03/2026	83.83
30232	CHECK	701320	PACIFIC PIPELINE SUPPLY	GASKET NON-ASB RINGS, BOLT NUT SETS	03/03/2026	936.13
30232	CHECK	701320	PACIFIC PIPELINE SUPPLY	4Q CORP BALL MIP X CTS Q 1	03/03/2026	1,252.06
30232	CHECK	701320	PACIFIC PIPELINE SUPPLY	VALVE AFC RW GATE POXFLG AWWA-HF 8", GREASE NO-OXIDE	03/03/2026	2,940.71
30232	CHECK	701320	PACIFIC PIPELINE SUPPLY	VALVE AVK RW GATE POXFLG AWWA-HF 8"	03/03/2026	5,096.58

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
30273	CHECK	701320	PACIFIC PIPELINE SUPPLY	STEEL COUPLING THREADED XH FULL 1"	03/13/2026	71.77
30273	CHECK	701320	PACIFIC PIPELINE SUPPLY	WAX TAPE TRENTON #2 ROLL 6X9	03/13/2026	701.95
30273	CHECK	701320	PACIFIC PIPELINE SUPPLY	#4012 PIPE PULLER TOOL	03/13/2026	747.57
30319	CHECK	701320	PACIFIC PIPELINE SUPPLY	HYDRANT EXTENSION SOLID 6HSD 24", GASKETS 6"	03/31/2026	475.25
30319	CHECK	701320	PACIFIC PIPELINE SUPPLY	PO X FLG ADAPTERS 8"	03/31/2026	1,546.86
30319	CHECK	701320	PACIFIC PIPELINE SUPPLY	FLANGE 45 DEG ELL 8", FLANGE 11-1/4 DEG ELL 9"	03/31/2026	1,966.26
30319	CHECK	701320	PACIFIC PIPELINE SUPPLY	FLANGE 45 DEG ELL 8", WELD FLANGE, MJ RESTRAINT KIT PVC/DIP	03/31/2026	3,662.51
30233	CHECK	703230	PAUL YOON	SETTLEMENT AGREEMENT FOR DAMAGES CAUSED BY DISTRICT EQUIPMEN	03/03/2026	2,450.00
3574	ACH	701296	PETERS PAVING & GRADING, INC	PAVING & GRADING - WHITE FOX RUN - ADDITIONAL REPAIRS	03/03/2026	1,800.00
3574	ACH	701296	PETERS PAVING & GRADING, INC	PAVING & GRADING - WHITE FOX RUN, FALLBROOK	03/03/2026	4,375.00
3574	ACH	701296	PETERS PAVING & GRADING, INC	PAVING & GRADING - INDIA LANE & STEWART CANYON, FALLBROOK	03/03/2026	4,900.00
3574	ACH	701296	PETERS PAVING & GRADING, INC	PAVING & GRADING - 4300 RAMONA DRIVE, FALLBROOK	03/03/2026	4,975.00
3574	ACH	701296	PETERS PAVING & GRADING, INC	PAVING & GRADING - WILT RD/RECHE RD, FALLBROOK	03/03/2026	18,900.00
30275	CHECK	701302	PITNEY BOWES BANK INC PURCHASE POWER	POSTAGE	03/13/2026	905.19
30234	CHECK	701301	PITNEY BOWES INC.	LEASE AGREEMENT - MAIL METER & PRINTER	03/03/2026	888.12
30320	CHECK	703231	PLUMBING MUNICIPAL SEWER EQUIPMENT, INC	FOAM FILLED FIBERGLASS POLE SET, CAMERA HOOK, POLE STORAGE	03/31/2026	2,491.88
30235	CHECK	702696	PMC ENGINEERING, LLC	VL4500 SLIM LINE DEPTH & LEVEL PRESSURE TRANSMITTER	03/03/2026	3,169.09
30274	CHECK	701307	POLLARDWATER	WATER BLUE MARKING TAPE 1000 FT. X 3	03/13/2026	357.19
3588	ACH	701310	POWER PLUS	GOPHER SKID PUMP TEMPORARY POWER RENTAL- 09/10/25-10/07/25	03/13/2026	405.00
3575	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	03/03/2026	306.06
3575	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	03/03/2026	417.56
3589	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	03/13/2026	342.56
3589	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	03/13/2026	512.06
3610	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	03/31/2026	516.06
3610	ACH	701684	PRECISION MOBILE DETAILING	RMWD VEHICLE WASH	03/31/2026	613.56
3576	ACH	701348	PRINCIPAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - MAR 2026	03/03/2026	10,023.74
3611	ACH	701348	PRINCIPAL LIFE INSURANCE COMPANY	MONTHLY INSURANCE - APR 2026	03/31/2026	9,959.68
3590	ACH	703152	QUALITY CHEVROLET	SENSOR, OUTLET	03/13/2026	148.59
3612	ACH	703152	QUALITY CHEVROLET	SENSOR UNIT #1	03/31/2026	248.69
3612	ACH	703152	QUALITY CHEVROLET	EV CHARGER UNIT #2	03/31/2026	977.67
30236	CHECK	703144	RAKEN, INC	PERFORMANCE - ANNUAL	03/03/2026	1,500.00
30276	CHECK	702160	RANCHO FORD LINCOLN MERCURY	AUTO REPAIR SUPPLIES - UNIT #2	03/13/2026	7.76
30276	CHECK	702160	RANCHO FORD LINCOLN MERCURY	AUTO REPAIR SUPPLIES - UNIT #2	03/13/2026	222.13
30277	CHECK	701854	RHO MONSERATE C.C.H.A.	ELECTRIC CHARGE	03/13/2026	695.84
30321	CHECK	701854	RHO MONSERATE C.C.H.A.	ELECTRIC CHARGE	03/31/2026	674.79
30278	CHECK	703096	ROCKWELL CONSTRUCTION SERVICES, LLC	ELECTRICAL INSPECTION AT MANUAL TRANSFER SWITCHES PROJECT	03/13/2026	975.00
3591	ACH	701619	RT LAWRENCE CORPORATION	LOCKBOX PROCESSING FEES - FEB 2026	03/13/2026	616.20
3592	ACH	701888	SAFETY-KLEEN	5G BRAKE CLEANER, CARTRIDGE OIL FILTERS, 30G DRUM, CHEM FEE	03/13/2026	905.02
30237	CHECK	701902	SAN DIEGO COUNTY ASSESSOR/RECORDER/CLERK	RELEASE OF LIEN FOR TWO PARCELS	03/03/2026	40.00
30322	CHECK	701890	SAN DIEGO COUNTY VECTOR CONTROL PROGRAM	MOSQUITO AND VECTOR DISEASE CONTROL ASSESSMENT	03/31/2026	506.76
30238	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS & ELECTRIC, #2100 0156 9427 8	03/03/2026	48.55
30295	CHECK	701872	SAN DIEGO GAS & ELECTRIC	MONTHLY GAS & ELECTRIC, #2100 0139 2527 8	03/19/2026	-3,415.24
26084106011405	ACH	701872	SAN DIEGO GAS & ELECTRIC	SDG&E - 1000029439	03/25/2026	1,719.00
30239	CHECK	701982	SOUTHWEST ANSWERING SERVICE, INC.	MONTHLY ANSWERING SERVICE	03/03/2026	1,386.00
3577	ACH	702490	SPECIALTY MOWING SERVICES, INC.	WEED ABATEMENT & BRUSH CLEARING DISTRICT WIDE	03/03/2026	904.00
3577	ACH	702490	SPECIALTY MOWING SERVICES, INC.	WEED ABATEMENT & BRUSH CLEARING DISTRICT WIDE	03/03/2026	1,180.00
3577	ACH	702490	SPECIALTY MOWING SERVICES, INC.	WEED ABATEMENT & BRUSH CLEARING DISTRICT WIDE	03/03/2026	1,275.00
3577	ACH	702490	SPECIALTY MOWING SERVICES, INC.	WEED ABATEMENT & BRUSH CLEARING DISTRICT WIDE	03/03/2026	1,395.00
3577	ACH	702490	SPECIALTY MOWING SERVICES, INC.	WEED ABATEMENT & BRUSH CLEARING DISTRICT WIDE	03/03/2026	1,892.50
3577	ACH	702490	SPECIALTY MOWING SERVICES, INC.	WEED ABATEMENT & BRUSH CLEARING DISTRICT WIDE	03/03/2026	2,396.00
3577	ACH	702490	SPECIALTY MOWING SERVICES, INC.	WEED ABATEMENT & BRUSH CLEARING DISTRICT WIDE	03/03/2026	2,700.00
30296	CHECK	701928	STERICYCLE, INC.	REGULAR SERVICES, FEB 2026	03/19/2026	779.92
30279	CHECK	701972	STREAMLINE	MONTHLY WEB MANAGEMENT FEE	03/13/2026	676.20
30280	CHECK	701986	SUPERIOR READY MIX	ASPHALT COLD MIX	03/13/2026	4,062.87

Transaction No	Type	Vendor	Name	Description	Issue Date	Amount
30323	CHECK	701986	SUPERIOR READY MIX	ASPHALT COLD MIX	03/31/2026	3,993.93
30323	CHECK	701986	SUPERIOR READY MIX	ASPHALT COLD MIX	03/31/2026	4,098.15
30240	CHECK	702022	T S INDUSTRIAL SUPPLY	3/4" GHT FOG NOZZLE, AERVOE MARKING STICK	03/03/2026	414.27
30240	CHECK	702022	T S INDUSTRIAL SUPPLY	3/4" X 50' GARDEN HOSE (6)	03/03/2026	727.11
30247	CHECK	702022	T S INDUSTRIAL SUPPLY	TOOLS - HD DIGGING, EXTENDABLE GAT VALVE KEY, SHOVELS	03/05/2026	1,284.29
30247	CHECK	702022	T S INDUSTRIAL SUPPLY	WACKER 2IN SUBMERSIBLE PUMP, 2" X 50' LINEMAN	03/05/2026	1,749.08
30281	CHECK	701984	TCN, INC	MONTHLY 48 HOUR NOTICE	03/13/2026	10.62
30297	CHECK	702762	THE LLOYD PEST CONTROL, INC	MONTHLY PEST CONTROL	03/19/2026	32.00
30297	CHECK	702762	THE LLOYD PEST CONTROL, INC	COMMERCIAL SERVICE PROGRAM	03/19/2026	32.00
30297	CHECK	702762	THE LLOYD PEST CONTROL, INC	MONTHLY PEST CONTROL	03/19/2026	124.00
3593	ACH	702107	THE WELD SHOP, INC	BARREL HOLDER	03/13/2026	484.88
3613	ACH	702107	THE WELD SHOP, INC	BARREL HOLDER - LABOR	03/31/2026	646.50
3613	ACH	702107	THE WELD SHOP, INC	BARREL HOLDER MATERIALS	03/31/2026	646.50
3613	ACH	702107	THE WELD SHOP, INC	RESERVOIR MIXER MATERIALS ESTIMATE DUE	03/31/2026	2,476.72
30298	CHECK	701059	TIME WARNER CABLE/SPECTRUM	MONTHLY INTERNET SERVICE	03/19/2026	1,400.00
30289	CHECK	703145	TOTAL QUALITY CORPORATION	MONTHLY MAINTENANCE	03/19/2026	532.51
3614	ACH	702042	UNDERGROUND SERVICE ALRT	CA STATE FEE FOR REGULATORY COSTS	03/31/2026	99.57
3614	ACH	702042	UNDERGROUND SERVICE ALRT	RAI88 NEW TICKET CHARGES	03/31/2026	302.40
3578	ACH	702788	US BANK	TRUST DEPARTMENT - FEES, 12/01/25-12/31/25	03/03/2026	1,000.00
3594	ACH	702788	US BANK	TRUST DEPARTMENT - FEES, 11/1/25-11/30/25	03/13/2026	1,000.00
3579	ACH	701621	VALLEY CONSTRUCTION MANAGEMENT	AS-NEEDED CM & INSPECTION SERVICES	03/03/2026	2,538.00
3579	ACH	701621	VALLEY CONSTRUCTION MANAGEMENT	AS-NEEDED CONSTRUCTION MANAGEMENT & INSPECTION SERVICES	03/03/2026	2,856.00
30299	CHECK	702067	VERIZON WIRELESS	MONTHLY CELLULAR SERVICE	03/19/2026	5,204.86
30241	CHECK	703072	VESTIS SERVICES, LLC	MONTHLY UNIFORMS/MATS & MISC	03/03/2026	478.63
30241	CHECK	703072	VESTIS SERVICES, LLC	MONTHLY UNIFORMS/MATS & MISC	03/03/2026	550.63
3580	ACH	702406	VICTOR VEENSTRA	REIMBURSE RETIRED EMPLOYEE HEALTH INS - SEPT 2025	03/03/2026	213.67
3580	ACH	702406	VICTOR VEENSTRA	REIMBURSE RETIRED EMPLOYEE HEALTH INS - FEB 2026	03/03/2026	231.84
3580	ACH	702406	VICTOR VEENSTRA	REIMBURSE RETIRED EMPLOYEE HEALTH INS - JAN 2026	03/03/2026	231.84
30243	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 1800 UNITS	03/03/2026	7,614.00
30243	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 1900 UNITS	03/03/2026	8,037.00
30243	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 2000 UNITS	03/03/2026	8,460.00
30243	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 2000 UNITS	03/03/2026	8,460.00
30324	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 800 UNITS	03/31/2026	3,384.00
30324	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 1675 UNITS	03/31/2026	7,085.25
30324	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 1685 UNITS	03/31/2026	7,127.55
30324	CHECK	701755	WATERLINE TECHNOLOGIES INC.	HYPOCHLORITE SOLUTIONS, 1700 UNITS	03/31/2026	7,191.00
30283	CHECK	702110	WAXIE SANITARY SUPPLY	JANITORIAL SUPPLIES	03/13/2026	1,017.91
30284	CHECK	702487	WILLIAMS SCOTSMAN, INC.	STORAGE CONTAINER RENTAL	03/13/2026	302.53
30284	CHECK	702487	WILLIAMS SCOTSMAN, INC.	STORAGE CONTAINER RENTAL	03/13/2026	302.53
30284	CHECK	702487	WILLIAMS SCOTSMAN, INC.	STORAGE CONTAINER RENTAL	03/13/2026	302.53
30284	CHECK	702487	WILLIAMS SCOTSMAN, INC.	STORAGE CONTAINER RENTAL	03/13/2026	321.07
30284	CHECK	702487	WILLIAMS SCOTSMAN, INC.	STORAGE CONTAINER RENTAL	03/13/2026	330.59
30244	CHECK	702220	WINZER CORP	MICRO FUSE 2-LEG 10 AMP RED (20)	03/03/2026	20.96
30244	CHECK	702220	WINZER CORP	HEX NUT M8X1.25 (150)	03/03/2026	31.51
30244	CHECK	702220	WINZER CORP	10-24X5/8 PHIL ROUND M/S ZP (100)	03/03/2026	39.66
30285	CHECK	702220	WINZER CORP	WINZER BASE & STORAGE BINS, LOOP & LOOP HOSE CLAMP RACKS	03/13/2026	776.97
30325	CHECK	702220	WINZER CORP	3 COMPARTMENT HOSE UNIT, BASE AND BINS	03/31/2026	2,736.60
Net Distribution						**2,779,959.76**

RAINBOW MUNICIPAL WATER DISTRICT

Director's Expense Report
Fiscal Year 2025-2026

July 2025

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Claude Hamilton		$ -				$ -	$ -
Lisa Hoffman		$ -	$ 890.00			$ -	$ 890.00
Michael Mack		$ -	$ 890.00	$ 391.60		$ -	$ 1,281.60
Greg Irvine		$ -				$ -	$ -
Patti Townsend-Smith		$ -	$ 75.00			$ -	$ 75.00
Monthly Totals	**0**	**$ -**	**$ 1,855.00**	**$ 391.60**	**0**	**$ -**	**$ 2,246.60**

August 2025

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Claude Hamilton	2	$ 300.00	$ 80.00			$ -	$ 380.00
Lisa Hoffman	10	$ 1,500.00				$ -	$ 1,500.00
Michael Mack	1	$ 150.00	$ 80.00	$ 884.40		$ -	$ 1,114.40
Greg Irvine	2	$ 300.00				$ -	$ 300.00
Patti Townsend-Smith	4	$ 600.00	$ 80.00			$ -	$ 680.00
Monthly Totals	**19**	**$ 2,850.00**	**$ 240.00**	**$ 884.40**	**0**	**$ -**	**$ 3,974.40**

September 2025

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Claude Hamilton	3	$ 450.00				$ -	$ 450.00
Lisa Hoffman		$ -				$ -	$ -
Michael Mack	7	$ 1,050.00		$ 214.14	198	$ 138.60	$ 1,402.74
Greg Irvine	4	$ 600.00				$ -	$ 600.00
Patti Townsend-Smith	3	$ 450.00				$ -	$ 450.00
Monthly Totals	**17**	**$ 2,550.00**	**$ -**	**$ 214.14**	**198**	**$ 138.60**	**$ 2,902.74**

October 2025

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Claude Hamilton	3	$ 450.00				$ -	**$ 450.00**
Lisa Hoffman	9	$ 1,350.00				$ -	**$ 1,350.00**
Michael Mack	3	$ 450.00				$ -	**$ 450.00**
Greg Irvine	4	$ 600.00				$ -	**$ 600.00**
Patti Townsend-Smith	3	$ 450.00				$ -	**$ 450.00**
Monthly Totals	**22**	**$ 3,300.00**	**$ -**	**$ -**	**0**	**$ -**	**$ 3,300.00**

November 2025

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Claude Hamilton	3	$ 450.00				$ -	**$ 450.00**
Lisa Hoffman		$ -				$ -	**$ -**
Michael Mack	2	$ 300.00			152	$ 106.40	**$ 406.40**
Greg Irvine	3	$ 450.00				$ -	**$ 450.00**
Patti Townsend-Smith		$ -				$ -	**$ -**
Monthly Totals	**8**	**$ 1,200.00**	**$ -**	**$ -**	**152**	**$ 106.40**	**$ 1,306.40**

December 2025

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Claude Hamilton	3	$ 450.00			300	$ 210.00	**$ 660.00**
Lisa Hoffman	17	$ 2,550.00	$ 612.85	$ 1,217.54	346	$ 242.20	**$ 4,622.59**
Michael Mack	5	$ 750.00		$ 817.47		$ -	**$ 1,567.47**
Greg Irvine	5	$ 750.00		$ 599.62	106	$ 74.20	**$ 1,423.82**
Patti Townsend-Smith	8	$ 1,200.00		$ 365.98		$ -	**$ 1,565.98**
Monthly Totals	**38**	**$ 5,700.00**	**$ 612.85**	**$ 3,000.61**	**752**	**$ 526.40**	**$ 9,839.86**

Attachment G

January 2026

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Claude Hamilton		$ -		$ 26.50		$ -	**$ 26.50**
Lisa Hoffman		$ -		$ 284.53	156	$ 109.20	**$ 393.73**
Michael Mack		$ -		$ 63.00		$ -	**$ 63.00**
Greg Irvine		$ -				$ -	**$ -**
Patti Townsend-Smith		$ -			156	$ 109.20	**$ 109.20**
Monthly Totals	**0**	**$ -**	**$ -**	**$ 374.03**	**312**	**$ 218.40**	**$ 592.43**

February 2026

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Claude Hamilton	4	$ 600.00	$ 80.00			$ -	**$ 680.00**
Lisa Hoffman	6	$ 900.00	$ 1,099.00			$ -	**$ 1,999.00**
Michael Mack	5	$ 750.00	$ 1,794.85	$ 1,192.02	84	$ 60.90	**$ 3,797.77**
Greg Irvine	6	$ 900.00				$ -	**$ 900.00**
Patti Townsend-Smith	3	$ 450.00				$ -	**$ 450.00**
Monthly Totals	**24**	**$ 3,600.00**	**$ 2,973.85**	**$ 1,192.02**	**84**	**$ 60.90**	**$ 7,826.77**

March 2026

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Claude Hamilton	3	$ 450.00				$ -	**$ 450.00**
Lisa Hoffman	6	$ 900.00		$ 100.06	116	$ 84.10	**$ 1,084.16**
Michael Mack	6	$ 900.00		$ 64.00	152	$ 110.20	**$ 1,074.20**
Greg Irvine	3	$ 450.00				$ -	**$ 450.00**
Patti Townsend-Smith	2	$ 300.00				$ -	**$ 300.00**
Monthly Totals	**20**	**$ 3,000.00**	**$ -**	**$ 164.06**	**268**	**$ 194.30**	**$ 3,358.36**

April 2026

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Claude Hamilton		$ -				$ -	$ -
Lisa Hoffman		$ -				$ -	$ -
Michael Mack		$ -				$ -	$ -
Greg Irvine		$ -				$ -	$ -
Patti Townsend-Smith		$ -				$ -	$ -
Monthly Totals	**0**	**$ -**	**$ -**	**$ -**	**0**	**$ -**	**$ -**

May 2026

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Claude Hamilton		$ -				$ -	$ -
Lisa Hoffman		$ -				$ -	$ -
Michael Mack		$ -				$ -	$ -
Greg Irvine		$ -				$ -	$ -
Patti Townsend-Smith		$ -				$ -	$ -
Monthly Totals	**0**	**$ -**	**$ -**	**$ -**	**0**	**$ -**	**$ -**

June 2026

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Claude Hamilton		$ -				$ -	$ -
Lisa Hoffman		$ -				$ -	$ -
Michael Mack		$ -				$ -	$ -
Greg Irvine		$ -				$ -	$ -
Patti Townsend-Smith		$ -				$ -	$ -
Monthly Totals	**0**	**$ -**	**$ -**	**$ -**	**0**	**$ -**	**$ -**

Attachment G

Fiscal Year 2025-2026 Total

Board Member	# Of Mtgs	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Claude Hamilton	21	$ 3,150.00	$ 160.00	$ 26.50	300	$ 210.00	**$ 3,546.50**
Lisa Hoffman	48	$ 7,200.00	$ 2,601.85	$ 1,602.13	618	$ 435.50	**$ 11,839.48**
Michael Mack	29	$ 4,350.00	$ 2,764.85	$ 3,626.63	586	$ 416.10	**$ 11,157.58**
Greg Irvine	27	$ 4,050.00	$ -	$ 599.62	106	$ 74.20	**$ 4,723.82**
Patti Townsend-Smith	23	$ 3,450.00	$ 155.00	$ 365.98	156	$ 109.20	**$ 4,080.18**
FY25-26 Total	**148**	**$ 22,200.00**	**$ 5,681.70**	**$ 6,220.86**	**1766**	**$ 1,245.00**	**$ 35,347.56**

RAINBOW MUNICIPAL WATER DISTRICT

Conference/Seminar and Expense Summary
Fiscal Year 2025-2026

Claude Hamilton

Date Paid	Description	Event Date(s)	# of Meetings	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
8/7/2025	Budget & Finance Committee	7/8/2025	1	$ 150.00				$ -	$ 150.00
8/7/2025	Board Meeting	7/22/2025	1	$ 150.00				$ -	$ 150.00
8/31/2025	CSDA Dinner	8/21/2025	1	$ 150.00	$ 80.00			$ -	$ 230.00
9/4/2025	Mutual Services Ad Hoc Meeting	7/9/2025	1	$ 150.00				$ -	$ 150.00
9/4/2025	Special Board Meeting	8/20/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	Special Board Meeting	9/17/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	Board Meeting	9/23/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	Ad HOC Strategic Plan Meeting	9/25/2025	1	$ 150.00				$ -	$ 150.00
11/13/2025	EMWD 75th Event	10/16/2025	1	$ 150.00				$ -	$ 150.00
11/13/2025	Special Board Meeting	10/21/2025	1	$ 150.00				$ -	$ 150.00
11/13/2025	EMWD FPUD Group 1/4ly Mtg	10/22/2025	1	$ 150.00				$ -	$ 150.00
12/23/2025	ACWA Fall Conference 2025	12/2/25-12/4/25	3	$ 450.00			300	$ 210.00	$ 660.00
1/31/2026	Lunch with GM					$ 26.50		$ -	$ 26.50
2/28/2026	CSDA Dinner	2/19/2026			$ 80.00			$ -	$ 80.00
2/5/2026	Special Board Meeting	1/6/2026	1	$ 150.00				$ -	$ 150.00
2/5/2026	Board Meeting	1/27/2026	1	$ 150.00				$ -	$ 150.00
2/5/2026	EMWD Ad Hoc	1/28/2026	1	$ 150.00				$ -	$ 150.00
2/5/2026	Mutual Services Ad Hoc Meeting	1/29/2026	1	$ 150.00				$ -	$ 150.00
4/16/2026	B&F Committee Meeting	3/10/2026	1	$ 150.00				$ -	$ 150.00
4/16/2026	Special Board Meeting	3/18/2026	1	$ 150.00				$ -	$ 150.00
4/16/2026	Regular Board Meeting	3/24/2026	1	$ 150.00				$ -	$ 150.00
								$ -	$ -
								$ -	$ -
								$ -	$ -
								$ -	$ -
								$ -	$ -
								$ -	$ -
								$ -	$ -
								$ -	$ -
FY25-26 Total			**21**	**$ 3,150.00**	**$ 160.00**	**$ 26.50**	**300**	**$ 210.00**	**$ 3,546.50**

RAINBOW MUNICIPAL WATER DISTRICT

Conference/Seminar and Expense Summary
Fiscal Year 2025-2026

Lisa Hoffman

Date Paid	Description	Event Date(s)	# of Meetings	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
7/1/2025	CSDA Annual Conference & Exhibitor Showcase	8/25/25-8/28/25			$ 890.00			$ -	$ 890.00
8/7/2025	Farm Bureau Meeting	6/10/2025	1	$ 150.00				$ -	$ 150.00
8/7/2025	CSDA Butcher shop Meeting	6/18/2025	1	$ 150.00				$ -	$ 150.00
8/7/2025	EMWD Luncheon	6/19/2025	1	$ 150.00				$ -	$ 150.00
8/7/2025	Board Meeting	6/24/2025	1	$ 150.00				$ -	$ 150.00
8/21/2025	Communication/Customer Service Meeting	7/15/2025	1	$ 150.00				$ -	$ 150.00
8/21/2025	General Manager Meeting	7/20/2025	1	$ 150.00				$ -	$ 150.00
8/21/2025	Special Board Meeting	7/21/2025	1	$ 150.00				$ -	$ 150.00
8/21/2025	AC Pala	7/31/2025	1	$ 150.00				$ -	$ 150.00
8/21/2025	CSDA Webinar	7/28/2025	1	$ 150.00				$ -	$ 150.00
8/21/2025	Transparency Brown Act Webinar	7/29/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	Farm Bureau Meeting	8/12/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	Board Meeting	8/19/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	GM Evaluation Meeting	8/20/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	Avocados Growers of California Meeting	8/28/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	Farm Bureau Meeting	9/4/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	LAFCO-CSDA Class	9/11/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	Special Board Meeting	9/14/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	General Manager Meeting	9/22/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	District Meeting	9/23/2025	1	$ 150.00				$ -	$ 150.00
12/4/2025	ACWA Fall Conference 2025	12/2/25-12/4/25	3	$ 450.00		$ 597.10	156	$ 109.20	$ 1,156.30
12/9/2025	Urban Water Institute Conference 2026	2/25/27-2/27/25			$ 612.85	$ 714.06		$ -	$ 1,326.91
12/23/2025	Farm Bureau Meeting	10/2/2025	1	$ 150.00				$ -	$ 150.00
12/23/2025	EMWD GM Birthday	10/16/2025	1	$ 150.00			80	$ 56.00	$ 206.00
12/23/2025	Pre-Board Meeting Review - GM	10/20/2025	1	$ 150.00				$ -	$ 150.00
12/23/2025	Board Meeting	10/21/2025	1	$ 150.00				$ -	$ 150.00
12/23/2025	Santa Luz Tour	10/24/2025	1	$ 150.00				$ -	$ 150.00
12/23/2025	AGC Meeting	10/24/2025	1	$ 150.00				$ -	$ 150.00
12/23/2025	Farm Bureau Meeting	11/6/2025	1	$ 150.00				$ -	$ 150.00
12/23/2025	Colorado Aquaduct Tour	11/7/25-11/8/25	2	$ 300.00		$ 190.91	142	$ 99.40	$ 590.31
12/23/2025	ACWA Region 9 & 10	11/14/2025	1	$ 150.00			124	$ 86.80	$ 236.80
12/23/2025	CSDA Butcher shop Meeting	11/20/2025	1	$ 150.00				$ -	$ 150.00
12/23/2025	Pre-Board Meeting Review - GM	12/8/2025	1	$ 150.00				$ -	$ 150.00
12/23/2025	Board Meeting	12/9/2025	1	$ 150.00				$ -	$ 150.00
12/23/2025	Social Media Training at Rancho Water	12/10/2025	1	$ 150.00				$ -	$ 150.00
2/5/2026	Special Board Meeting	1/6/2026	1	$ 150.00				$ -	$ 150.00
2/5/2026	Farm Bureau Meeting	1/8/2026	1	$ 150.00				$ -	$ 150.00
2/5/2026	Rafteli's Call	1/14/2026	1	$ 150.00				$ -	$ 150.00
2/5/2026	C&CS Meeting	1/20/2026	1	$ 150.00				$ -	$ 150.00
2/5/2026	Premeeting Agenda Review/GM	1/26/2026	1	$ 150.00				$ -	$ 150.00
2/5/2026	Board Meeting	1/27/2026	1	$ 150.00				$ -	$ 150.00
2/28/2026	WEF Bay Delta Tour	5/20/26-5/22/26			$ 1,099.00			$ -	$ 1,099.00
3/24/2026	UWI 2026 Spring Conference - Mileage/Meals	02/25/26-02/27/26				$ 100.06	116	$ 84.10	$ 184.16
4/16/2026	Farm Bureau Meeting	3/5/2026	1	$ 150.00				$ -	$ 150.00
4/16/2026	Budget and Finance	3/10/2026	1	$ 150.00				$ -	$ 150.00
4/16/2026	Special Board Meeting	3/18/2026	1	$ 150.00				$ -	$ 150.00
4/16/2026	Bonsall Chamber of Commerce	3/19/2026	1	$ 150.00				$ -	$ 150.00
4/16/2026	GM Meeting One on One	3/23/2026	1	$ 150.00				$ -	$ 150.00
4/16/2026	Board Meeting	3/24/2026	1	$ 150.00				$ -	$ 150.00
								$ -	$ -
								$ -	$ -
								$ -	$ -
FY25-26 Total			**48**	**$ 7,200.00**	**$ 2,601.85**	**$ 1,602.13**	**618**	**$ 435.50**	**$ 11,839.48**

RAINBOW MUNICIPAL WATER DISTRICT

Conference/Seminar and Expense Summary
Fiscal Year 2025-2026

Michael Mack

Date Paid	Description	Event Date(s)	# of Meetings	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
7/1/2025	CSDA Annual Conference & Exhibitor Showcase	8/25/25-8/28/25	3	$ 450.00	$ 890.00	$ 1,490.14	112	$ 78.40	**$ 2,908.54**
8/7/2025	Board Meeting	7/22/2025	1	$ 150.00				$ -	**$ 150.00**
8/31/2025	CSDA Dinner	8/21/2025	1	$ 150.00	$ 80.00		86	$ 60.20	**$ 290.20**
9/4/2025	Mutual Services Ad Hoc Meeting	7/29/2025	1	$ 150.00				$ -	**$ 150.00**
9/4/2025	Board Meeting	8/19/2025	1	$ 150.00				$ -	**$ 150.00**
9/4/2025	Special Board Meeting	8/20/2025	1	$ 150.00				$ -	**$ 150.00**
10/2/2025	COWU Luncheon	9/16/2025	1	$ 150.00				$ -	**$ 150.00**
10/2/2025	Special Board Meeting	9/17/2025	1	$ 150.00				$ -	**$ 150.00**
10/2/2025	Board Meeting	9/23/2025	1	$ 150.00				$ -	**$ 150.00**
11/13/2025	EMWD 75th Event	10/16/2025	1	$ 150.00				$ -	**$ 150.00**
11/13/2025	Special Board Meeting	10/21/2025	1	$ 150.00				$ -	**$ 150.00**
11/20/2025	ACWA Region 8-9-10 Irvine	11/13/25-11/14/25				$ 62.25	152	$ 106.40	**$ 168.65**
12/23/2025	ACWA Fall Conference 2025	12/2/25-12/4/25	3	$ 450.00		$ 755.22		$ -	**$ 1,205.22**
12/23/2025	JPIA Membership Summit	12/1/2025	1	$ 150.00				$ -	**$ 150.00**
12/23/2025	Board Meeting	12/9/2025	1	$ 150.00				$ -	**$ 150.00**
2/5/2026	COWU Luncheon	1/28/2026	1	$ 150.00	$ 63.00			$ -	**$ 213.00**
2/5/2026	Special Board Meeting	1/6/2026	1	$ 150.00				$ -	**$ 150.00**
2/5/2026	Rafteli's Call	1/14/2026	1	$ 150.00				$ -	**$ 150.00**
2/5/2026	Board Meeting	1/27/2026	1	$ 150.00				$ -	**$ 150.00**
2/5/2026	Mutual Services Ad Hoc Meeting	1/29/2026	1	$ 150.00				$ -	**$ 150.00**
2/24/2026	CSDA Chapter Dinner	2/19/2026			$ 80.00		84	$ 60.90	**$ 140.90**
2/28/2026	UWI 2026 Spring Conference	2/25/26-2/27/26			$ 715.85			$ -	**$ 715.85**
2/28/2026	ACWA Spring Conference 2026	5/4/26-5/7/26			$ 999.00	$ 1,192.02		$ -	**$ 2,191.02**
3/3/2026	UWI 2026 Spring Conference - Meal	02/25/26-02/27/26				$ 64.00		$ -	**$ 64.00**
3/3/2026	UWI 2026 Spring Conference - Mileage	02/25/26-02/27/26					152	$ 110.20	**$ 110.20**
4/16/2026	WEF Lower Col Riv TC	03/10/26-03/13/26	3	$ 450.00				$ -	**$ 450.00**
4/16/2026	Special Board Meeting	3/18/2026	1	$ 150.00				$ -	**$ 150.00**
4/16/2026	Regular Board Meeting	3/24/2026	1	$ 150.00				$ -	**$ 150.00**
4/16/2026	AG Meeting	3/5/2026	1	$ 150.00				$ -	**$ 150.00**
								$ -	**$ -**
								$ -	**$ -**
								$ -	**$ -**
FY25-26 Total			**29**	**$ 4,350.00**	**$ 2,827.85**	**$ 3,563.63**	**586**	**$ 416.10**	**$ 11,157.58**

RAINBOW MUNICIPAL WATER DISTRICT

Conference/Seminar and Expense Summary
Fiscal Year 2025-2026

Greg Irvine

Date Paid	Description	Event Date(s)	# of Meetings	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
8/7/2025	Pre-Board Meeting w/ GM	7/21/2025	1	$ 150.00				$ -	$ 150.00
8/7/2025	Board Meeting	7/22/2025	1	$ 150.00				$ -	$ 150.00
9/4/2025	E&O Committee Meeting	8/5/2025	1	$ 150.00				$ -	$ 150.00
9/4/2025	Pre-Board Meeting w/ GM	8/18/2025	1	$ 150.00				$ -	$ 150.00
9/4/2025	Board Meeting	8/19/2025	1	$ 150.00				$ -	$ 150.00
9/4/2025	Special Board Meeting	8/20/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	Pre-Board Meeting w/ GM	9/22/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	Board Meeting	9/23/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	Special Board Meeting	9/17/2025	1	$ 150.00				$ -	$ 150.00
10/2/2025	Ad HOC Strategic Plan Meeting	9/25/2025	1	$ 150.00				$ -	$ 150.00
11/13/2025	Pre-Board Meeting w/ GM	10/20/2025	1	$ 150.00				$ -	$ 150.00
11/13/2025	Board Meeting	10/21/2025	1	$ 150.00				$ -	$ 150.00
11/13/2025	EMWD FPUD Group 1/4ly Mtg	10/22/2025	1	$ 150.00				$ -	$ 150.00
12/23/2025	ACWA Fall Conference 2025	12/2/25-12/4/25	3	$ 450.00		$ 599.62	106	$ 74.20	$ 1,123.82
12/23/2025	Pre-Board Meeting w/ GM	12/8/2025	1	$ 150.00				$ -	$ 150.00
12/23/2025	Board Meeting	12/9/2025	1	$ 150.00				$ -	$ 150.00
2/5/2026	Special Board Meeting	1/6/2026	1	$ 150.00				$ -	$ 150.00
2/5/2026	Rafteli's Call	1/14/2026	1	$ 150.00				$ -	$ 150.00
2/5/2026	Meeting with GM, TQ/Policy	1/15/2026	1	$ 150.00				$ -	$ 150.00
2/5/2026	Pre-Board Meeting w/ GM	1/26/2026	1	$ 150.00				$ -	$ 150.00
2/5/2026	Board Meeting	1/27/2026	1	$ 150.00				$ -	$ 150.00
2/5/2026	EMWD/FPUD/RWMD Ad Hoc	1/28/2026	1	$ 150.00				$ -	$ 150.00
4/16/2026	Special Board Meeting	3/18/2026	1	$ 150.00				$ -	$ 150.00
4/16/2026	Regular Board Meeting	3/24/2026	1	$ 150.00				$ -	$ 150.00
4/16/2026	Pre-Board Meeting w/ GM	3/23/2026	1	$ 150.00				$ -	$ 150.00
								$ -	$ -
								$ -	$ -
								$ -	$ -
								$ -	$ -
FY25-26 Total			**27**	**$ 4,050.00**	**$ -**	**$ 599.62**	**106**	**$ 74.20**	**$ 4,723.82**

RAINBOW MUNICIPAL WATER DISTRICT

Conference/Seminar and Expense Summary
Fiscal Year 2025-2026

Patti Townsend

Date Paid	Description	Event Date(s)	# of Meetings	Per Diem	Registration Fee	Travel Expense	Mileage Reimb # Miles	Mileage Reimb Amount	Total
7/1/2025	CSDA Annual Conference (Cancellled)	8/25/25-8/28/25			$ 75.00			$ -	**$ 75.00**
8/7/2025	ACWA Meeting	5/13/2025	1	$ 150.00				$ -	**$ 150.00**
8/7/2025	ACWA Meeting	5/14/2025	1	$ 150.00				$ -	**$ 150.00**
8/7/2025	ACWA Meeting	5/15/2025	1	$ 150.00				$ -	**$ 150.00**
8/7/2025	Board Meeting	5/27/2025	1	$ 150.00				$ -	**$ 150.00**
8/31/2025	CSDA Dinner	8/21/2025			$ 80.00			$ -	**$ 80.00**
9/4/2025	Budget and Finance Committee Meeting	8/12/2025	1	$ 150.00				$ -	**$ 150.00**
9/4/2025	Board Meeting	8/19/2025	1	$ 150.00				$ -	**$ 150.00**
9/4/2025	Special Board Meeting	8/20/2025	1	$ 150.00				$ -	**$ 150.00**
10/2/2025	COWU Luncheon	9/16/2025	1	$ 150.00				$ -	**$ 150.00**
10/2/2025	Special Board Meeting	9/17/2025	1	$ 150.00				$ -	**$ 150.00**
10/2/2025	Board Meeting	9/23/2025	1	$ 150.00				$ -	**$ 150.00**
12/23/2025	ACWA Fall Conference 2025	12/2/25-12/4/25	3	$ 450.00		$ 365.98	156	$ 109.20	**$ 925.18**
12/23/2025	Budget and Finance Committee Meeting	11/10/2025	1	$ 150.00				$ -	**$ 150.00**
12/23/2025	ACWA Region 8-9-10 Event	11/13/25-11/14/25	2	$ 300.00				$ -	**$ 300.00**
12/23/2025	CSDA Chapter Meeting	11/20/2025	1	$ 150.00				$ -	**$ 150.00**
12/23/2025	Board Meeting	12/9/2025	1	$ 150.00				$ -	**$ 150.00**
2/5/2026	Special Board Meeting	1/6/2026	1	$ 150.00				$ -	**$ 150.00**
2/5/2026	Rafteli's Call	1/14/2026	1	$ 150.00				$ -	**$ 150.00**
2/5/2026	Board Meeting	1/27/2026	1	$ 150.00				$ -	**$ 150.00**
4/16/2026	Special Board Meeting	3/18/2026	1	$ 150.00				$ -	**$ 150.00**
4/16/2026	Regular Board Meeting	3/24/2026	1	$ 150.00				$ -	**$ 150.00**
								$ -	**$ -**
								$ -	**$ -**
								$ -	**$ -**
								$ -	**$ -**
								$ -	**$ -**
								$ -	**$ -**
								$ -	**$ -**
FY25-26 Total			**23**	**$ 3,450.00**	**$ 155.00**	**$ 365.98**	**156**	**$ 109.20**	**$ 4,080.18**

RAINBOW
MUNICIPAL WATER DISTRICT

Credit Card Transactions
Fiscal Year 2025-2026

Attachment H

March 2026 Charges

US Bank CalCard Credit Card

Vendor Name	Description/Explanation	Transaction Amount
MINUTEKEY	HARDWARE STORES	$34.64
RENAISSANCE PLM SPGS F	RENAISSANCE HOTELS	$60.49
WWW COSTCO COM	WHOLESALE CLUBS	$162.37
WWW COSTCO COM	WHOLESALE CLUBS	$239.94
SP DARKWING TECH	MISCELLANEOUS GENERAL MER	$203.27
SQ *KING DONUT	BAKERIES	$54.80
AMAZON MARK* BE13F63U2	MISCELLANEOUS AND SPECIAL	$38.76
AMAZON RETA* BE7X403O2	VARIETY STORES	$75.41
HOMEDEPOT.COM	HOME SUPPLY WAREHOUSE STORES	$1,753.09
THE HOME DEPOT #1018	HOME SUPPLY WAREHOUSE STORES	$139.00
RENAISSANCE HOTELS PAL	RENAISSANCE HOTELS	$774.06
SOUTHWES 5262134914798	SOUTHWEST	$287.80
GS-JJ.COM	MISCELLANEOUS AND SPECIAL	$289.72
DHS EQUIPMENT	WHOLESALE CONSTRUCT	$676.57
ADP SPECIAL EVENTS MAS	PROFESSIONAL SERVICES	($1,049.00)
BELLAGIO - ADV DEP	BELLAGIO	($259.64)
THAI SMILE PALM SPRINGS	EATING PLACES AND RESTAURANTS	$48.50
CAPIO - CA ASSOCIATION OF	MEMBERSHIP ORGANIZATIONS	$425.00
CAPIO - CA ASSOCIATION OF	MEMBERSHIP ORGANIZATIONS	$25.00

Vendor Name	Description/Explanation	Transaction Amount
THE HOME DEPOT #1018	HOME SUPPLY WAREHOUSE STORES	$19.86
BT *GENSYS PARTS DIY	MISCELLANEOUS AND SPECIAL	$20.29
BLAZE PIZZA 1223 - PALM S	FAST FOOD RESTAURANTS	$19.53
RENAISSANCE PALM SPRIN	RENAISSANCE HOTELS	$1,270.95
RENAISSANCE PALM SPRIN	RENAISSANCE HOTELS	$973.06
RENAISSANCE HOTELS PAL	RENAISSANCE HOTELS	$714.06
AMAZON MKTPL*BE6VJ78W2	BOOK STORES	$316.77
HARBOR FREIGHT TOOLS3570	MISCELLANEOUS AND SPECIAL	$45.79
THE HOME DEPOT 1028	HOME SUPPLY WAREHOUSE STORES	$222.53
AMAZON MKTPL*B91Z14RC1	BOOK STORES	$46.91
AMAZON MKTPL*BE3RZ2OD1	BOOK STORES	$106.24
AMAZON MARK* B956F68B0	MISCELLANEOUS AND SPECIAL	$167.86
AMAZON MARK* B956F68B0	MISCELLANEOUS AND SPECIAL	$0.00
AMAZON MARK* B956F68B0	MISCELLANEOUS AND SPECIAL	$0.00
AMAZON MARK* BE0PA7LA1	MISCELLANEOUS AND SPECIAL	$16.41
GRAINGER	WHOLSALE INDUST SUPP	$4,052.48
AMAZON MARK* B90KR38V0	MISCELLANEOUS AND SPECIAL	$242.39
SUMMIT SAFETY/HIVIS SU	BUSINESS SERVICES -OTHER	$367.27
EB *9TH ANNUAL WOMEN I	BUSINESS SERVICES -OTHER	$55.20
AMAZON WEB SERVICES	COMPUTER NETWORK/INFORMATION S	$2.77
THE HOME DEPOT 1018	HOME SUPPLY WAREHOUSE STORES	$87.42
4TE*CULLIGAN OF ESCONDIDO	WHOLESALE PLUMBING/H	$106.60
THE HOME DEPOT #1018	HOME SUPPLY WAREHOUSE STORES	$148.71
THE HOME DEPOT #1018	HOME SUPPLY WAREHOUSE STORES	$0.00
CALIFORNIA WATER ENVIRON	MEMBERSHIP ORGANIZATIONS	$119.00
Z SOUTH	DRINKING PLACES (ALCOHOL)	$55.00

Vendor Name	Description/Explanation	Transaction Amount
AMAZON MKTPL*BE1VU3QF1	BOOK STORES	$106.16
GRAINGER	WHOLSALE INDUST SUPP	$706.46
THE HOME DEPOT #1018	HOME SUPPLY WAREHOUSE STORES	$97.21
SQSP* DOMAIN#225033779	COMPUTER AND DATA PROCESS	$12.00
SQSP* DOMAIN#225046391	COMPUTER AND DATA PROCESS	$12.00
SQSP* DOMAIN#225046442	COMPUTER AND DATA PROCESS	$12.00
STAPLES 00113464	STATIONERY STORE/SUPPLIES	$83.16
CUMMINS INC - X1	WHOLSALE INDUST SUPP	$424.21
WHIP AROUND INC	COMPUTER SOFTWARE STORES	$559.00
SMARTANDFINAL 821	GROCERY STORES,SUPERMARK	$86.46
ZOHO* ZOHO-FORMS	WHOLESALE COMPUTERS/	$40.25
THE HOME DEPOT #1018	HOME SUPPLY WAREHOUSE STORES	$213.11
AMAZON RETA* BE6SV0DL0	VARIETY STORES	$663.81
AMAZON MARK* BD2457CK2	MISCELLANEOUS AND SPECIAL	$22.28
MICROSOFT-G145878511	WHOLESALE COMPUTERS/	$118.84
ACWA EVENT REGISTRATION	SCHOOLS/EDUCATIONAL SCHL	$999.00
Z SOUTH	DRINKING PLACES (ALCOHOL)	$120.00
ISTOCKPHOTO	COMMERCIAL PHOTOGRAPHY	$210.00
SAN MARCOS GROCERY	GROCERY STORES,SUPERMARK	$35.81
GRAINGER	WHOLSALE INDUST SUPP	$2,001.47
THE HOME DEPOT #1018	HOME SUPPLY WAREHOUSE STORES	$39.49
THE HOME DEPOT #1018	HOME SUPPLY WAREHOUSE STORES	$159.56
TWILIO INC	COMPUTER SOFTWARE STORES	$30.00
AMAZON MARK* BP0AS2G31	MISCELLANEOUS AND SPECIAL	$186.08
SQSP* DOMAIN#225744111	COMPUTER AND DATA PROCESS	$12.00
WASABI TECHNOLOGIES	BUSINESS SERVICES -OTHER	$992.51

Vendor Name	Description/Explanation	Transaction Amount
MAJOR MARKETPLACE BONSAL	GROCERY STORES,SUPERMARK	$34.56
SOUTHWES 5262139521433	SOUTHWEST	$166.80
BACKDRAFT BAR AND GRILL	DRINKING PLACES (ALCOHOL)	$50.00
GRAINGER	WHOLSALE INDUST SUPP	$134.69
AMAZON MARK* BP71O3O40	MISCELLANEOUS AND SPECIAL	$53.80
AMAZON MARK* BD2PD20G2	MISCELLANEOUS AND SPECIAL	$332.03
AMAZON MARK* BD42S41S2	MISCELLANEOUS AND SPECIAL	$372.15
CAPIO CONFERENCE REG	SCHOOLS/EDUCATIONAL SCHL	$750.00
TST*BOOTLEGGER BISTRO	EATING PLACES AND RESTAURANTS	$170.63
HOMEDEPOT.COM	HOME SUPPLY WAREHOUSE STORES	$475.22
THE HOME DEPOT #1018	HOME SUPPLY WAREHOUSE STORES	$67.21
THE HOME DEPOT #1018	HOME SUPPLY WAREHOUSE STORES	$0.00
THE HOME DEPOT 1018	HOME SUPPLY WAREHOUSE STORES	$341.13
CORTES MEXICAN FOOD	FAST FOOD RESTAURANTS	$515.00
AMAZON MKTPL*BD9PN6K22	BOOK STORES	$177.54
GRAINGER	WHOLSALE INDUST SUPP	$1,930.50
OIAA PARKING LOT 4	PARKING LOTS AND GARAGES	$120.00
IN-N-OUT LAKE ELSINORE	FAST FOOD RESTAURANTS	$28.66
CVS/PHARMACY #09110	DRUG STORES & PHARMACIES	$12.00
AMAZON MARK* BP3G80SL0	MISCELLANEOUS AND SPECIAL	$77.52
AMAZON MARK* BP3G80SL0	MISCELLANEOUS AND SPECIAL	$0.00
AMAZON MARK* B59342J32	MISCELLANEOUS AND SPECIAL	$68.86
AMAZON MKTPL*B50FT2J82	BOOK STORES	$659.22
AMAZON MKTPL*BP8NR52T0	BOOK STORES	$40.14
AMAZON MKTPL*B511Q2A02	BOOK STORES	$41.42
ODP BUS SOL LLC # 105125	COMBINED MAIL/PHONE	$132.83

Vendor Name	Description/Explanation	Transaction Amount
HARRISON POWER EQUIPMENT	WHOLSALE INDUST SUPP	$281.41
LINKEDIN RECRUITER P85527	CONTINUITY SUBSCRIPTION	$169.99
ZOOM.COM 888-799-9666	TELECOM SVC/CRED CRD CALL	$149.94
Z SOUTH	DRINKING PLACES (ALCOHOL)	$306.31
CASA DE LUCY	EATING PLACES AND RESTAURANTS	$63.25
Z SOUTH	DRINKING PLACES (ALCOHOL)	$44.34
STARLINK INTERNET	COMPUTER NETWORK/INFORMATION S	$320.00
BACKDRAFT BAR AND GRILL	DRINKING PLACES (ALCOHOL)	$48.67
DOMINO'S 7834	FAST FOOD RESTAURANTS	$42.63
WWW COSTCO COM	WHOLESALE CLUBS	$192.40
WWW COSTCO COM	WHOLESALE CLUBS	$314.93
WWW COSTCO COM	WHOLESALE CLUBS	$39.98
AMAZON MARK* B59E28652	MISCELLANEOUS AND SPECIAL	$30.04
APPLE.COM/BILL	LARGE DIGITAL GOODS MERCHANT	$2.99
AMAZON MARK* B51H48U12	MISCELLANEOUS AND SPECIAL	$83.18
GRAINGER	WHOLSALE INDUST SUPP	$430.62
RS GROUP	WHOLESALE NONDURABLE	$182.33
WWW.UI.COM	ELECTRONICS STORES	$662.83
AMAZON MARK* BG65I0F32	MISCELLANEOUS AND SPECIAL	$888.09
AMAZON MARK* BD7GF4QX0	MISCELLANEOUS AND SPECIAL	$380.08
TST* PRIMOS MEXICAN FOOD	EATING PLACES AND RESTAURANTS	$134.30
TST* PRIMOS MEXICAN FOOD	EATING PLACES AND RESTAURANTS	$14.41
THE HOME DEPOT #1018	HOME SUPPLY WAREHOUSE STORES	$135.47
SQ *THE RIB SHACK QUE	EATING PLACES AND RESTAURANTS	$218.79
CALIFORNIA SPECIAL DIS	MEMBERSHIP ORGANIZATIONS	$890.00
CONEXWEST	WHOLESALE CONSTRUCT	$604.68
Z SOUTH	DRINKING PLACES (ALCOHOL)	$70.51
AMAZON MKTPL*B50GJ2ED1	BOOK STORES	$24.99
AMAZON MKTPL*BD3WK8WC0	BOOK STORES	$136.65

Vendor Name	Description/Explanation	Transaction Amount
AMAZON MKTPL*BD6LW6YG0	BOOK STORES	$54.36
KEEPERSECURITY.COM	COMPUTER SOFTWARE STORES	$960.00
APPLE.COM/BILL	LARGE DIGITAL GOODS MERCHANT	$299.99
GDP*SAN MARCOS TROPHY	MISCELLANEOUS AND SPECIAL	$46.76
TOTAL CHARGES		**$36,076.58**

NOSSAMAN LLP | Memorandum

TO: Rainbow Municipal Water District

FROM: Alfred Smith

DATE: May 26, 2026

RE: Attorney Report: Public Records Act Update
501668-0002

I. INTRODUCTION.

This attorney report provides an update on a recent decision of the California Supreme Court involving the California Public Records Act ("CPRA"). In *City of Gilroy vs. Superior Court of Santa Clara County,* the Court addressed the scope of records retention and declaratory relief under the California Public Records Act.

First, the California Supreme Court ruled that declaratory relief may still be available under the CPRA, even when a public agency has already disclosed all nonexempt, responsive records in its possession, where a requester challenges a recurring policy or practice that is likely to affect future compliance. Declaratory relief refers to a legal remedy in the form of a declaration from the court which defines the legal rights, duties, and obligations of parties in dispute.

Second, the Court held that the CPRA does not impose an obligation on a public agency to preserve records it withholds as exempt beyond their otherwise applicable retention period, merely because the agency's justification for withholding may later be challenged in court.

II. THE PUBLIC RECORDS ACT.

California enacted the CPRA in 1968 to recognize the "fundamental and necessary right" of the public to access government records. The CPRA allows the public to submit requests for copies of public records, commonly referred to as CPRA requests.

Under the CPRA, all public records are subject to disclosure unless an exemption applies. If a public agency asserts an exemption, the requester may challenge the agency's action and seek disclosure by filing an action for injunctive or declaratory relief.

III. BACKGROUND.

The City of Gilroy case arose from CPRA requests submitted to the City of Gilroy by the Law Foundation of Silicon Valley seeking the Gilroy Police Department's body camera footage related to encampment sweeps dating back several years.

After initially withholding records based on the CPRA's exemption for law enforcement records, the City later produced certain body camera footage and argued that the CPRA action was moot because no other responsive footage existed, as any earlier footage was destroyed pursuant to the City's one-year record retention policy.

The Santa Clara County Superior Court granted partial declaratory relief, ruling that the City violated the CPRA by conducting an inadequate search for records, asserting a blanket exemption and failing to provide a timely response to the records request.

However, the Court found that the City's failure to preserve records upon receipt of the CPRA requests did not violate the CPRA because the CPRA does not impose a record retention requirement. Both parties appealed the ruling.

IV. COURT'S ANALYSIS.

On appeal, the City argued that declaratory relief was improper because all responsive nonexempt records in its possession had already been produced. The Sixth Appellate District agreed, concluding that declaratory relief was not available because the matter was moot.

The Law Foundation appealed the trial court's determination that the CPRA does not impose a record retention requirement, arguing that public entities should be required to retain responsive records for the three-year statute of limitations period to bring a CPRA claim to prevent their destruction before a claim is made.

The appeals court disagreed, noting that nothing in the language of the CPRA imposes a record retention requirement. The California Supreme Court granted review on both issues.

A. Broader Scope of Declaratory Relief.

The California Supreme Court first addressed whether declaratory relief under the CPRA is categorically unavailable once an agency has produced all responsive, nonexempt records.

The Court rejected that narrow interpretation. Section 7923.000 of the California Government Code expressly authorizes actions for injunctive or declaratory

relief "to enforce a person's right to inspect or receive public records." The court emphasized that enforcement is not limited to compelling production of documents in a particular case. Declaratory relief may serve a broader purpose by clarifying rights and obligations, resolving ongoing disputes over CPRA compliance and guiding future conduct.

The Court stated: "At a minimum, declaratory relief is available where the declaration would resolve an ongoing dispute in a manner likely to affect future public records requests or agency practices." An agency's production of documents, particularly after litigation has commenced, does not necessarily moot claims challenging systematic or recurring practices that allegedly violate the CPRA.

Applying that standard, the Supreme Court concluded that the trial court's declarations that the City violated the CPRA by inadequately searching for records and by asserting a blanket exemption to body camera footage were appropriate because the City's stated practice or policy made these issues reasonably likely to recur. Declaratory relief in that context served the CPRA's core purpose of increasing transparency by clarifying how agencies must respond to future requests.

Importantly, while the Court did expand the availability of declaratory relief in CPRA actions, it stopped short of allowing declaratory relief in every case where a public agency is found to have violated the CPRA. This is most evident in the Court's discussion of the City's untimely response to one of the Law Foundation's CPRA requests.

While the majority declined to consider whether the untimely response alone would be sufficient to obtain declaratory relief, Justice Joshua Groban, joined by Justices Carol Corrigan and Leondra Kruger, more firmly emphasized the forward-looking nature of declaratory relief.

Justice Groban clarified that it is not an appropriate remedy where a party seeks only a declaration that a public agency's past conduct violated the law. There must be some risk of future violation evidenced by a policy or repeated patterns of conduct for declaratory relief to be proper. As a result, a single instance of a public agency missing its deadline to respond to a CPRA request would likely be insufficient to grant declaratory relief.

B. No Duty to Preserve Records.

The court next addressed whether the CPRA implicitly requires agencies to preserve records for three years once an exemption is asserted. The court upheld the finding that the CPRA does not impose a record retention requirement.

The Court reasoned that the CPRA details disclosure procedures and exemptions, yet is entirely silent on retention. The Court viewed this silence as

significant, particularly in light of legislative history expressly stating that the CPRA was not intended to affect existing laws governing destruction or retention of public records.

The California Legislature has enacted retention requirements elsewhere in the government code and penal code, including specific rules governing body camera footage. The absence of a comparable provision in the CPRA, the Court reasoned, reflects a deliberate legislative choice.

The Court also rejected the argument that a preservation duty should be inferred from the CPRA's judicial review provisions. While courts may examine records in camera during litigation, that fact alone does not justify creating a sweeping preservation requirement covering potentially vast categories of records.

Such an obligation, the Court warned, would effectively transform the CPRA into a retention statute — an outcome unsupported by text, legislative history or policy.

Concerns about spoliation, the Court observed, are addressed through other doctrines and statutes, including litigation holds when litigation is reasonably foreseeable and sanctions for willful destruction of evidence. The CPRA itself, however, does not require agencies to suspend routine retention schedules simply because a records request has been made or an exemption asserted.

V. CONCLUSION.

The California Supreme Court's ruling in *City of Gilroy* brings clarification to the scope of records retention and declaratory relief rights under the CPRA. The Court's decision confirms that public entities are not required to retain exempt records for any length of time under the CPRA itself. Instead, public entities remain only subject to the retention schedules set by statute or by the entity itself.

The *City of Gilroy* decision further confirms that public agencies should be aware that claims for declaratory relief may be available even if all nonexempt records have been produced to a requester. While the Supreme Court declined to fully explain which circumstances will warrant this expansive view of declaratory relief rights, the facts in *City of Gilroy* demonstrate the type of disputes which can create ongoing declaratory relief rights. In particular, agencies should be aware of any disputes involving a recurring policy or practice that is likely to affect future compliance, as these ongoing disputes can now create the foundation for a declaratory relief action.

Finally, the significance of the *City of Gilroy* case is underscored by the availability of mandatory attorney fees to prevailing requesters under Section 7923.115 of the California Government Code.