RAMONA MUNICIPAL WATER DISTRICT

Regular Meeting of the Board of Directors
Tuesday, November 10, 2020
2:00 P.M.

(Meeting to be held Via Teleconference Pursuant to State of California Executive Order N-29-20)

Telephone number for members of the public to observe, listen, and address the meeting telephonically: Phone Number: 978-990-5000, Access Code 401324

PLEASE NOTE: Due to the Coronavirus disease (COVID-19) public health emergency, including but not limited to the order by the State of California public health officials for anyone living in the state to stay home, the County of San Diego health order which prevents public gatherings, and in compliance with State Executive Order N-29-20, in-person participation at the Board meeting will not be allowed.

AGENDA

A. Opening of Meeting

A.1. Call to Order and Pledge of Allegiance

A.2. Consideration of Non-Agenda Items Which Arose Subsequent to the Posting of the Agenda

A.3. Adoption of Agenda for Meeting of November 10, 2020

A.4. Opportunity for Members of the Public to Address the Board on any Subject within its Jurisdiction but not on the Agenda

A.5. Announcements and/or Informational Reports from Board and/or Staff

A.5.a. General Manager's Report

A.5.b. Committee Reports

A.5.c. Staff Reports

B. Ministerial Items

B.1. Consent Calendar
(All matters on the consent calendar are to be approved by one motion unless a Board Member requests separate action on a specific item)

B.1.a. Adoption of the Regular Board Meeting Minutes for October 13, 2020

Recommendation: To adopt the Minutes for October 13, 2020.

B.1.b. Acceptance of Monthly Financial Reports – September 2020

Recommendation: No staff recommendation.

B.1.c. Adoption of a Resolution Approving the Classification and Salary Schedule for 2021 to Meet CalPERS Requirements

Recommendation: Staff respectfully recommends the Board adopt the proposed Resolution to approve the District's Classification and Salary Schedule for the period of January 1, 2021 to December 31, 2021 to meet CalPERS requirements.

B.1.d. Authorization for the General Manager to Sign the Second Amendment to the First Amended and Restated Agreement for Use of Reclaimed Water on the Mt. Woodson Golf Course ("Agreement")

Recommendation: Staff respectfully recommends the Board authorize the General Manager to finalize and sign the Second Amendment to the Agreement in substantially the form as shown in Attachment 1.

C. Public Hearing/Bid Openings

C.1. Public Hearing – To Take Public Input on Adoption of an Ordinance Amending the District's Legislative Code to Adopt by Reference the County of San Diego's Defensible Space for Fire Protection Ordinance Which Includes the County of San Diego's Public Nuisance Abatement Procedure

C.1.a. Public Hearing and Discussion with Possible Action to Adopt an Ordinance Amending the District's Legislative Code Chapter 5.28 Which Includes Adopting by Reference the County's Defensible Space for Fire Protection Ordinance and Nuisance Abatement Procedures

Recommendation: Staff respectfully recommends that after holding the public hearing and receiving public comments under agenda item C.1., the Board of Directors adopt the attached Ordinance by title only amending the District's Legislative Code Chapter 5.28 which includes adopting by reference the County's Defensible Space for Fire Protection Ordinance.

D. Agenda Items which Anticipate Possible Input from Members of the Public

(This space on the agenda is reserved in the event a member of the public is scheduled to address the Board)

E. Agenda Items which Anticipate Possible Input from Other Agencies/Consultants

(This space on the agenda is reserved in the event another agency/consultant is scheduled to address the Board)

F. Agenda Items which Anticipate Possible Input from Staff

F.1. Information Item for Acceptance of the Audited Financial Statements for Fiscal Year Ended June 30, 2020

Recommendation: Staff respectfully recommends the Board accept the audited financial statements for Fiscal Year Ended June 30, 2020.

G. Remaining Agenda Items

G.1. Directors' Reports of Reimbursed Meetings

Pursuant to Legislative Code Section 2.08.140, members of the Board who receive reimbursement from the District for their actual and necessary expenses for attending meetings outside the District shall either prepare a written report to be submitted at the next subsequent Board meeting or make a verbal report during the next regular Board meeting. The report shall detail the information that may be of benefit to the District that was presented at the meeting.

I. Closing Agenda Items

I.1. Date and Time for the Next Regular Meeting

December 8, 2020 - 2:00 p.m.

Adjourn

Ramona Municipal Water District in complying with the Americans with Disabilities Act (ADA) and State of California Executive Order N-29-20, requests individuals who require specific accommodations to access or participate in the Board Meeting, due to a disability, to please contact the Administrative Services Department at least one business day prior to the scheduled meeting to ensure that the District may assist you. Telephone: (760) 789-1330; T.D.D.: (760) 789-9497.
Email: email@rmwd.org

NOTE: ANY ITEM APPEARING ON THIS AGENDA MAY BE DISCUSSED AND ACTION MAY BE TAKEN AT THE DISCRETION OF THE BOARD OF DIRECTORS

The Agenda was posted at least 72 hours before the meeting in a location freely accessible to the public. Agenda item memorandums or documents prepared for the Board of Directors are available for public review online at rmwd.org and at the RMWD office, 105 Earlham Street, Ramona, California during normal business hours, Monday through Friday 7:30 a.m. to 4:00 p.m. The Agenda is also posted at Ramona Community Center, 434 Aqua Lane, Ramona, California. Additions to the Agenda may be made in accordance with Section 54954.2 of the California Government Code.

REVISED

MINUTES FOR THE MEETING
OF THE BOARD OF DIRECTORS
OF THE RAMONA MUNICIPAL WATER DISTRICT
October 13, 2020

Meeting held Via Teleconference
Pursuant to State of California Executive Order N-29-20

PRESENT

Jim Robinson	President
Bryan Wadlington	Vice President
Thomas Ace	Treasurer
Jim Hickle	Director

ABSENT

Jeff Lawler	Secretary

A. Opening of Meeting

A.1. Call to Order and Pledge of Allegiance

The Regular Meeting of the Board of Directors of the Ramona Municipal Water District was called to order by President Robinson at 2:01 p.m. via Teleconference Pursuant to State of California Executive Order N-29-20.

President Robinson led the Board and members of the public in the Pledge of Allegiance.

Roll Call.

Legal Counsel Announcement.

A.2. Consideration of Non-Agenda Items Which Arose Subsequent to the Posting of the Agenda

None.

A.3. Adoption of Agenda for Meeting of September 8, 2020

M\S\C MOTION TO ADOPT THE AGENDA FOR OCTOBER 13, 2020 (Ace/Wadlington)

AYES:	Ace, Hickle, Robinson, Wadlington
NOES:	None
ABSTAIN:	None
ABSENT:	Lawler

A.4. Opportunity for Members of the Public to Address the Board on any Subject within its Jurisdiction but not on the Agenda

None.

A.5. Announcements and/or Informational Reports from Board and/or Staff

A.5.a. General Manager's Report

General Manager Barnum provided a COVID status report for the District with no reductions in existing service levels at RMWD. The front counter remains closed to comply with federal, state and local health requirements. He thanked staff for their hard work and dedication to the community. He also briefed the Board on the 9/24/2020 San Diego County Water Authority (SDCWA) Board action to authorize a new service connection for the City of Poway and complete a planning study for future SDCWA Board approval. The actual connection point and term and conditions will be determined for SDCWA Board approval at a later date and will involve the City of San Diego, the Olivenhain Municipal Water District and the Ramona Municipal Water District.

Director Ace reported that the Fire Ad Hoc Committee met on September 30, 2020 at 10:00 a.m. and stated the purpose of the committee, reserving the details of the recommendation when the item is officially heard in Item F.1.

A.5.b. Committee Reports

None.

A.5.c.- Staff Reports

None.

B. Ministerial Items

B.1. Consent Calendar

(All matters on the consent calendar are to be approved by one motion unless a Board Member requests separate action on a specific item)

B.1.a. Adoption of the Regular Board Meeting Minutes for September 8, 2020

Recommendation: To adopt the Minutes for September 8, 2020.

B.1.b. Acceptance of Monthly Financial Reports – August 2020

Recommendation: No staff recommendation.

B.1.c. Authorization for the General Manager to Award a Contract for Construction of the B St, E St, 5th St and 9th St Cast Iron Waterline Replacement Project

Recommendation: Staff respectfully recommends the Board authorize the General Manager to award a contract for construction of the B St, E St, 5th St and 9th St Cast Iron Waterline Replacement Project to L.B. Civil Construction, Inc.

B.1.d. Authorization for the General Manager to Sign the Amended/Restated Nature Conservancy Conservation Easement (CE), The Nature Conservancy Agreement Regarding CE Amendment, And United States Fish & Wildlife Service Permit Application Form

Recommendation: Staff respectfully recommends the Board approve the revised and amended CE and authorize the General Manager to address any minor language revisions with Legal Counsel review, as well as sign and implement the Agreement with the TNC and the USFWS Permit Application.

M/S/C **MOTION TO APPROVE THE CONSENT CALENDAR (Hickle/Ace)**

AYES: Ace, Hickle, Robinson, Wadlington
NOES: None
ABSTAIN: None
ABSENT: Lawler

C. Public Hearing/Bid Openings

D. Agenda Items which Anticipate Possible Input from Members of the Public
(This space on the agenda is reserved in the event a member of the public is scheduled to address the Board)

E. Agenda Items which Anticipate Possible Input from Other Agencies/Consultants
(This space on the agenda is reserved in the event another agency/consultant is scheduled to address the Board)

F. Agenda Items which Anticipate Possible Input from Staff

F.1. Discussion and Possible Action, Including Input from the Fire Ad Hoc Committee, to Authorize the General Manager to Sign a Fire Agreement for Cooperative Services and Use of Fire Protection Funds Between the District and the County of San Diego That Includes the Use of County Fire Protection Funds

Recommendation: Staff respectively recommends the Board authorize the General Manager to sign a Fire Agreement for Cooperative Services and Use of Fire Protection Funds between the District and the County of San Diego that includes the use of County Fire Protection Funds.

General Manager Barnum gave a brief summary on the item and thanked staff for their hard work. Chief Financial Officer Craig Schmollinger explained the scope of the draft five-year agreement funded by county and state resources. Cal Fire Chief Tony Mecham gave a report of the improvements made by the County of San Diego for fire protection, focusing on the value of the strong cooperative relationship with county fire authorities. He also explained the benefits of the agreement that would provide increased staff for fire services, the placement of a heavy rescue vehicle at Fire Station 80, and no-cost dispatching services.

Director Ace and Director Hickle presented a brief history on the concept of mutual fire aid in California and discussed the benefits of the agreement. Director Ace announced the unanimous recommendation for the Fire Ad Hoc committee to authorize the General Manager to sign a fire agreement with cooperative services in the use of fire protection funds between the District and the County of San Diego, including the use of County Fire Protection Funds.

Board discussion occurred about the length of the agreement and subsequent 5-year renewal upon expiration.

M/S/C **MOTION TO AUTHORIZE GENERAL MANAGER BARNUM TO SIGN THE AGREEMENT WITH THE COUNTY (Wadlington/Ace)**

AYES: Ace, Hickle, Robinson, Wadlington
NOES: None
ABSTAIN: None
ABSENT: Lawler

F.2. Two Actions Requested: 1) Consideration Regarding and Authorization for the General Manager to Sign a New Fire Prevention Services Collaboration Agreement with the County of San Diego and, 2) Discussion and Possible Action to Introduce and Conduct the First Reading by Title Only of and to Set a Date for Public Hearing for Adoption of an Ordinance Amending the District's Legislative Code Chapter 5.28 Which Includes Adopting by Reference the County's Defensible Space for Fire Protection Ordinance.

Recommendation: Staff respectfully recommends that the Board of Directors:
(1) Authorize the General Manager to sign a new Fire Prevention Services Collaboration Agreement with the County of San Diego; and
(2) Additional discussion and possible action is requested for the Board to consider introducing the attached Ordinance by title only, with a waiver of the full reading of the Ordinance, and to set November 10, 2020 as the date for a public hearing to consider adoption of the Ordinance amending the District's Legislative Code Chapter 5.28 which includes adopting by reference the County's Defensible Space for Fire Protection Ordinance.

General Manager Barnum briefly introduced the item. Chief Financial Officer Craig Schmollinger gave a report on the operational and financial details of the new 5-year agreement. He explained the scope and reasons for the renewal. Cal Fire Chief Mecham commented on the history, modifications and benefits of the fire services agreement.

Board discussion occurred about business inspections, cost-saving benefits, defensible space regulations, new abatement policies of the agreement and local RMWD oversite of the process.

M/S/C **MOTION TO AUTHORIZE THE GENERAL MANAGER TO SIGN A NEW FIRE PREVENTION SERVICES COLLABORATION AGREEMENT WITH THE COUNTY OF SAN DIEGO WITH THE EXCEPTION TO RETURN AND REVISIT THE ABATEMENT AGREEMENT PROCESS WITH THE DELETION OF THE THIRTY THOUSAND DOLLAR AGREEMENT (Hickle/Ace)**

AYES: Ace, Hickle, Robinson, Wadlington
NOES: None
ABSTAIN: None
ABSENT: Lawler

M/S/C **MOTION TO WAIVE FULL READING OF THE PROPOSED ORDINANCE AND INTRODUCE IT BY TITLE ONLY, WITH THE TITLE READING AS FOLLOWS: AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE RAMONA MUNICIPAL WATER DISTRICT AMENDING CHAPTER 5.28 OF THE DISTRICT'S LEGISLATIVE CODE RELATING TO NUISANCES TO REVISE CERTAIN SECTIONS AND ADOPT BY REFERENCE THE COUNTY OF SAN DIEGO DEFENSIBLE SPACE FOR FIRE**

PROTECTION ORDINANCE, CHAPTER 4 OF DIVISION 8 OF TITLE 6 OF THE SAN DIEGO COUNTY CODE OF REGULATORY ORDINANCES, SECTIONS 68.401-68.419 WHICH INCLUDES THE COUNTY OF SAN DIEGO'S PUBLIC NUISANCE ABATEMENT PROCEDURE, CHAPTER 2 OF DIVISION 6 OF TITLE 1 OF THE COUNTY CODE OF REGULATORY ORDINANCES, SECTIONS 16.201-16.218 FOR PURPOSES OF COUNTY ENFORCEMENT (Hickle/Ace)

AYES: Ace, Hickle, Robinson, Wadlington
NOES: None
ABSTAIN: None
ABSENT: Lawler

M/S/C **MOTION TO SET A DATE FOR PUBLIC HEARING FOR NOVEMBER 10, 2020 TO INCLUDE THE REQUIRED SECOND READING OF THE ORDINANCE, AND AUTHORIZE THE ADMINISTRATIVE SECRETARY TO PUBLISH THE APPROPRIATE LEGAL NOTICES (Hickle/Ace)**

AYES: Ace, Hickle, Robinson, Wadlington
NOES: None
ABSTAIN: None
ABSENT: Lawler

G. Closed Session – NOT OPEN TO THE PUBLIC

President Robinson adjourned the meeting for a break at 3:26 p.m.

The board entered closed session at 3:31 p.m.

G.1. Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to Govt. Code section 54956.9(d)(2) (1 case). Existing facts and circumstances pursuant to Govt. Code section 54956.9(e)(1)

G.2. Public Employee Performance Evaluation
(Government Code § 54957 (b)(1))
Title: General Counsel

Closed session ended at 4:33 p.m. Legal Counsel reported that direction was given with no reportable action taken.

H. Closing Agenda Items

H.1. Date and Time for the Next Regular Meeting

November 10, 2020 - 2:00 p.m.

President Robinson adjourned the meeting at 4:34 p.m.

Adjourn

RAMONA MUNICIPAL WATER DISTRICT

AGENDA MEMO

Agenda Item No. B.1.b.
Regular Board Meeting of November 10, 2020

Jim Robinson, President
and Members of the Board of Directors
Ramona, CA 92065

RE: ACCEPTANCE OF MONTHLY FINANCIAL REPORTS – SEPTEMBER 2020

Members of the Board:

Purpose
To present monthly financial reports for the month of September 2020.

Background
Accounts with September financial activity are closed during the month of October and submitted to the Board in December.

Discussion
The monthly reports for September are submitted.

Fiscal Impact
None.

Recommendation
No staff recommendation.

Prepared by: Craig Schmollinger, Chief Financial Officer

Submitted by: David Barnum, General Manager

ATTACHMENTS:

Attachment 1	September Financials	B.1.b. Page 2-14

RAMONA MUNICIPAL WATER DISTRICT

UNAUDITED STATEMENT OF OPERATING DEPARTMENTS

FOR SEPTEMBER 2020 AND THE FIRST MONTH ENDING SEPTEMBER 30, 2020

	MONTH OF September	Y TO D September-20	Y TO D September-19	Y TO D BUDGET	VARIANCE FAV (UNFAV)
FUND 01 - WATER					
REVENUES	1,457,801	5,648,503	4,889,720	5,280,150	368,353
EXPENDITURES	(1,514,786)	(4,338,483)	(3,829,631)	(3,619,437)	(719,046)
TRANSFER TO CAPITAL/GENERAL FUND	(184,858)	(1,659,104)	(1,198,485)	(1,746,680)	87,576
NET RESULT OF OPERATION-FAV(UNFAV)	**(241,843)**	**(349,084)**	**(138,395)**	**(85,967)**	(263,117)
FUND 02 - FIRE					
REVENUES	489,946	1,539,776	1,556,063	1,540,856	(1,080)
EXPENDITURES	(590,160)	(1,780,636)	(1,759,729)	(1,857,849)	77,213
TRANSFER TO CAPITAL/GENERAL FUND	0	0	0	0	0
NET RESULT OF OPERATION-FAV(UNFAV)	**(100,214)**	**(240,860)**	**(203,667)**	**(316,993)**	76,133
FUND 03 - PARKS					
REVENUES	12,327	36,127	36,837	35,700	427
EXPENDITURES	(34,995)	(34,995)	(35,700)	(45,000)	10,005
TRANSFER TO CAPITAL/GENERAL FUND	0	0	0	0	0
NET RESULT OF OPERATION-FAV(UNFAV)	**(22,668)**	**1,132**	**1,137**	**(9,300)**	10,432
FUND 04 - SAN VICENTE SANITATION					
REVENUES	301,561	902,441	775,812	799,380	103,061
EXPENDITURES	(175,442)	(373,264)	(319,993)	(466,926)	93,662
TRANSFER TO CAPITAL/GENERAL FUND	(45,256)	(636,879)	(1,159,798)	(658,371)	21,492
NET RESULT OF OPERATION-FAV(UNFAV)	**80,863**	**(107,702)**	**(703,979)**	**(325,917)**	218,215
FUND 05 - SANTA MARIA SANITATION					
REVENUES	365,968	1,110,726	1,089,154	1,007,400	103,326
EXPENDITURES	(176,407)	(411,752)	(384,605)	(511,400)	99,648
TRANSFER TO CAPITAL/GENERAL FUND	(62,243)	(1,438,254)	(1,651,008)	(1,467,760)	29,506
NET RESULT OF OPERATION-FAV(UNFAV)	**127,318**	**(739,280)**	**(946,459)**	**(971,759)**	232,479
FUND 06 - GENERAL					
REVENUES	27,726	68,975	76,868	112,500	(43,525)
TRANSFER FROM OPERATING FUNDS	292,357	884,237	709,291	1,022,810	(138,573)
TOTAL REVENUES/TRANSFERS	320,083	953,212	786,159	1,135,310	(182,098)
EXPENDITURES					
BOARD OF DIRECTORS	(17,571)	(19,050)	(24,731)	(107,575)	88,525
GENERAL MANAGER	(32,850)	(98,888)	(88,383)	(114,296)	15,408
ENGINEERING	(40,655)	(66,218)	(51,340)	(151,119)	84,901
FINANCE	(118,729)	(328,666)	(288,196)	(359,337)	30,671
HUMAN RESOURCES	(99,559)	(388,418)	(277,113)	(402,983)	14,564
TOTAL EXPENDITURES	(309,364)	(901,241)	(729,763)	(1,135,310)	234,069
NET RESULT OF OPERATION-FAV(UNFAV)	**10,719**	**51,971**	**56,396**	**0**	51,971
SUMMARY - ALL OPERATING FUNDS					
REVENUES	2,655,330	9,306,546	8,424,454	8,775,986	530,561
EXPENDITURES	(2,801,155)	(7,840,370)	(7,059,421)	(7,635,922)	(204,448)
NET TRANSFERS	0	(2,850,000)	(3,300,000)	(2,850,000)	0
NET RESULT OF OPERATION-FAV(UNFAV)	**(145,825)**	**(1,383,824)**	**(1,934,967)**	**(1,709,936)**	326,112

RAMONA MUNICIPAL WATER DISTRICT
CASH POSITION STATEMENT
September 30, 2020

FUND #	DESCRIPTION	BEGINNING BALANCE	ACTIVITY	ENDING BALANCE
	OPERATING FUNDS			
01	Water Fund	$8,386,365.03	$293,048.01	$8,679,413.04
02	Fire Fund	$1,912,005.88	$98,277.39	$2,010,283.27
03	Park Fund	$263,697.43	($32,477.78)	$231,219.65
04	Sewer - San Vicente	$2,459,220.48	($155,794.07)	$2,303,426.41
05	Sewer - Santa Maria	$1,987,222.21	($162,181.51)	$1,825,040.70
06	General Fund	$3,855,954.04	$18,255.93	$3,874,209.97
	Total Operating Funds	**$18,864,465.07**	**$59,127.97**	**$18,923,593.04**
	DEBT SERVICE FUNDS			
51	Water Debt Service	$860,825.75	($327,504.75)	$533,321.00
	Total Debt Service Funds	**$860,825.75**	**($327,504.75)**	**$533,321.00**
	CAPITAL PROJECTS & EQUIPMENT			
10	Cap. Replacement - Energy	$46,538.94	$1,518.03	$48,056.97
11	Cap. Replacement - Water	$3,039,466.63	($43,719.80)	$2,995,746.83
12	Cap. Improvement - Fire	$182,592.39	$1,824.15	$184,416.54
14	Cap. Improvement - San Vicente	$550,212.57	$896.06	$551,108.63
15	Cap. Improvement - Santa Maria	$2,444,219.74	$3,980.56	$2,448,200.30
22	Cap. Replacement - San Vicente	$2,893,941.45	($11,358.02)	$2,882,583.43
24	Cap. Improvement - Fire Mitig. Fees	$717,198.17	$1,183.44	$718,381.61
25	Cap. Replacement - Santa Maria	$9,649,790.88	($32,854.64)	$9,616,936.24
26	Cap. Improvement - General Fund	$841,799.38	($340.41)	$841,458.97
43	Cap. Improvement - Water	$3,382,024.85	$122,758.36	$3,504,783.21
	Total Cap Proj & Equip	**$23,747,785.00**	**$43,887.73**	**$23,791,672.73**
	TOTAL ALL FUNDS	**$43,473,075.82**		**$43,248,586.77**

RAMONA MUNICIPAL WATER DISTRICT

INVESTMENTS AND BANK ACCOUNTS

SEPTEMBER 30, 2020

INVESTMENT	PRIOR MONTH	CHANGE	CURRENT MONTH	AVG** YIELD	INTEREST EARNED
LOCAL AGENCY INVESTMENT FUNDS:	$32,644,795	$0	$32,644,795	0.84%	
TOTAL INVESTMENTS	$32,644,795	$0	$32,644,795	0.84%	
C A S H					
GENERAL CHECKING	$10,828,281	($224,489)	$10,603,792	0%	
TOTAL CASH	$10,828,281	($224,489)	$10,603,792		
TOTAL CASH AND INVESTMENTS	**$43,473,076**	**($224,489)**	**$43,248,587**		

All investments are in compliance with the Ramona Municipal Water District Investment Policy.

The current cash flow estimates indicate sufficient liquidity to meet the expenditure needs for the next six months.

** Interest Earned reflects the rolling quarterly interest rate earned.

RAMONA MUNICIPAL WATER DISTRICT
WATER INVENTORY
September 30, 2020

-BEGINNING INVENTORY September 1, 2020				ACTIVITY FOR MONTH (USAGE) INVENTORY INCREASE		-ENDING INVENTORY September 30, 2020		
Description	acre feet	cost/acre ft	total value	acre feet	total value	acre feet	cost/acre ft	total value
LAKE RAMONA								
	5.1	$1,140	$5,814.00	(5.1)	($5,814.00)	0.0	$1,140	$0.00
	12.8	$1,088	$13,926.40	(12.8)	($13,926.40)	0.0	$1,088	$0.00
	64.2	$1,172	$75,242.40	(64.2)	($75,242.40)	0.0	$1,172	$0.00
	234.6	$1,558	$365,506.80	(74.1)	($115,447.80)	160.5	$1,558	$250,059.00
	79.2	$1,655	$131,076.00		$0.00	79.2	$1,655	$131,076.00
	83.6	$1,419	$118,628.40		$0.00	83.6	$1,419	$118,628.40
	107.8	$1,149	$123,862.20		$0.00	107.8	$1,149	$123,862.20
	24.1	$1,235	$29,763.50		$0.00	24.1	$1,235	$29,763.50
	48.9	$1,353	$66,161.70		$0.00	48.9	$1,353	$66,161.70
	35.5	$1,268	$45,014.00		$0.00	35.5	$1,268	$45,014.00
	47.9	$1,240	$59,396.00		$0.00	47.9	$1,240	$59,396.00
	59.8	$1,178	$70,444.40		$0.00	59.8	$1,178	$70,444.40
	178.6	$1,208	$215,748.80		$0.00	178.6	$1,208	$215,748.80
	577.5	$1,224	$706,860.00		$0.00	577.5	$1,224	$706,860.00
	28.0	$1,594	$44,632.00		$0.00	28.0	$1,594	$44,632.00
	22.9	$1,590	$36,411.00		$0.00	22.9	$1,590	$36,411.00
	28.6	$1,644	$47,018.40		$0.00	28.6	$1,644	$47,018.40
	194.8	$1,591	$309,926.80		$0.00	194.8	$1,591	$309,926.80
Total Lake Ramona	1,833.9		$2,465,432.80	(156.20)	($210,430.60)	1,677.7		$2,255,002.20

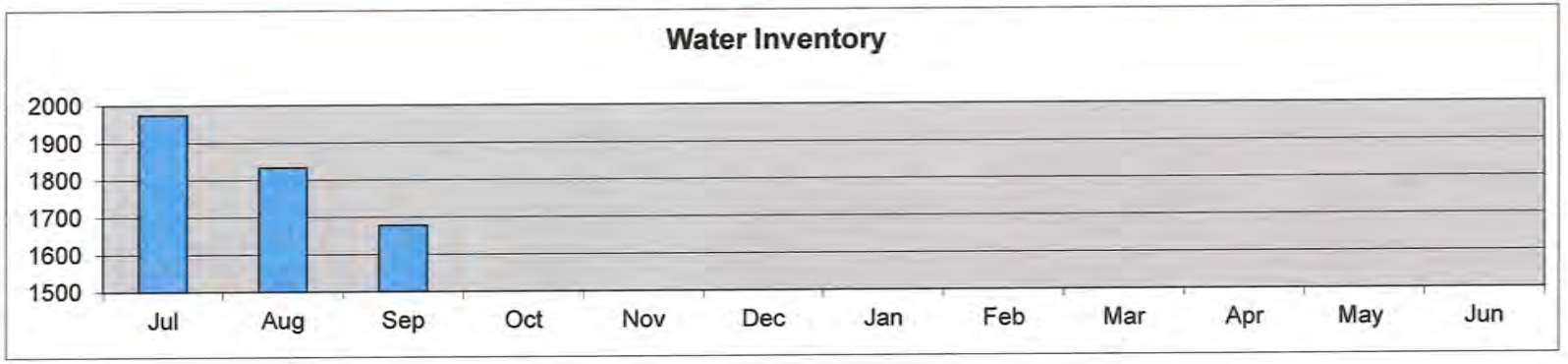
RESERVOIRS

RESERVOIRS - UNTREATED

	0.5	$1,248	$636.48		$0.00		0.5	$1,248	$636.48
	2.8	$1,248	$3,494.40		$0.00		2.8	$1,248	$3,494.40
	0.4	$1,353	$541.20		$0.00		0.4	$1,353	$541.20
	1.2	$1,513	$1,815.60		$0.00		1.2	$1,513	$1,815.60
	1.3	$1,245	$1,581.15		$0.00		1.3	$1,245	$1,581.15
	1.9	$1,178	$2,273.54		$0.00		1.9	$1,178	$2,273.54
	2.2	$1,208	$2,633.44		$0.00		2.2	$1,208	$2,633.44
	2.3	$1,354	$3,060.04		$0.00		2.3	$1,354	$3,060.04
	2.8	$1,594	$4,463.20		$0.00		2.8	$1,594	$4,463.20
	3.6	$1,583	$5,635.48		$0.00		3.6	$1,583	$5,635.48
	0.1	$1,573	$157.30		$0.00		0.1	$1,573	$157.30
	1.7	$1,591	$2,720.61		$0.00		1.7	$1,591	$2,720.61
	0.8	$1,404	$1,123.20		$0.00		0.8	$1,404	$1,123.20
	0.8	$1,336	$1,068.80		$0.00		0.8	$1,336	$1,068.80
	3.1	$1,330	$4,083.10		$0.00		3.1	$1,330	$4,083.10
				2.5	$3,365.00		2.5	$1,346	$3,365.00
	25.4		$35,287.54	2.5	$3,365.00		27.9		$38,652.54

RESERVOIRS - TREATED

	1.3	$1,403	$1,809.87	(1.3)	($1,809.87)		0.0	$1,403	$0.00
	0.5	$1,452	$726.00	(0.5)	($726.00)		0.0	$1,452	$0.00
	1.2	$1,739	$2,086.80	(0.2)	($295.63)		1.0	$1,739	$1,791.17
	2.0	$1,643	$3,286.00		$0.00		2.0	$1,643	$3,286.00
	2.6	$1,576	$4,097.60		$0.00		2.6	$1,576	$4,097.60
	1.9	$1,538	$2,922.20		$0.00		1.9	$1,538	$2,922.20
	2.2	$1,505	$3,311.00		$0.00		2.2	$1,505	$3,311.00
	0.6	$1,522	$913.20		$0.00		0.6	$1,522	$913.20
	2.1	$1,568	$3,292.80		$0.00		2.1	$1,568	$3,292.80
	1.3	$1,540	$2,002.00		$0.00		1.3	$1,540	$2,002.00
	1.2	$1,544	$1,775.60		$0.00		1.2	$1,544	$1,775.60
	3.6	$1,500	$5,400.00		$0.00		3.6	$1,500	$5,400.00
	0.1	$1,538	$153.80		$0.00		0.1	$1,538	$153.80
	5.0	$1,713	$8,565.00		$0.00		5.0	$1,713	$8,565.00
	3.0	$1,637	$4,911.00		$0.00		3.0	$1,637	$4,911.00
	4.4	$1,307	$5,685.45		$0.00		4.4	$1,307	$5,685.45
	0.9	$1,297	$1,115.42		$0.00		0.9	$1,297	$1,115.42
	6.3	$1,612	$10,187.84		$0.00		6.3	$1,612	$10,187.84
	1.0	$1,860	$1,804.20		$0.00		1.0	$1,860	$1,804.20
	1.0	$1,871	$1,908.42		$0.00		1.0	$1,871	$1,908.42
	2.0	$1,616	$3,183.52		$0.00		2.0	$1,616	$3,183.52
	1.1	$1,610	$1,706.60		$0.00		1.1	$1,610	$1,706.60
	45.1		$70,844.32	(2.0)	($2,831.50)		43.1		$68,012.82
Sub Total Reservoirs	**70.5**		**$106,131.86**	**0.5**	**$533.50**		**71.0**		**$106,665.36**
Grand Total Water Inventory	**1,904.4**		**$2,571,564.7**	**(155.7)**	**($209,897.1)**		**1,748.7**		**$2,361,667.6**



RAMONA MUNICIPAL WATER DISTRICT
WATER BILLING AND PURCHASES 2020-2021
WATER BILLINGS

YEAR	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTALS
2018-19													
Untreated - Acre Feet	145.3	184.9	121.0	101.0	100.4	24.5	25.2	4.0	6.8	66.0	49.1	71.8	900.0
Treated - Acre Feet	389.0	355.5	415.7	357.9	366.5	277.4	251.6	199.1	164.3	191.9	225.4	265.6	3,459.9
Total	**534.3**	**540.4**	**536.7**	**458.9**	**466.9**	**301.9**	**276.8**	**203.1**	**171.1**	**257.9**	**274.5**	**337.4**	**4,359.9**
2019-20													
Untreated - Acre Feet	92.9	133.2	110.0	100.7	63.2	5.1	20.1	25.1	23.9	9.0	67.6	89.7	740.5
Treated - Acre Feet	308.1	346.3	410.5	363.4	345.3	260.4	205.4	220.9	201.6	200.6	239.7	293.9	3,396.1
Total	**401.0**	**479.5**	**520.5**	**464.1**	**408.5**	**265.5**	**225.5**	**246.0**	**225.5**	**209.6**	**307.3**	**383.6**	**4,136.6**
2020-21													
Untreated - Acre Feet	111.9	104.0	114.9										330.8
Treated - Acre Feet	375.1	381.8	448.0										1,204.9
Total	**487.0**	**485.8**	**562.9**										**1,535.7**
SUPPLY CHARGES													
Water Treated - Acre Feet	446.1	455.4	429.8										1,331.3
Water Treated - $ Amount	$537,551	$548,757	$517,909										$1,604,217
Water Untreated - CWA - Acre Feet													
Water Untreated - CWA - $ Amount													
Transportation Charge - Meter Delivery - CWA - $ Amount	$58,885	$60,113	$56,734										$175,732
WATER EXCHANGES													
Water Exchanges (to) from Other Agencies - Acre Feet													
Water Exchanges (to) from Other Agencies - $ Amount													
Transportation Charges - Exchanges - $ Amount													
FIXED CHARGES (CREDITS)													
MWD Capacity Reservation Charge - $ Amount	$8,506	$8,506	$8,506										$25,517
MWD Readiness to Serve Credit - $ Amount	($7,972)	($7,972)	($7,972)										($23,916)
CWA Customer Service Charge - $ Amount	$25,888	$25,888	$25,888										$77,664
CWA Emergency Storage Charge - $ Amount	$56,515	$56,515	$56,515										$169,544
CWA Supply Reliability Charge	$37,636	$37,636	$37,636										$112,908
CWA Infrastructure Access Charge	$33,399	$33,399	$33,399										$100,196
Other Charges and (Credits) Adjustments													
SAWR Water Programs & LLP - Acre Feet	(124.6)	(149.2)	(248.9)										(522.7)
SAWR Water Programs & LLP Adjustment - $ Amount													
SAWR Water Programs & LLP - $ Amount	(20,686.0)	(26,310.6)	(48,436.0)										(95,432.6)
Total- Acre Feet	**446.1**	**455.4**	**429.8**										**1331.3**
Total- $ Amount	**$729,721**	**$736,530**	**$680,178**										**$2,146,429**
Total Inventory-Acre Feet	**(138.1)**	**(136.9)**	**(155.7)**										**(430.7)**
$ Amount	**(172,590.5)**	**(160,285.5)**	**(209,897.1)**										**(542,773.1)**

Ramona Municipal Water District
Capital Projects
September 30, 2020

FUND 43	Water Capital Improvement Projects	FY 2020-21 Budget	FY 2020-21 Month	FY 2020-21 YTD	FY 2020-21 Available
51250	Pump control cla-val maintenance	$15,000	$5,524	$5,524	$9,476
51255	Underground service system/GIS	$20,000	$0	$0	$20,000
51258	Ramona Dam Slide Gate Control Panel	$0	$0	$0	$0
51259	18" Poway Pipeline Erosion Project	$30,000	$6,763	$6,763	$23,237
51260	Tank Rehab	$0	$0	$0	$0
51261	Pressure Reducing Valve (PRV)	$140,000	$0	$0	$140,000
51264	Pump Station Electric Control Center "MCC" Rehab	$100,000	$0	$0	$100,000
51266	Operations Security Cameras	$0	$0	$0	$0
	Arc Flash RFP/Study	$125,000	$0	$0	$125,000
	Operations Yard Equipment Cover	$55,000	$0	$0	$55,000
51267	Woodson Reservoir Fence Repair	$50,000	$0	$0	$50,000
		$535,000	$12,286	$12,286	$522,714

FUND 10	Water Capital Replacement - Energy Fund	FY 2020-21 Budget	FY 2020-21 Month	FY 2020-21 YTD	FY 2020-21 Available
57018	Pump and Motor Efficiency	$0	$0	$0	$0
		$0	$0	$0	$0

FUND 26	General Fund Capital Purchases	FY 2020-21 Budget	FY 2020-21 Month	FY 2020-21 YTD	FY 2020-21 Available
56016	IT assessment project & equipment	$20,000	$0	$3,118	$16,882
56017	Conversion projects for system software	$10,000	$0	$0	$10,000
56020	Facilities - Building Renovation	$180,000	$0	$0	$180,000
56022	Data infrastructure/network upgrade	$15,000	$0	$0	$15,000
		$225,000	$0	$3,118	$221,882

FUND 12	Fire Fund Capital Purchases	FY 2020-21 Budget	FY 2020-21 Month	FY 2020-21 YTD	FY 2020-21 Available
52016	Ambulance payments	$72,000	$0	$70,748	$1,252
52021	Engine Payments	$65,813	$0	$65,813	$0
52028	SCBA replacement	$4,000	$0	$0	$4,000
52029	Station 80 Exhaust Plymovent	$0	$0	$0	$0
52030	Hose Replacement	$6,000	$0	$0	$6,000
52031	New VHF Handheld Radios	$25,000	$0	$0	$25,000
	Station 82 Hose Washing/Drying Rack	$8,000	$0	$0	$8,000
52032	Ambulance Replacement	$61,000	$0	$0	$61,000
52033	(2) EMS Power Cots	$15,000	$0	$0	$15,000
52034	Station 80 and 82 Seating Replacement	$10,000	$0	$0	$10,000
		$266,813	$0	$136,561	$130,252

FUND 11	Water Capital Replacements Projects	FY 2020-21 Budget	FY 2020-21 Month	FY 2020-21 YTD	FY 2020-21 Available
51932	Valve replacements	$350,000	$0	$0	$350,000
51940A	Infrastructure replacement program	$1,950,000	$17,773	$17,773	$1,932,227
51942	Water meter replacement	$250,000	$27,148	$27,148	$222,852
51952	Vehicle Replacement	$52,736	$0	$0	$52,736
51953	Poway Pump Station low flow Natural Gas Engines	$1,100,000	$16,595	$16,595	$1,083,405
51954	Water Master Plan	$40,000	$6,392	$16,121	$23,879
51958	Mt. Woodson Floating Cover Replacement Project	$125,000	$0	$0	$125,000
51960	HV 1800 - 1700 Zone Connection	$140,000	$0	$0	$140,000
51949-02	Tank and Reservior Rehab Program	$50,000	$648	$648	$49,353
51959	4x4 Mower	$15,000	$13,662	$13,662	$1,338
		$4,072,736	$82,217	$91,946	$3,980,790

FUND 14	San Vicente Capital Improvement Projects	FY 2020-21 Budget	FY 2020-21 Month	FY 2020-21 YTD	FY 2020-21 Available
	Arc Flash Study	$65,000	$0	$0	$65,000
		$65,000	$0	$0	$65,000

FUND 15	Santa Maria Capital Improvement Projects	250000 Budget	27147.83 Month	27147.83 YTD	222852.17 Available
	Arc Flash Study	$65,000	$0	$0	$65,000
		$65,000	$0	$0	$65,000

FUND 22	San Vicente Capital Replacements Projects	FY 2020-21 Budget	FY 2020-21 Month	FY 2020-21 YTD	FY 2020-21 Available
54196	Salt and Nutrient Management Plan	$5,000	$0	$0	$5,000
54197	Telemetry - Plant	$17,000	$0	$0	$17,000
54198	UF & RO membranes	$20,000	$0	$0	$20,000
54199	SV RO/Brine Reduction	$25,000	$0	$0	$25,000
54202	Collection system infrastructure	$200,000	$0	$0	$200,000
54205	Filter media	$25,000	$0	$0	$25,000
54206	Asphalt	$5,000	$0	$0	$5,000
54208	Root control	$15,000	$0	$0	$15,000
54209	SCADA system - Collections	$10,000	$0	$0	$10,000
54210	Oxidation Basin and RAS Station Elec Restoration	$10,000	$10,095	$10,095	($95)
54211	SV Spray fields Project	$0	$0	$0	$0
54212	Solids Handling Study	$52,500	$0	$0	$52,500
54213	Collection System Inflow & Infiltration	$150,000	$0	$0	$150,000
54214	Manhole rehab	$50,000	$0	$0	$50,000
54216	Vehicle Replacement	$82,736	$0	$0	$82,736
54217	Refrigerated Online Sampler	$8,500	$8,888	$8,888	($388)
	Sprayfield Maintenance	$20,000	$0	$0	$20,000
	Grit Removal System	$40,000	$0	$0	$40,000
		$735,736	$18,983	$18,983	$716,753

FUND 24	Fire Mitigation Capital Replacements Projects	FY 2020-21 Budget	FY 2020-21 Month	FY 2020-21 YTD	FY 2020-21 Available
52021	New engine payments	$32,906	$0	$32,906	$0
	Station 80 Remodel	$140,406	$0	$0	$140,406
		$173,312	$0	$32,906	$140,406

FUND 25	Santa Maria Capital Replacements Projects	FY 2020-21 Budget	FY 2020-21 Month	FY 2020-21 YTD	FY 2020-21 Available
55244	SM Collection system infrastructure	$500,000	$10,915	$10,915	$489,085
55247	Telemetry - Plant	$15,000	$0	$0	$15,000
55249	Pump station grinders	$20,000	$0	$0	$20,000
55252	Spray field fence replacement	$20,000	$0	$0	$20,000
55253	Asphalt repair	$10,000	$0	$0	$10,000
55254	Salt and Nutrient Management	$5,000	$0	$0	$5,000
55255	SM Spray field maintenance	$20,000	$557	$3,675	$16,325
55256	Effluent Transmission Pipe	$3,600,000	$3,436	$3,436	$3,596,564
55264	Influent pump station/Screening and Grit Removal	$1,750,000	$39,811	$39,811	$1,710,189
55268	Vehicle replacements	$82,736	$0	$0	$82,736
55273	Collection System Inflow & Infiltration	$200,000	$0	$0	$200,000
55275	Manhole rehab	$0	$0	$0	$0
55276	Root Control	$0	$0	$0	$0
55277	Centrifuge Rebuild	$20,000	$0	$0	$20,000
55278	MCC Building Repairs	$40,000	$0	$0	$40,000
	Relocation of 21" Main	$350,000	$0	$0	$350,000
	Sewer Lift Station Rehab Program (Year 2 of 4)	$200,000	$0	$0	$200,000
		$6,832,736	$54,720	$57,838	$6,774,898

	Total of all Projects	$12,841,333	$168,207	$353,639	$12,487,694

Trend Reports

Trend reports are presented for use in monitoring longer range activity than the monthly reports. These reports may include history or projections which are provided to assist in determining general directions or patterns of District financial activity. Accuracy of any projected information will decline as the length into the future the projection is being made increases.

The Trend Reports are:

Cash Balance - Information from the Cash Balance report is taken from the monthly Cash Report. The Trend report accumulates the two prior complete years' information along with the current year. Cash in the District belongs to three types of activities. Operating cash is used for the operations of the District and is primarily funded through user charges for water, sanitation, and fire services. Debt Service cash is primarily derived from property tax assessments and is used to pay predetermined debt payments. Capital cash consists of cash which is provided to the District to fund construction related costs. This cash may come from new development, or from revenue sources which the Board has taken action to direct toward construction related costs.

The Operating portion of the cash balance has been isolated for presentation in graphic format. This presentation depicts the cyclical trend of operating cash on hand throughout a fiscal year.

Operating Revenue/Expenditures - Information from the Operating Revenue/Expenditure report is taken from the monthly Operating Report. The Trend report displays a complete year of operating revenues and expenditures by month as they occur.

Tax Allocation Worksheet Trend - The District uses the County Tax Rolls to collect approximately half of all the revenue which comes to the District in a year. Collections include general tax collections, property owner approved debt assessments, and user charges for sanitation and fire/paramedic services. Distribution is made by the County in 13 installments through a year. Distributions are reflective of collection made on property tax payments. Since most property taxes are paid around the December and April 10 deadlines, the greatest distributions to the District correspond to those payments. The last payment from the County is used to reconcile any late collections or any corrections.

Capital Improvement Projects - The District plans and executes a number of capital improvement projects. By nature these projects require lead and construction times which exceed the annual fiscal year of the District. In some cases, the projects require long term funding.

Salaries and Wages - Salaries and the Benefits which accompany those salaries make up a significant portion of the operating budget. These costs are affected by overtime, vacancies, temporary help, Memorandum of Understanding terms, and charging of time to outside funded activities.

Ramona Municipal Water District
Tax Allocation Worksheet Trend
Fiscal Year 2020-2021

Description	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Total
1% Property Tax	$ 95,884.37	$ 88,548.20	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 184,432.57
Park Improv Dist.	$ 2,263.89	$ 2,090.64	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,354.53
SV Cap Replacement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
San Vicente EDU & Availability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Santa Maria EDU	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fire - Paramedic	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
AD 99-1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Delinquent Water Charge	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 98,148.26	$ 90,638.84	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 188,787.10

OPERATING REVENUE/EXPENDITURE TREND 2020-2021

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
General													
Revenue	19,529	21,720	27,726										68,975
Transfer	346,015	245,865	292,357										884,237
Total	365,544	267,585	320,083	0	0	0	0	0	0	0	0	0	953,212
Expenditures	(346,013)	(245,864)	(309,364)										(901,241)
Net Result	19,531	21,722	10,719	0	0	0	0	0	0	0	0	0	51,971
Water													
Revenue	1,699,028	2,491,674	1,457,801										5,648,503
Expenditure	(1,336,770)	(1,486,926)	(1,514,786)										(4,338,483)
Transfers	(1,318,786)	(155,460)	(184,858)										(1,659,104)
Net Result	(956,528)	849,288	(241,843)	0	0	0	0	0	0	0	0	0	(349,084)
Fire													
Revenue	535,945	513,884	489,946										1,539,776
Expenditure	(586,108)	(604,367)	(590,160)										(1,780,636)
Transfers	0	0	0										0
Net Result	(50,163)	(90,483)	(100,214)	0	0	0	0	0	0	0	0	0	(240,860)
Parks													
Revenue	11,900	11,900	12,327										36,127
Expenditure	0	0	(34,995)										(34,995)
Transfers	0	0	0										0
Net Result	11,900	11,900	(22,668)	0	0	0	0	0	0	0	0	0	1,132
San Vicente													
Revenue	297,357	303,522	301,561										902,441
Expenditure	(87,540)	(110,282)	(175,442)										(373,264)
Transfers	(553,563)	(38,060)	(45,256)										(636,879)
Net Result	(343,745)	155,180	80,863	0	0	0	0	0	0	0	0	0	(107,702)
Santa Maria													
Revenue	385,250	359,507	365,968										1,110,726
Expenditure	(109,196)	(126,149)	(176,407)										(411,752)
Transfers	(1,323,666)	(52,345)	(62,243)										(1,438,254)
Net Result	(1,047,611)	181,013	127,318	0	0	0	0	0	0	0	0	0	(739,280)
Summary													
Revenue	2,949,009	3,702,207	2,655,330	0	0	0	0	0	0	0	0	0	9,306,546
Expenditure	(2,465,627)	(2,573,588)	(2,801,155)	0	0	0	0	0	0	0	0	0	(7,840,370)
Transfers	(2,850,000)	0	0	0	0	0	0	0	0	0	0	0	(2,850,000)
Net Result	(2,366,617)	1,128,619	(145,825)	0	0	0	0	0	0	0	0	0	(1,383,824)

RAMONA MUNICIPAL WATER DISTRICT
SALARIES AND WAGES TREND
As of September 30, 2020 (6 payperiods of 26)

		Annual Budget	YTD Budget	YTD Expense	Under (Over)	% Under % -Over
General Fund						
General Manager Department						
	Salaries and Wages	249,566	57,592	65,010	(7,418)	-12.88%
	Benefits	196,518	45,350	31,596	13,754	30.33%
	Total Department	446,084	102,942	96,606	6,336	6.15%
Engineering Department						
	Salaries and Wages	78,272	18,063	17,549	514	2.84%
	Benefits	71,205	16,432	15,815	617	3.75%
	Total Department	149,477	34,495	33,365	1,130	3.28%
Finance Department						
	Salaries and Wages	1,385,971	319,839	310,663	9,176	2.87%
	Benefits	877,956	202,605	191,920	10,685	5.27%
	Total Department	2,263,927	522,444	502,582	19,862	3.80%
Water Fund						
	Salaries and Wages	1,998,352	461,159	445,658	15,501	3.36%
	Benefits	1,306,216	301,436	292,982	8,454	2.80%
	Total Department	3,304,568	762,595	738,641	23,954	3.14%
San Vicente Sanitation						
	Salaries and Wages	501,099	115,638	114,929	709	0.61%
	Benefits	327,206	75,509	90,730	(15,221)	-20.16%
	Total Department	828,305	191,147	205,658	(14,511)	-7.59%
Santa Maria Sanitation						
	Salaries and Wages	687,079	158,556	146,564	11,992	7.56%
	Benefits	465,119	107,335	99,805	7,530	7.02%
	Total Division	1,152,198	265,891	246,369	19,522	7.34%
Total District						
	Salaries and Wages	4,900,339	1,130,847	1,100,373	30,474	2.69%
	Benefits	3,244,220	748,667	722,848	25,819	3.45%
	Total District	8,144,559	1,879,514	1,823,221	56,293	3.00%

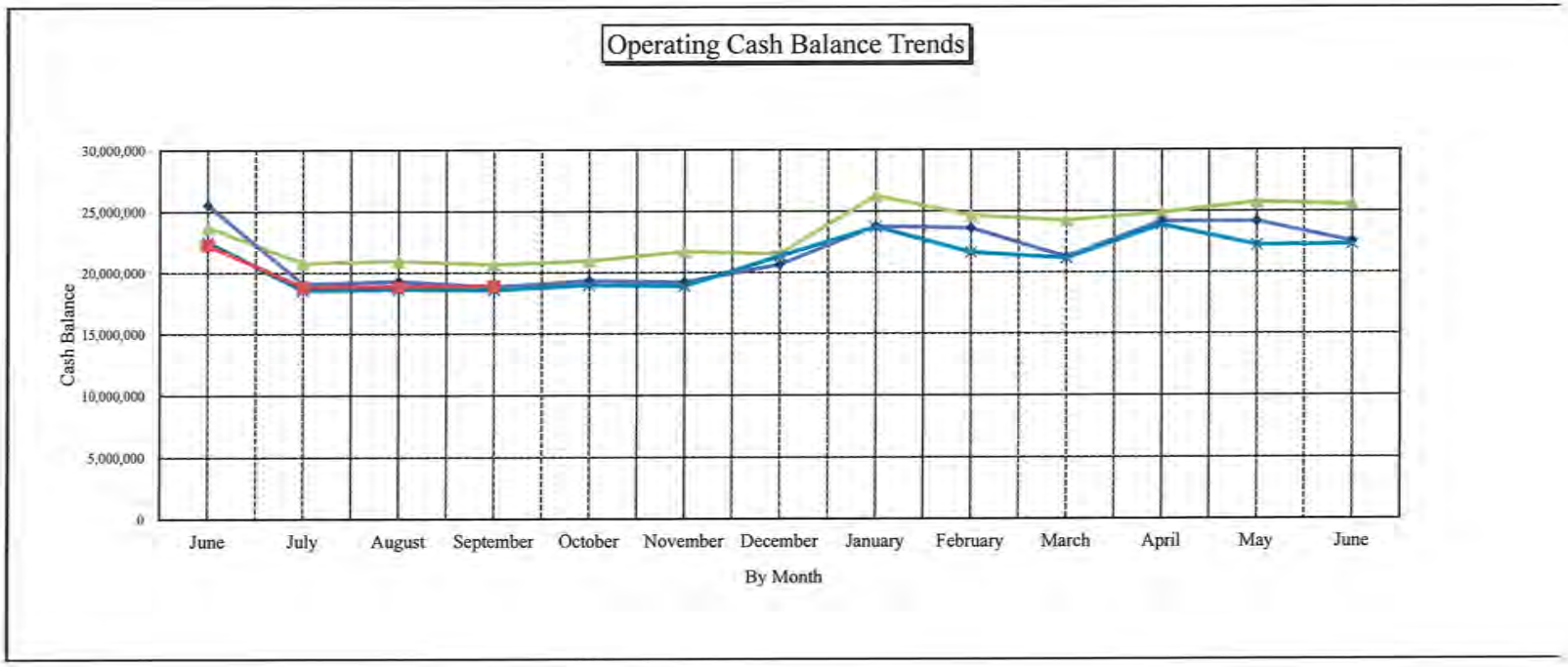
CASH BALANCE TRENDS

2020-21 Fiscal Year	June	July	August	September	October	November	December	January	February	March	April	May	June
Operating 2020-21	22,308,228	18,826,899	18,864,465	18,923,593									
Debt Service	854,958	854,958	860,826	533,321									
Capital	22,745,902	23,894,579	23,747,785	23,791,673									
Total	45,909,087	43,576,435	43,473,076	43,248,587	0	0	0	0	0	0	0	0	0

2019-20 Fiscal Year	June	July	August	September	October	November	December	January	February	March	April	May	June
Operating 2019-20	22,527,538	18,541,296	18,603,575	18,564,058	18,957,195	18,849,837	21,320,497	23,723,338	21,633,383	21,162,780	23,886,736	22,238,302	22,308,228
Debt Service	728,110	728,110	735,693	409,189	414,299	431,976	601,798	680,243	692,015	642,231	830,989	840,535	854,958
Capital	23,290,355	24,875,652	24,642,658	24,788,405	24,555,559	24,266,296	25,419,114	24,788,316	23,704,178	23,350,348	23,829,912	22,852,874	22,745,902
Total	46,546,003	44,145,057	43,981,926	43,761,652	43,927,053	43,548,109	47,341,409	49,191,898	46,029,576	45,155,359	48,547,637	45,931,711	45,909,087

2018-19 Fiscal Year	June	July	August	September	October	November	December	January	February	March	April	May	June
Operating 2018-19	25,543,278	19,070,636	19,277,921	18,816,408	19,331,493	19,203,793	20,659,869	23,787,211	23,630,506	21,262,884	24,152,461	24,181,322	22,527,538
Debt Service	1,774,963	1,747,437	1,381,041	803,424	807,844	807,844	842,870	861,487	864,284	810,266	852,008	852,965	728,110
Capital	17,780,407	22,702,214	22,627,105	22,267,566	22,034,042	21,922,030	22,863,227	23,139,354	22,962,167	22,752,938	23,687,239	23,481,818	23,290,355
Total	45,098,648	43,520,287	43,286,067	41,887,398	42,173,379	41,933,667	44,365,966	47,788,052	47,456,957	44,826,088	48,691,707	48,516,105	46,546,003

2017-18 Fiscal Year	June	July	August	September	October	November	December	January	February	March	April	May	June
Operating 2017-18	23,744,314	20,789,007	20,943,682	20,676,785	20,947,105	21,707,134	21,540,649	26,242,906	24,647,488	24,238,542	24,866,357	25,730,362	25,543,278
Debt Service	2,122,231	2,122,050	1,898,376	1,579,780	1,582,275	1,604,602	1,663,130	1,808,094	1,689,987	1,623,293	1,661,102	1,768,560	1,774,963
Capital	16,342,811	18,794,243	18,365,518	18,094,515	17,954,854	17,645,442	18,319,064	18,151,164	17,982,330	17,636,009	18,105,507	17,138,787	17,780,407
Total	42,209,356	41,705,300	41,207,576	40,351,080	40,484,234	40,957,178	41,522,843	46,202,164	44,319,805	43,497,844	44,632,965	44,637,709	45,098,649



RAMONA MUNICIPAL WATER DISTRICT

AGENDA MEMO

Agenda Item No. B.1.c.
Regular Board Meeting of November 10, 2020

Jim Robinson, President
and Members of the Board of Directors
Ramona, CA 92065

RE: ADOPTION OF A RESOLUTION APPROVING THE CLASSIFICATION AND SALARY SCHEDULE FOR 2021 TO MEET CALPERS REQUIREMENTS

Members of the Board:

Purpose

To adopt a Resolution approving the Classification and Salary Schedule for the period of January 1, 2021 to December 31, 2021 to meet CalPERS requirements.

Background

On November 14, 2017, the Board approved the Memorandum of Understanding (MOU) with RMWD Employees Association (RMWDEA) and the Order of the Board with unrepresented employees for the period of January 1, 2018 to December 31, 2021. These agreements will modify the salary schedule for all classifications on an annual basis.

Discussion

CalPERS regulations require that participating member agencies publish employee salaries on a publicly available Salary Schedule to ensure consistency and transparency between CalPERS employers. CalPERS uses the information when calculating retirement benefits.

CalPERS specifies that the publicly available pay schedule should (1) be publicly approved and adopted by the employer's governing body, (2) identify the position title for every employee position, (3) show the pay rate for each identified position, (4) identify the time base, including whether the time base is hourly, monthly, annually, etc., (5) post the schedule at the office of the employer, or the employer's internet website, (6) indicate the effective date and date of any revisions, (7) be retained and available for public inspection for not less than five years and (8) not reference another document in lieu of disclosing the pay rate. All eight requirements must be met in one salary schedule in order for CalPERS to approve the pay amount as payrate and reportable compensation earnable.

The Ramona Municipal Water District (District) is currently in compliance with CalPERS regulations by posting the most current Classification and Salary Schedule on its website, www.rmwd.org. Adopting the resolution to approve the Classification and Salary Schedule for January 1, 2021 to December 31, 2021, will ensure the District remains in compliance with CalPERS regulations.

Fiscal Impact

None.

Recommendation

Staff respectfully recommends the Board adopt the proposed Resolution to approve the District's Classification and Salary Schedule for the period of January 1, 2021 to December 31, 2021 to meet CalPERS requirements.

Prepared By: Tim Clement, Administrative Services Manager

Submitted by: David Barnum, General Manager

ATTACHMENTS:

Attachment 1	Proposed Resolution and Salary Schedule	B.1.c. Page 3-5

RESOLUTION NO. 20-XXXX

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RAMONA MUNICIPAL WATER DISTRICT ADOPTING A REVISED SALARY SCHEDULE FOR THE PERIOD OF JANAURY 1, 2021 TO DECEMBER 31, 2021

WHEREAS, CalPERS regulations require that participating member agencies publish employee salaries on a publicly available Salary Schedule; and

WHEREAS, CalPERS requires the Salary Schedule be publicly approved and adopted by each participating member agency's governing body by resolution.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE RAMONA MUNICIPAL WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The revised Salary Schedule for full-time employees, attached hereto as Exhibit A and incorporated herein by this reference, is hereby adopted with an effective date of January 1, 2021.

PASSED, APPROVED, AND ADOPTED at the regular meeting of the Board of Directors of Ramona Municipal Water District held on the 10th day of November 2020.

_____

Jim Robinson
President, Board of Directors
Ramona Municipal Water District

ATTEST:

_____

Jeff Lawler
Secretary, Board of Directors
Ramona Municipal Water District

Ramona Municipal Water District
Employees Association Salary Schedule
(Effective: January 1, 2021)

CLASSIFICATION	Salary Grade	HOURLY PAY RANGE Min.	HOURLY PAY RANGE Max.	BIWEEKLY PAY RANGE Min.	BIWEEKLY PAY RANGE Max.	MONTHLY PAY RANGE Min.	MONTHLY PAY RANGE Max.	ANNUAL PAY RANGE Min.	ANNUAL PAY RANGE Max.
Accounting Technician I/II	7/11	$ 21.00	$ 29.49	$ 1,680.00	$ 2,359.20	$ 3,640.00	$ 5,111.60	$ 43,680.00	$ 61,339.20
Collection System Supervisor	35-40	$ 41.40	$ 59.71	$ 3,312.00	$ 4,776.80	$ 7,176.00	$ 10,349.73	$ 86,112.00	$ 124,196.80
Collection System Worker I/II	15/19	$ 25.44	$ 35.76	$ 2,035.20	$ 2,860.80	$ 4,409.60	$ 6,198.40	$ 52,915.20	$ 74,380.80
Collection System Worker III	26	$ 33.14	$ 42.31	$ 2,651.20	$ 3,384.80	$ 5,744.27	$ 7,333.73	$ 68,931.20	$ 88,004.80
Cross Connection Program Spclst I/II	15/19	$ 25.44	$ 35.76	$ 2,035.20	$ 2,860.80	$ 4,409.60	$ 6,198.40	$ 52,915.20	$ 74,380.80
Customer Service Representative I/II	7/11	$ 21.00	$ 29.49	$ 1,680.00	$ 2,359.20	$ 3,640.00	$ 5,111.60	$ 43,680.00	$ 61,339.20
Customer Service Representative III	15	$ 25.44	$ 32.47	$ 2,035.20	$ 2,597.60	$ 4,409.60	$ 5,628.13	$ 52,915.20	$ 67,537.60
Electrical/Instrumentation Technician	32	$ 38.34	$ 48.89	$ 3,067.20	$ 3,911.20	$ 6,645.60	$ 8,474.27	$ 79,747.20	$ 101,691.20
Engineering Technician	21	$ 29.40	$ 37.51	$ 2,352.00	$ 3,000.80	$ 5,096.00	$ 6,501.73	$ 61,152.00	$ 78,020.80
Equipment Maintenance Mechanic I/II	19/23	$ 28.04	$ 39.36	$ 2,243.20	$ 3,148.80	$ 4,860.27	$ 6,822.40	$ 58,323.20	$ 81,868.80
Laboratory Analyst I/II	23/27	$ 30.86	$ 43.40	$ 2,468.80	$ 3,472.00	$ 5,349.07	$ 7,522.67	$ 64,188.80	$ 90,272.00
Meter Services Supervisor	35-40	$ 41.40	$ 59.71	$ 3,312.00	$ 4,776.80	$ 7,176.00	$ 10,349.73	$ 86,112.00	$ 124,196.80
Meter Services Worker I/II	15/19	$ 25.44	$ 35.76	$ 2,035.20	$ 2,860.80	$ 4,409.60	$ 6,198.40	$ 52,915.20	$ 74,380.80
Meter Services Worker III	26	$ 33.14	$ 42.31	$ 2,651.20	$ 3,384.80	$ 5,744.27	$ 7,333.73	$ 68,931.20	$ 88,004.80
Purchasing/Warehouse Assistant I/II	17/21	$ 26.69	$ 37.51	$ 2,135.20	$ 3,000.80	$ 4,626.27	$ 6,501.73	$ 55,515.20	$ 78,020.80
Purchasing/Warehouse Supervisor	35-40	$ 41.40	$ 59.71	$ 3,312.00	$ 4,776.80	$ 7,176.00	$ 10,349.73	$ 86,112.00	$ 124,196.80
Safety and Risk Specialist	28	$ 34.88	$ 44.48	$ 2,790.40	$ 3,558.40	$ 6,045.87	$ 7,709.87	$ 72,550.40	$ 92,518.40
System Operator I/II	23/27	$ 30.86	$ 43.40	$ 2,468.80	$ 3,472.00	$ 5,349.07	$ 7,522.67	$ 64,188.80	$ 90,272.00
System Operator III	30	$ 36.62	$ 46.72	$ 2,929.60	$ 3,737.60	$ 6,347.47	$ 8,098.13	$ 76,169.60	$ 97,177.60
Systems Supervisor	35-40	$ 41.40	$ 59.71	$ 3,312.00	$ 4,776.80	$ 7,176.00	$ 10,349.73	$ 86,112.00	$ 124,196.80
Utility Supervisor	35-40	$ 41.40	$ 59.71	$ 3,312.00	$ 4,776.80	$ 7,176.00	$ 10,349.73	$ 86,112.00	$ 124,196.80
Utility Worker I/II	15/19	$ 25.44	$ 35.76	$ 2,035.20	$ 2,860.80	$ 4,409.60	$ 6,198.40	$ 52,915.20	$ 74,380.80
Utility Worker III	26	$ 33.14	$ 42.31	$ 2,651.20	$ 3,384.80	$ 5,744.27	$ 7,333.73	$ 68,931.20	$ 88,004.80
Wastewater Treatment OIT	19	$ 28.04	$ 35.76	$ 2,243.20	$ 2,860.80	$ 4,860.27	$ 6,198.40	$ 58,323.20	$ 74,380.80
Wastewater Treatment Operator I/II	23/27	$ 30.86	$ 43.40	$ 2,468.80	$ 3,472.00	$ 5,349.07	$ 7,522.67	$ 64,188.80	$ 90,272.00
Wastewater Treatment Operator III	30	$ 36.62	$ 46.72	$ 2,929.60	$ 3,737.60	$ 6,347.47	$ 8,098.13	$ 76,169.60	$ 97,177.60
Wastewater Treatment Supervisor	35-40	$ 41.40	$ 59.71	$ 3,312.00	$ 4,776.80	$ 7,176.00	$ 10,349.73	$ 86,112.00	$ 124,196.80
Waterworks Mechanic I/II	26/32	$ 33.14	$ 48.89	$ 2,651.20	$ 3,911.20	$ 5,744.27	$ 8,474.27	$ 68,931.20	$ 101,691.20

OUT-OF-CLASS PAY
Full Responsibility: 10%-Step A
Partial Responsibility: 5-10%

Ramona Municipal Water District
Management/Professional/Confidential Salary Schedule
(Effective: January 1, 2021)

CLASSIFICATION	Salary Grade	HOURLY PAY RANGE Min.	Max.	BIWEEKLY PAY RANGE Min.	Max.	MONTHLY PAY RANGE Min.	Max.	ANNUAL PAY RANGE Min.	Max.
Accounting Specialist I/II	24/28	$31.59	$ 44.48	$2,527.20	$3,558.40	$ 5,475.60	$ 7,709.87	$ 65,707.20	$ 92,518.40
Accounting Supervisor	35-40	$41.40	$ 59.71	$3,312.00	$4,776.80	$ 7,176.00	$10,349.73	$ 86,112.00	$124,196.80
Administrative Services Manager	53-56	$63.08	$ 86.75	$5,046.40	$6,940.00	$10,933.87	$15,036.67	$131,206.40	$180,440.00
Chief Financial Officer	62	$78.84	$ 100.58	$6,307.20	$8,046.40	$13,665.60	$17,433.87	$163,987.20	$209,206.40
IT Administrator	40	$46.79	$ 59.71	$3,743.20	$4,776.80	$ 8,110.27	$10,349.73	$ 97,323.20	$124,196.80
Management Analyst	38	$44.56	$ 56.88	$3,564.80	$4,550.40	$ 7,723.73	$ 9,859.20	$ 92,684.80	$118,310.40
Wastewater Ops. Superintendent	45-48	$52.64	$ 72.29	$4,211.20	$5,783.20	$ 9,124.27	$12,530.27	$109,491.20	$150,363.20
Water Operations Manager	50-56	$59.30	$ 86.75	$4,744.00	$6,940.00	$10,278.67	$15,036.67	$123,344.00	$180,440.00
General Manager	N/A	-		-		-		$247,582.40	

OUT-OF-CLASS PAY
Full Responsibility: 10%-Step A
Partial Responsibility: 5-10%

RAMONA MUNICIPAL WATER DISTRICT
AGENDA MEMO

Agenda Item No. B.1.d.
Regular Board Meeting of November 10, 2020

Jim Robinson, President
and Members of the Board of Directors
Ramona, CA 92065

RE: AUTHORIZATION FOR THE GENERAL MANAGER TO SIGN THE SECOND AMENDMENT TO THE FIRST AMENDED AND RESTATED AGREEMENT FOR USE OF RECLAIMED WATER ON THE MT. WOODSON GOLF COURSE ("AGREEMENT")

Members of the Board:

Purpose

To obtain Board authorization for the General Manager to sign the Second Amendment to the Agreement to remove all references to untreated water.

Background

On April 5, 1991, the Ramona Municipal Water District ("District") entered into an Agreement with Davidson Coscan Partners ("DCP") for Use of Reclaimed Water on The Mt. Woodson Ranch Golf Course.

On May 3, 1996, the District and DCP executed the First Amended and Restated Agreement for Use of Reclaimed Water on the Mt. Woodson Ranch Golf Course Project. (Attachment 2)

On December 31, 1996, the District and DCP executed the First Amendment to the First Amended and Restated Agreement for Use of Reclaimed Water on the Mt. Woodson Ranch Golf Course Project. (Attachment 3)

On February 19, 2016, Alliance G.C.P., LLC ("Alliance") became the owner of the Mt. Woodson Ranch Golf Course Property and has been assigned all rights and obligations under the Agreement by DCP.

In March 2020, the Board accepted the Untreated Water System Evaluation and Authorized the General Manager to implement Phases 1 through 3 of the defined implementation plan. Phase I of the implementation plan includes decommissioning of the untreated system in the Woodson Zone. Mt. Woodson Golf Course is one of the parcels included in the Phase I of the implementation plan.

Discussion

Untreated water customers included in Phase I of the implementation plan were notified via letter about the decommissioning of the untreated system in the Woodson Zone by July 1, 2021. In response to the letter, Mt. Woodson Golf Course through Alliance submitted an application for removal of all untreated water meters (5) ahead of the July 1, 2021 date. Alliance has not used water from the untreated system in recent years.

The existing Agreement includes references to delivery of untreated water to Mt. Woodson Golf Course. With the removal of the untreated meters, as requested by the property owner, the delivery of untreated water would no longer be an alternative option and therefore there is a need to amend the Agreement to remove all references to delivery of untreated water by the District to the property.

Included as Attachment 1 to this agenda memo is the draft version of the Second Amendment to the Agreement for Use of Reclaimed Water on the Mt. Woodson Ranch Golf Course Project.

Fiscal Impact

None.

Recommendation

Staff respectfully recommends the Board authorize the General Manager to finalize and sign the Second Amendment to the Agreement in substantially the form as shown in Attachment 1.

Prepared by: Ricardo Soto, P.E., Engineering Department

Reviewed by: D. Michael Metts, P.E., District Engineer

Submitted by: David Barnum, General Manager

ATTACHMENTS:

SECOND AMENDMENT TO FIRST AMENDED AND RESTATED AGREEMENT FOR USE OF RECLAIMED WATER ON THE MT. WOODSON RANCH GOLF COURSE PROJECT

This Second Amendment to the First Amended and Restated Agreement For Use Of Reclaimed Water On The Mt. Woodson Ranch Golf Course Project ("Second Amendment") is entered into by and between the Ramona Municipal Water District (hereinafter the "District"), a municipal water district organized and operating pursuant to California Water Code sections 71000 et seq., and Alliance G C P, LLC (hereinafter the "Owner").

This Agreement shall become effective as of November ___, 2020, upon execution by the parties.

RECITALS

A. On May 3, 1996, Davidson Coscan Partners (“DCP”) and the District entered into the First Amendment to the First Amended and Restated Agreement For Use of Reclaimed Water On the Mt. Woodson Ranch Golf Course Project ("Agreement")

B. On December 31, 1996, DCP and the District entered into the First Amendment to the Agreement ("First Amendment").

C. On February 19, 2016, Alliance G C P, LLC (“Owner”) became the owner of the Mt. Woodson Ranch Golf Course Project (“Project”) as defined in the Agreement. Owner also executed a form of an assignment and assumption agreement with DCP in which DCP assigned all of its rights and obligations in the Agreement and First Amendment to Owner.

D. In March, 2020, the District Board of Directors approved the decommissioning of a portion of the Untreated Water System (Woodson Zone) as part of Phase I of the “Untreated Water System Evaluation” by July 1, 2021. The Mount Woodson Ranch Golf Course is one of the parcels included on the portion of the untreated system to be decommissioned under this Phase I.

E. Owner made a request to the District to remove all untreated water meters to the Project ahead of the July 1, 2021 deadline.

F. Owner and the District now desire to amend the Agreement and First Amendment to delete any references to the District providing untreated water to the Project, as specifically provided below.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the District and Owner agree to amend the Agreement and First Amendment, as follows:

1. The District and Owner agree that no untreated water services will be provided by the District to Owner at the Project. Upon execution of this Second Amendment, nothing in the Agreement or the First Amendment will require the District to provide any such untreated water services to Owner.

2. All references to “DCP” in the Agreement and First Amendment will refer to Owner now that Owner has been assigned all rights and obligations under the Agreement and First Amendment by DCP.

3. Recital D of the Agreement shall be amended by deleting all references to “untreated water.” Therefore, the last sentence of Recital D shall be amended to read as follows:

   "The Water Service Agreement does not include any commitment for potable water service for the Project.”

4. Recital I shall be deleted in its entirety from the Agreement.

5. The first paragraph of Section 6 of the Agreement as Amended by the First Amendment shall be amended by deleting section 6(f) and sentences 5 and 6 from the first paragraph. The fourth sentence of the first paragraph of Section 6 shall be amended to read as follows and the fourth sentence shall now be the end of the first paragraph in Section 6:

   "The District shall have the right to substitute this supply of reclaimed water as necessary from time to time; (a) to meet new reclaimed water standards; (b) to correct defects or inadequacies in the Santa Maria Reclaimed Water System; (c) to effectuate repairs or maintenance; (d) where the water being provided from the Santa Maria Reclaimed Water System does not meet the requirements imposed by applicable law; or (e) if daily irrigation demand exceeds the capacity of the Improvements.”

6. The second paragraph of Section 6 of the Agreement shall be amended by deleting all references to “untreated water.” Therefore, the first sentence of the second paragraph of Section 6 shall be amended to read

as follows:

"During the term of this agreement, the Owner agrees to pay for at least an average of 220,000 gallons per day (“Guaranteed Consumption”) of tertiary reclaimed water.”

Section 7 of the Agreement shall be amended by deleting all references to “untreated water.” Therefore, the third sentence of Section 7 of the Agreement shall be amended to read as follows:

"Any supplemental Water requested by the Owner shall be priced at the then current regular rate for similar customers, which may not include any special discounts provided to customers and mandated by the District and evidenced by back-up data to be provided by the District and subject to polices for other District customers.”

7. Section 29.10 Notices shall be revised to provide notice to the parties as follows:

To: Owner
Alliance G.C.P., LLC
(insert address and contact person)

To: District
Ramona Municipal Water District
Attention: General Manager
(insert address)

8. Except as provided above, all other terms of the Agreement and the First Amendment shall remain in full force and effect.

Alliance G.C.P., LLC

By: _____
Printed Name: _____
Title: _____

Ramona Municipal Water District

By: _____
David Barnum, General Manager

FIRST AMENDED AND RESTATED AGREEMENT FOR USE OF RECLAIMED WATER ON THE MT. WOODSON RANCH GOLF COURSE PROJECT

This First Amended and Restated Agreement For Use Of Reclaimed Water On The Mt. Woodson Ranch Golf Course Project ("Agreement") is entered into by and between the Ramona Municipal Water District (hereinafter the "District"), a municipal water district organized and operating pursuant to California Water Code sections 71000 et seq., and Davidson Coscan Partners, a California general partnership (hereinafter "DCP"). This Agreement shall become effective as of May 3, 1996, upon execution by the parties.

RECITALS

A. DCP is the owner of approximately 380 acres of land in the County of San Diego, State of California, as more particularly described in Exhibit "A," attached hereto and incorporated herein by reference (hereinafter "Woodson Ranch Property").

B. DCP has obtained approvals to construct 189 single-family detached homes, an 18-hole golf course with adjacent slopes, a Country Inn Resort consisting of approximately 200 rooms, a Castle, and a Club House. As of the effective date of this Agreement, DCP has constructed the golf course and approximately 121 homes. The golf course is currently operational, the Castle exists and is acting as a temporary Club House. The golf course and immediately adjacent slopes and open spaces shall collectively be referred to as the "Project".

C. The District is a public agency organized and operating pursuant to Water Code sections 71000 et seq. The Woodson Ranch Property is within the water and sewer service jurisdiction of the District.

D. On July 24, 1990, the District and DCP entered into the Agreement For Water Service To Residential Units And Hotel ("Water Service Agreement"). The Water Service

Agreement does not include any commitment for potable or untreated water service for the Project.

E. The District and DCP entered into the Agreement for Use of Reclaimed Water on the Mt. Woodson Ranch Golf Course ("Original Agreement") effective April 5, 1991.

F. The District now desires to have the option to decide whether to proceed under the Original Agreement or under this Agreement. The District shall provide written notice to DCP of its decision no later than the end of the first District Board meeting following execution of this Agreement, unless both parties agree in writing to extend that time frame. If the District provides timely written notice of its decision to proceed under the Original Agreement, then this Agreement shall be become null and void and have no further force or effect and the parties shall be bound by the terms of the Original Agreement. If the District provides timely written notice of its decision to proceed under this Agreement, then this Agreement shall become operative and supersede the Original Agreement rendering it null and void, subject to the reinstatement provisions within Sections 2.2 and 3, but only when the following conditions have occurred:

1. DCP replaces the Original Security, if required to do so, pursuant to Section 4.1 of this Agreement.

2. Payment by DCP of any amounts due to the District under the Original Agreement and release of any claims for reimbursement against the District for any amounts paid to the District under the Original Agreement.

3. The release, by the District, to DCP of any remaining funds deposited by DCP with the District pursuant to the Original Agreement.

G. If the District decides, as provided for in Recital F, to proceed under the Original Agreement or the Original Agreement is reinstated pursuant to Sections 2.2 and 3 of this Agreement, DCP and the District reserve their respective right to pursue any claims they may have against the other arising out of any breach or default under the Original Agreement and the parties' execution of this Agreement shall in no way waive, limit or prejudice those rights. DCP

and the District agree that all statutes of limitation shall be tolled on any claims either party may have pursuant to the Original Agreement effective from January 11, 1996 until the reinstatement of the Original Agreement occurs, if at all, pursuant to Sections 2.2 and 3.

H. DCP and the District desire to establish a continuing relationship which will guarantee the continued delivery of reclaimed irrigation water to the Project. DCP and the District agree that this relationship shall be generally based upon established practices of the District in dealing with customers who require extension of facilities as outlined in the District's Ordinance No. 120 as written and effective as of July 24, 1990. DCP and the District, however, acknowledge that although the Project is complete, many provisions of the District's Ordinance No. 120 apply to planned, but not constructed, projects.

I. District currently delivers, but does not guarantee, and DCP currently accepts from the San Diego County Water Authority ("CWA") untreated water ("Untreated Water") from an existing District untreated distribution system for irrigation of the Project. Nothing contained in this Agreement is intended to modify the availability of Untreated Water to the Project, pursuant to Recital D above.

J. DCP intends to construct Improvements (as defined below) and upon completion of the Improvements the District intends to accept delivery of such Improvements for the purpose of providing to the Project secondary reclaimed water from the District's spray field ponds to the DCP side of the reclaimed water meter located at the Project ("Point of Delivery").

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the District and DCP agree as follows:

AGREEMENT

1. Improvements to Be Built by DCP.

DCP shall design, construct and be responsible for payment of all costs and expense, including the reasonable cost and expense of District staff time for plan check approvals and inspections, for improvements to the District facilities which distribute water from the District holding ponds to the Project through facilities installed along Rangeland, Highland Valley and Archie Moore roads in Ramona, California (the "Improvements") for the purpose of providing secondary reclaimed water irrigation service to the Project. All decisions concerning the design and construction of the Improvements shall be subject to the District's standard approval process. The District's final approval and acceptance of the Improvements shall be provided to DCP within a reasonable period of time after DCP completes construction of the Improvements. Upon filing of a notice of completion of the Improvements by DCP, and Districts' acceptance, all right, title and interest in and to the Improvements shall be transferred to and operated by the District at the District's sole cost and expense subject to any warranty obligations provided in Section 4.2 of this Agreement on the part of DCP and shall become part of the District's Santa Maria Reclaimed Water System. The Improvements shall include, without limitation, all items set forth on Exhibit B, attached hereto and incorporated herein by reference. The District will use its reasonable best efforts to approve and incorporate within the Improvements the use of all or any portion of the existing system and equipment previously provided by DCP including, without limitation, electric controls, pumps, meters, decontamination equipment, and pipe.

2. Cost of Improvements.

DCP shall pay for all costs and expenses incurred in construction of the Improvements as provided herein including, without limitation, all standard and reasonable plan check and inspection fees for the Project and make the deposits required pursuant to District Ordinance No.120. The cost of Improvements shall be set forth in Exhibit "C", attached hereto and incorporated herein by reference (the "Budget").

2.1 Changes To The District Facilities or the Improvements.

The District shall be responsible for all costs and expenses resulting from any change in the size, design or capacity of any District facility or the Improvements requested by the District, beyond the scope of the Improvements set forth in Exhibit "B" to service the Project.

2.2 Costs in Excess of the Budget.

If, at any time prior to commencement of construction of the Improvements, the estimated costs of the Improvements as referenced in Exhibit C exceed one hundred and twenty-five percent (125%) of the Budget due to any cause(s) beyond the reasonable control of DCP, including, without limitation, additional conditions of any regulatory agency, then DCP shall have the right, at its sole and exclusive option, to terminate this Agreement by providing written notice to the District. Upon Districts' receipt of written notice that DCP has elected to terminate this Agreement, the Original Agreement shall be reinstated and this Agreement shall be rendered null and void. Such reinstatement shall occur without either party waiving or releasing any claims, rights, duties or obligations under the Original Agreement.

3. Approvals/Authorizations Necessary To Construct The Improvements.

The parties understand that DCP cannot commence construction of the Improvements until all necessary approvals have been obtained. If requested by DCP, the District agrees to use its

best efforts to promptly assist DCP, without charge to DCP, in obtaining all regulatory approvals and/or authorizations as required or applicable, including, but not limited to, the following:

a. Regional Water Quality Control Board written authorization to proceed with secondary water use at the Project.

b. Plan Check and all required permits.

c. State of California Health Services Department authorization.

d. San Diego County Health Department authorization.

e. All other required approvals and authorizations required for construction of the Improvements.

These approvals and authorizations are a condition precedent to the obligations of DCP to proceed with the construction of the Improvements pursuant to this Agreement. In the event that DCP does not obtain any of the above-referenced authorizations or approvals within a reasonable period of time from execution of this Agreement, DCP shall be entitled to unilaterally terminate this Agreement. Upon such termination, the Original Agreement shall be reinstated and this Agreement shall be rendered null and void. Such reinstatement shall occur without either party waiving or releasing any claims, rights, duties or obligations under the Original Agreement. All costs, permits and fees associated with the Improvements due to any regulatory agency other than the District shall be the responsibility of DCP.

If requested by DCP and in cooperation with DCP, the District will use its best efforts to provide; (1) Health Department/Code waivers of pipeline separation requirements, if available; (2) easements, as needed, to install the pressure main; and (3) all other approvals and authorizations required under this Agreement. Should DCP, after reasonable efforts on its part,

be unable to acquire the needed easements, rights of way or other interests reasonably necessary for the construction and operation of the Improvements, the District agrees to acquire such easements, rights of way or interests through the use of its power of eminent domain. DCP shall reimburse District for all reasonable third party costs, expenses, attorney's fees and other expenditures incurred in the exercise of the District's eminent domain power for that purpose.

4. Security for the Improvements.

4.1 Construction Security.

DCP and the District agree to allow the existing security that DCP has posted with the District under the Original Agreement in the amount of Eight Hundred Thirty Five Thousand Eight Hundred Dollars ($835,800) (the "Original Security") to remain in place as security for DCP's obligations under this Agreement. The Original Security shall be subject to being drawn upon by the District pursuant to this Agreement or the Original Agreement, whichever is then operative, only upon the conditions set forth in the Original Agreement or this Agreement, whichever is operative. In the event that the Original Security is non-transferable from the Original Agreement to this Agreement, DCP agrees to replace the Original Security with similar security in an equal amount. Should the security be determined to be non-transferable and DCP not replace the Original Security as provided for above within 30 days of DCP's receipt of written notice from the District regarding DCP's lack of performance, then District shall have the right to terminate supply of Untreated Water to the Project.

4.2 Warranty Security.

a. Within ten (10) days of receipt of the recorded notice of completion as filed by DCP, DCP may, as its sole option, decrease or replace the Original Security with security equal to twenty-five percent (25%) of the contracted costs of the Improvements (the "Warranty Security") for a two year warranty period, subject to the provisions of Section 24 of this Agreement.

b. The District shall, within ten (10) days of the two year anniversary from the filing of the notice of completion, unconditionally release the Warranty Security.

5. Time For Construction Of The Improvements.

DCP agrees to commence construction of the Improvements as soon as possible after obtaining all necessary approvals and authorizations required pursuant to Section 3 of this Agreement, but in no event later than forty-five (45) days from the date DCP has obtained all necessary approvals and authorizations and receipt of written notice from the District that plans for the Improvements are approved and construction may proceed, unless DCP is delayed as a result of conditions beyond the reasonable control of DCP. Nothing in this Agreement, however, shall be construed as rendering DCP liable to the District or any other party for damages if DCP is unable to commence or complete construction of the Improvements for any reason whatsoever beyond the control of DCP. This shall include, but not be limited to, disagreements or disputes between DCP and any contractor or subcontractor which delays or impedes performance of DCP's work on the Improvements, cost increases, strikes, delays in securing necessary permits, approvals, easements or land rights, new regulations or changes in permits or approval requirements, the inability to secure land rights or easements necessary for any portion of the Project, or any event of nature which delays or impedes commencement or construction of the Improvements. Upon the cessation of any event(s) causing a delay, DCP shall promptly commence or continue construction of the Improvements. In the event DCP fails to commence or continue construction of the Improvements, within thirty (30) days after receipt of written notice from the District to commence or continue construction of the Improvements, or within 30 days after cessation of any event beyond DCP's reasonable control as described above, which event has caused a delay, the District, in addition to any other available remedies, may proceed to draw against the construction security in order to fund construction of the Improvements.

6. Reclaimed Water Supplied to the Project.

Once the Improvements are placed in service by the District, the District agrees to provide and deliver to the Project an average of 220,000 gallons per day per year of secondary reclaimed water with an anniversary date of July 1 ("Anniversary Date"), which date may be adjusted upon mutual consent of DCP and the District. The secondary reclaimed water shall meet all of the requirements of the wastewater discharge permit issued by the Regional Water Quality Control Board for the Santa Maria Reclaimed Water System. In no event shall DCP or any successor owner of the Project be entitled to use this reclaimed water for any purpose other than for irrigation use on the Project. The District shall have the right to substitute this supply of reclaimed water as necessary from time to time; (a) to meet new reclaimed water standards; (b) to correct defects or inadequacies in the Santa Maria Reclaimed Water System; (c) to effectuate repairs or maintenance; (d) where the water being provided from the Santa Maria Reclaimed Water System does not meet the requirements imposed by applicable law; or (e) if secondary water cannot be supplied to the Project as a result of conditions beyond the reasonable control of the District, then the District shall, at DCP's request, deliver Untreated Water to the Project resulting in no disruption of the supply of irrigation water to the Project. Such Untreated Water shall be credited towards the District and DCP's required minimum water delivery and acquisition obligations. Delivery of and payment for Untreated Water shall be in accordance with District's standard policy for untreated water users.

During the term of this Agreement, DCP agrees to pay for at least an average of 220,000 gallons per day per year ("Guaranteed Consumption") of secondary reclaimed water or Untreated Water in replacement as provided for above. Should DCP fail to purchase the Guaranteed Consumption the District shall bill DCP within thirty (30) days of the Anniversary Date and DCP shall pay for the cost of the Guaranteed Consumption less the amount of water actually delivered. If DCP purchases in excess of 220,000 gallons per day per year in any given year, this shall not increase or decrease the minimum obligation in any subsequent year.

7. Cost of Reclaimed Water.

For all secondary reclaimed water delivered to the Project and for any annual purchase shortfall, DCP shall pay to the District on a monthly basis at the rate of forty-seven percent (47%) of the then current effective District retail rate for potable water. If any party, other than DCP, connects to the Improvements, then DCP shall receive credit or reimbursement pursuant to the terms provided in District Ordinance No. 120 or any successor ordinance. Any supplemental Untreated Water requested by DCP shall be priced at the then current regular rate for similar customers, which may not include any special discounts provided to customers and mandated by the District and evidenced by back-up data to be provided by the District and subject to policies for other District customers.

8. Communities Facilities District ("CFD") 92-1 Security.

8.1 CFD Construction Security.

a. DCP currently has on deposit with the District security associated with facilities to be constructed ("Construction Facilities") that are included within the Community Facilities District ("CFD 92-1") in the total sum of One Million Three Hundred Fifty Thousand Dollars ($1,350,000.00) ("Current CFD Security"), as more particularly provided on Exhibit "D" attached hereto and incorporated herein by reference.

b. The CFD currently has a total of One Million Two Hundred Fifty Thousand Nine Hundred Eighty-Four Dollars ($1,250,984.00) ("CFD Funds") allocated to build the Construction Facilities.

c. Upon execution of this Agreement, the District agrees to allow DCP to reduce the total combined Current CFD Security from One Million Three Hundred Fifty Thousand Dollars ($1,350,000.00) to a net remaining security of Seven Hundred Fifty-One

Thousand Four-Hundred and Four Dollars ($751,404.00). Said reduction shall be contingent upon:

(1) The execution of an amendment to the Joint Community Facilities Financing Agreement dated June 8, 1995 (the "Joint Financing Agreement") should CFD legal counsel or District legal counsel determine that revisions to the Joint Financing Agreement are necessary to assure the District access to CFD funds to complete the construction of the Construction Facilities in the event of a default by DCP. Said amendment must be acceptable to DCP and District.

(2) The execution of an amendment to the Joint Financing Agreement allowing for a reduction in the letters of credit posted by DCP with the District under the Agreement, defined above as Current CFD Security.

(3) The transfer of Surplus Proceeds as defined in the Joint Financing Agreement) a portion of the CFD Funds in an amount equal to Seventy Five Thousand Four Hundred Eighty-Four Dollars ($75,484.00) within the Water/Sewer Account originally allocated for the Santa Maria Reclamation Facility account to the Offsite Water Storage Reservoir and/or the Offsite Water Transmission Main, as determined by DCP, subject to the terms and conditions of the Joint Financing Agreement. If such transfer cannot be completed prior to execution of this Agreement, then the total reduction of the Current CFD Security shall be reduced by the sum of Seventy-Five Thousand Four Hundred Eighty-Four ($75,484.00) leaving the net remaining security balance in the sum of Eight Hundred Twenty-Six Thousand Eight Hundred Eighty-Eight Dollars ($826,888.00).

8.2 CFD Warranty Security.

As additional consideration for this Agreement, DCP and the District agree, acknowledge and understand that Section 25 of the Water Service Agreement which provides that the warranty security previously referred to as a calculation "covering thirty-five percent (35%) of the amount of the letter of credit specified in Section 24" shall be interpreted to read "a sum in the total amount of Three Hundred Six Thousand Two Hundred and Fifty Dollars

($306,250.00)" All other provisions of Section 25 of the Water Service Agreement shall remain in effect.

9. Well Water.

As a material part of this Agreement, DCP shall not develop well water on the Project for purposes of providing irrigation water to the Project unless the District is unable to provide the minimum levels of reclaimed water established in Section 6 above.

10. Construction of Tertiary Treated Reclaimed Water Facility.

If at any time during the term of this Agreement, the District elects to construct a facility to provide tertiary treated reclaimed water to the Project, then the following shall occur:

a. The District shall have the right to substitute tertiary water for secondary water; and

b. The tertiary water rate and policy shall be the then current rate and policy as applied to other tertiary users; and

c. The District shall still be obligated to provide the minimum quantity of reclaimed water established in Section 6 above; and

d. DCP shall not be obligated to pay for any costs or expense associated with the construction, modification or upgrading of any District facility or operation to provide tertiary water; and

e. The District must meet and comply with State of California mandated water quality levels for tertiary water; and

f. The District shall not create a special rate schedule for the Project.

11. Water Quality Standards.

The reclaimed water delivered by the District to the Project shall, at the Point of Delivery, conform to the requirements of the Wastewater Reclamation Criteria in the California Administrative Code, Title 22, Division 4, Environmental Health, Article 4, Section 60313, including being adequately disinfected, oxidized wastewater (equivalent to secondary treatment plus disinfection). The median number of coliform organisms in the water at the Point of Delivery shall not exceed 23 per 100 milliliters, as determined from the bacteriological results of the last seven days for which analyses have been completed, and the number of coliform organisms shall not exceed 240 per 100 milliliters in any two consecutive samples. Further, the total dissolved solids on average per day shall not exceed 1000 parts per million.

The District shall indemnify, defend (including payment of reasonable attorney's fees) and hold DCP harmless for claims or damages sustained by DCP as a result of the District's failure to deliver at the Point of Delivery at the Project, reclaimed water subject to these standards as they presently exist or as amended and approved by the District and DCP. The District shall make available to DCP any documentation or reports prepared by the District which the District is required to prepare that provide for the results of periodic testing of water quality of the secondary effluent generated at the Santa Maria facility.

12. Plans and Specifications.

DCP shall prepare and submit to the District, in a timely manner upon obtaining all necessary approvals and authorizations requested under this Agreement, a set of plans and specifications for the Improvements. Reasonable approval of these plans and specifications by the District shall be a condition precedent to all obligations of DCP under this Agreement. Approval of these plans and specifications by the District shall not relieve DCP of any liability for any

improper design. DCP will submit its proposed design for the Improvements to the District in accordance with the District's standard process of review. District will use its best efforts to expedite the review of the proposed design so as to complete the review within two weeks of its receipt of the completed design. If the plans and specifications are disapproved by the District, DCP and the District shall reasonably work together to revise the plans and specifications so that they will be promptly approved by the District.

13. Insurance.

Prior to the commencement of construction of the Improvements, DCP shall provide certificates of insurance and endorsements from its contractor for the work showing that the contractor has liability insurance coverage with an insurance company licensed to do business in the State of California, and acceptable to the District, providing a minimum of One Million Dollars ($1,000,000.00) of liability coverage per occurrence, and in the aggregate. The liability insurance shall be an occurrence policy. The liability insurance coverage shall include each of the following types of insurance:

A. General Liability:

- I. Comprehensive Form
- ii. Premises-Operations
- iii. Explosion and Collapse hazard
- iv. Underground hazard
- v. Products/Completed Operations Hazard
- vi. Contractual Insurance
- vii. Broad-form Property Damage, including Completed Operations
- viii. Independent Contractors
- ix. Personal Liability

B. Automobile Liability:

i. Comprehensive Form, including Loading and Unloading

ii. Owned

iii. Hired

iv. Non-owned

The Liability Insurance shall include as additional insureds the District's directors, officers, and employees. The insurance afforded to these additional insureds shall be primary insurance. If the additional insureds have other insurance which might be applicable to any loss, the amount of the insurance provided under this section shall not be reduced or prorated by the existence of such other insurance.

Included in such insurance shall be contractual coverage sufficiently broad to insure the matters set forth in the section entitled "Indemnity" in this Agreement. All such insurance shall be submitted to the District on a Certificate of Insurance and Endorsement form reasonably acceptable to the District. The endorsements shall be signed and notarized by an authorized agent or representative of the insurance company with proofs, satisfactory to the District, that the agent signing the Certificates and Endorsements has authority to bind the insurance carrier for the coverage required. The Insurance Certificate and Endorsement shall be non-cancelable without thirty (30) days written notice to the District.

14. Worker's Compensation Insurance.

Prior to commencement of construction of the Improvements, DCP shall provide Certificates of Insurance certifying that the contractor selected by DCP has obtained, for the period of construction of the Improvements, full Workers' Compensation Insurance coverage for no less than the statutory limits covering all persons whom DCP's contractor employs or may employ in carrying out the work under this Agreement. DCP shall provide the District with a Certificate of Workers' Compensation Insurance and Endorsement on forms reasonable acceptable to the District. No other form of Workers' Compensation certificate or Endorsement is acceptable, and no change to the form is acceptable. Upon execution of this Agreement, DCP

shall also execute the "Certificate Regarding Workers' Compensation" which is attached hereto as Exhibit "E" and incorporated herein by reference.

15. DCP Failure to Provide Insurance or Security.

In the event any insurance or security provided to the District in accordance with this Agreement is terminated or canceled for any reason, except as allowed pursuant to this Agreement, or is limited beyond the scope or coverage required by this Agreement, DCP shall have thirty (30) consecutive days from receipt of written notice by the District to procure the required insurance or security. The failure of DCP to present alternative insurance or security reasonably acceptable to the District within this thirty (30) day period shall constitute a breach of this Agreement entitling the District to pursue all available remedies afforded by applicable law.

16. Easements.

DCP shall provide the District with such easements or encroachment permits as the District may require for the Improvements, as reasonably determined by the District. All easements to be conveyed to the District for the Improvements shall be subject to approval by the District. All easements shall be: (1) of a width satisfactory to the District; (2) free and clear of all liens and/or encumbrances which could affect title to the easement; and (3) shall have recorded subordination agreements for all trust deeds or other liens to insure that the District has prior rights in any easements being conveyed to the District. DCP shall procure a policy of title insurance in favor of the District covering easements to be granted in amounts reasonably determined by the District, subject only to those conditions of record reasonably acceptable to the District. All fees and costs to procure easements due any third party other than the District shall be borne solely by DCP. All easements being conveyed to the District must be in a recordable form acceptable to the District prior to commencement of any work on the Improvements. The District shall be required to assist DCP in any reasonable way in obtaining any necessary easements as provided for in Section 3.

17. Commencement of Construction and Inspection.

DCP shall not commence construction of any portion of the Improvements until DCP has received written final approval from the District which shall be deemed completed upon District signing off on all plans and specifications. All work performed on the Improvements shall be done in strict compliance with the approved plans and specifications and in a good and workmanlike manner, as determined by the District in its reasonable discretion. All work performed by DCP or its agents to construct the Improvements shall be subject to inspection by the District's designated representatives, and DCP shall comply with all instructions given by the District's representatives during construction of the Improvements. If DCP, or its agents, contend these instructions are inconsistent with the approved plans and specifications, DCP shall be entitled to appoint an independent inspector to inspect construction of the Improvements. All fees and costs for this independent inspection shall be paid for solely by DCP. In the event of a disagreement between the District's representatives and the independent inspector appointed by DCP, the decision of the District's general manager shall be binding upon the parties. Inspection by the District shall not relieve DCP of liability for design defects or improper or inadequate materials or workmanship on the Improvements, unless the District approves changes to the approved plans which are opposed by DCP or its representatives, in writing, within ten (10) days of the date the change is made. The failure of DCP or its agents to comply within this time period shall constitute a waiver of the change in any subsequent proceedings between the parties. Notwithstanding the above, if the District requires that DCP proceed with construction of the Improvements after written objection is made by DCP as provided above, DCP shall not be liable for any claims, damages, costs or expenses due to any design defect or the use of improper or inadequate materials which have been properly objected to by DCP and the District shall indemnify, defend (including payment of reasonable attorney's fees) and hold DCP harmless from any such claims, damages, costs and expenses.

18. Compliance with Applicable Law.

DCP shall use its best efforts to insure that all work performed by DCP or its agents on the Improvements is performed in a manner which complies with all applicable federal, state, county, and local government laws, regulations, and rules including all rules and regulations of the District, as these rules and regulations are in effect at the time of plan approval.

19. Prevailing Wages.

DCP is alerted to the requirements of California Labor Code section 1770 et seq., which would require the payment of prevailing wage rates and the performance of other requirements if it were determined that DCP's contract with its contractor to construct the Improvements was a public works contract. DCP agrees to hold the District and its officers, employees, and agents harmless from any claim of liability, including costs of defense and attorney's fees, arising from any alleged failure to comply with these provisions of the Labor Code.

20. Contractor Licenses.

All work performed by DCP or its agents on the Improvements shall be done only by contractors licensed by an "A" license. DCP shall not commence construction of any work until it has secured contractors meeting these license requirements.

21. Acceptance of Work.

Upon completion of the Improvements to the reasonable satisfaction of the District and upon the filing of a notice of completion by DCP, the Improvements shall be presented to and accepted by the General Manager of the District for dedication.

22. Liability for Work Prior to Formal Acceptance.

Until the District has formally accepted the work performed on the Improvements which the District shall do as soon as reasonably practical and as prescribed for in Section 21, DCP shall be solely responsible for all damage to the work and for all damages or injuries to any person or property from any cause related in any way to work performed on the Improvements by DCP or its agents, except damage or injury due to the active concurrent negligence of the District, its agents, servants, or employees.

23. Liability after Acceptance of Work.

After the District has accepted the Improvements, DCP and DCP's successors in interest shall remain liable for all injuries or damage of whatever type or nature to persons or property, including any damage to the work itself, which is directly related to, design defects or improper or inadequate workmanship performed by DCP, unless DCP gave proper notice of objection pursuant to Section 17 above. This liability shall be for a maximum period of two (2) years commencing from the date of the filing of a notice of completion for the last portion of the work performed. However, DCP and DCP's successors shall not be liable for any damage or injury due to the active concurrent negligence of the District, its agents, servants, or employees for which District agrees to indemnify and hold DCP harmless for any liability including the defense against any such claims.

24. Warranty.

DCP shall, and hereby does, warrant all work and materials for the Improvements to be free from all defects due to faulty materials or workmanship for a period of two (2) years after the date of formal acceptance of the work by the District. DCP shall repair or remove and replace any and all such work, together with any other work which may be displaced in so doing, that is found to be defective in workmanship or materials within the two (2) year period, without expense whatsoever to the District, ordinary wear and tear excepted. Notwithstanding the above, DCP shall not warranty any work and materials for the Improvements if the District has altered, modified or neglected the Improvements, or if such work or materials were objected to by DCP

pursuant to Section 17 above. Further, this warranty does not include any claim which is a result of the negligence of District in either maintenance or operation of the Improvements.

In the event DCP fails to commence any work required under this Section 24 within thirty (30) days after receipt of written notice from the District, the District is hereby authorized to proceed to have the defects remedied at the sole cost and expense of DCP or to draw on the Warranty Security referenced in Section 4.2 of this Agreement in an amount equal to the funds necessary to complete the warranty work. The thirty (30) day period shall not apply where the District determines that an emergency exists requiring prompt repairs, as determined by the District in its reasonable discretion. Such action by the District will not relieve DCP of the warranty required by this Section.

25. Indemnity.

DCP shall be solely responsible and liable for design defects or defects in work performed by DCP or its agents to construct the Improvements except for any design defects or defects in work arising out of any design, work or materials properly objected to by DCP pursuant to Section 17 above. This shall include liability and responsibility for injury or damage to the work itself, or to District property or improvements, caused by design defects or inadequate workmanship. DCP hereby agrees to hold harmless, indemnify, and defend the District, and the District's representatives, engineers, and each of the District's officers, directors, employees, and agents from any and all claims, suits, or actions of every name, kind, and description brought for, or on account of, injuries to or death of any person, or damage to any property including damage to the Improvements, District property, or District improvements resulting from any of the following: (1) design or construction of any portion of the Improvements by DCP or its agents, or (2) prior to tendering for delivery to District the use, operation, maintenance, or repair of the Improvements, or (3) the failure to comply with any federal, state, or local regulations or requirements in use of reclaimed water provided by the District to DCP for Project use except where the injury or damage has been caused by the concurrent and active negligence of the District, its agents, servants, or employees or as a result of failure to deliver water pursuant to

Section 11 of this Agreement. This indemnity is for the benefit of District and is not intended to in any way restrict any claim by DCP against any contractor, subcontractor, supplier or insurer.

26. As-Built Drawings.

Prior to acceptance of the Improvements by the District, DCP shall provide the District with one (1) mylar copy of "as-built" drawings which shall reflect only the work performed by DCP in construction of the Improvements with certification by a licensed engineer in the State of California as to the accuracy and completeness of these drawings.

27. No Personal Liability.

No director, officer, employee, or agent of the District, or DCP or affiliates of either or any consultant of the District or DCP, shall be personally liable or responsible for any liability arising under, or by virtue of, this Agreement.

28. Modification of the Sewer Service Agreement. As additional consideration for this Agreement and without which DCP would not have entered into this Agreement, DCP and the District agree to modify the Sewer Service Agreement to; (a) delete the language excluding hotel service; and (b) add language to provide sewer service to the hotel at a level consistent with the existing Water Service Agreement. Final approval of sewer service improvements is conditioned upon payment of the then current annexation and connection fees. The District shall not be entitled to any additional consideration beyond said standard fees. Any onsite and/or offsite facility upgrades specifically required to accommodate the added flows from the hotel shall be built and paid for solely by DCP, including the reasonable cost and expense of District staff time for plan check approvals and inspections.

29. Miscellaneous Provisions.

29.1 Venue. In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the parties agree that venue shall lie only with in the Federal or State Courts, or with, the offices of the American Arbitration Association in or nearest to the North County Judicial District, County of San Diego, State of California.

29.2 Modification. This Agreement may not be altered in whole or in part except by a modification, in writing, executed by all the parties to this Agreement.

29.3 Attorney's Fees. In the event of any legal or equitable proceeding to enforce or interpret the terms of this Agreement, including any arbitration or other alternative dispute resolution proceeding, the prevailing party shall be entitled to all reasonable attorney's fees and costs in addition to any other relief granted by law. This provision shall apply to the entire Agreement.

29.4 Entire Agreement. This Agreement, together with all exhibits attached hereto, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, or agreements, whether or not such correspondence, memoranda, or agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement and its exhibits.

29.5 Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties and their respective purchasers, successors, heirs, and assigns.

29.6 Applicable Law. This Agreement and any disputes relating to this Agreement shall be construed under the laws of the State of California.

29.7 Unenforceable Provisions. The terms, conditions, and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this agreement, as so interpreted, is held to

violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.

29.8 Representation of Capacity to Contract. Each party to this Agreement represents and warrants that he has the authority to execute this Agreement on behalf of the entity represented by that individual.

29.9 No Waiver. The failure of either party to enforce any term, covenant, or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of that party's right to enforce this, or any other, term, covenant, or condition of this Agreement at any later date or as a waiver of any term, covenant, or condition of this Agreement.

29.10 Notices. All letters, statements, or notices required pursuant to this Agreement shall be deemed effective upon receipt when personally served or two (2) days after mailing by certified mail, return receipt requested, to the following addresses:

To: "DCP"

Davidson Coscan Partners
c/o Brookfield Davidson Homes
Attn: William A. Davidson
R. Casey Schnoor
12865 Point Del Mar
Suite 200
Del Mar, CA 92014

and to:

Kolodny & Pressman
11975 El Camino Real, Suite 201
San Diego, CA 92130-2593
Attention: Robert J. Kolodny, Esq.

To: "District"

Ramona Municipal Water District

General Manager - Tom Brammell
105 West Earlham
Ramona, California 92065

and to:

Christopher Larsen, Esq.
Larsen & Crickmore
655 Second St.
Encinitas, CA 92024-3507

29.11 No Joint Venture. Nothing in this Agreement is intended to create a joint venture, partnership, or common enterprise relationship of any kind between the District and DCP.

29.12 Time of Essence. The parties agree that time is of the essence as to all matters specified in this Agreement.

29.13 Representation by Independent Counsel. DCP and the District has each been represented by independent counsel of their choice in drafting this Agreement. The parties warrant and represent that they have had a full opportunity to review and discuss this Agreement with their respective counsel and that they have signed this agreement without fraud, duress, or undue influence of any kind.

29.14 Assignment. DCP shall be entitled to assign or transfer any of its rights or obligations pursuant to this Agreement without the prior written consent of the District. Any remaining security shall be replaced in the same face amount with security equivalent or superior to the security supplied by DCP, subject to the standard criteria (except amount) for security established by District Ordinance No. 120. Upon such assignment, DCP shall be released from any further obligation or liability under this Agreement.

29.15 Arbitration. If any dispute arises regarding the enforcement, interpretation or performance of this Agreement, the parties shall submit the matter to the American Arbitration Association for binding arbitration under the rules for commercial matters. The parties shall equally split the fees and costs of the arbitration. The arbitrator may award the prevailing party its costs and reasonable attorney's fees. Notwithstanding the above, this Section does not limit the right of either party to seek equitable remedies in an appropriate court.

29.16 Effective Date. The effective date of this Agreement executed in counterparts in the North County Judicial District, County of San Diego, State of California is May 3, 1996.

29.17 Recitals. Any recitals set forth above and any exhibits or schedules referred to and/or attached hereto are incorporated by reference into this Agreement.

Davidson Coscan Partners, a California General Partnership
BY: Brookfield Davidson Housing Inc., a California Corporation, General Partner

By: E. Dale Gleed Vice President
E. Dale Gleed

Ramona Municipal Water District

By: General Manager

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN DIEGO, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOTS 1 THROUGH 62 INCLUSIVE, OF COUNTY OF SAN DIEGO TRACT NO. 4626-1, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12601, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 18, 1990.

PARCEL 2:

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, THE SOUTH HALF OF THE NORTHEAST QUARTER AND THE NORTH HALF OF THE SOUTHEAST QUARTER, ALL IN SECTION 27, TOWNSHIP 13 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID NORTHEAST QUARTER.

EXCEPTING THEREFROM THAT PORTION DESCRIBED IN DEED TO RAMONA MUNICIPAL WATER DISTRICT, RECORDED AUGUST 19, 1958 IN BOOK 7218, PAGE 225 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED IN DEED TO RAMONA MUNICIPAL WATER DISTRICT, RECORDED JANUARY 10, 1968 AS FILE NO. 4798 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN COUNTY OF SAN DIEGO TRACT NO. 4626-1, ACCORDING TO MAP THEREOF NO. 12601, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 18, 1990.

PARCEL 3:

THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 13 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF.

PARCEL 4:

THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 26 AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 26, ALL IN TOWNSHIP 13 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF.

EXCEPTING FROM THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 26, THAT PORTION DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JULY 18, 1949 IN BOOK 3259, PAGE 326 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 26, THAT PORTION BEING DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JUNE 29, 1987 AS FILE NO. 87-360388 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN COUNTY OF SAN DIEGO TRACT NO. 4626-1, ACCORDING TO MAP THEREOF NO. 12601, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 18, 1990.

INITIAL

EXHIBIT B

SCOPE OF WORK FOR PROVIDING SECONDARY EFFLUENT TO THE MT. WOODSON PROJECT

DESCRIPTION

1. Install 8" pipeline from spray field pump station to existing pipeline in Rangeland Road

2. Install 8" pipeline in Rangeland Road from existing 8" pipeline to Highland Valley Road

3. Install 8" pipeline in Highland Valley Road from Rangeland Road to Archie Moore Road

4. Install 8" pipeline in Archie Moore Road from Highland Valley Road south to the Untreated Water meter for the Mt. Woodson School

5. Cap and disconnect Untreated Water system at Highland Valley Road and Archie Moore Road

6. Refurbish existing reclaimed water pump at spray field

7. Supply and install backup pump at spray field pump site

8. Refurbish existing chlorination equipment at spray field pump site

9. Connect to existing 8" meter

10. Provide conversion of 8" Untreated Water line in Archie Moore road for reclaimed use to satisfy outside regulatory agencies

11. Provide conversion of Untreated Water use to treated water usage
    a. Cross connection of treated and Untreated Water lines in Quail Crossing Road
    b. Convert all Untreated Water services on Archie Moore Road to treated water
    c. Convert all Untreated Water fire hydrants on Archie Moore road to treated water
    d. Provide all flushing, chlorination and bacteriological testing of the converted water services and fire hydrants

EXHIBIT C
COST ESTIMATE FOR PROVIDING SECONDARY EFFLUENT TO THE MT. WOODSON PROJECT

DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST ($)
Install 8" pipeline from spray field pump station to existing pipeline in Rangeland Road	1,130 LF	$22/LF	$ 24,860
Install 8" pipeline in Rangeland Road from existing 8" pipeline to Highland Valley Road	500 LF	$32/LF	$ 16,000
Install 8" pipeline in Highland Valley Road from Rangeland Road to Archie Moore Road	7,000 LF	$32/LF	$224,000
Install 8" pipeline in Archie Moore Road from Highland Valley Road south to the Untreated Water meter for the Mt. Woodson School	300 LF	$34/LF	$ 10,200
Cap and disconnect Untreated Water system at Highland Valley Road and Archie Moore Road		Lump Sum	$ 2,500
Refurbish existing reclaimed water pump at spray field		Lump Sum	$ 2,500
Supply and install backup pump at spray field pump site		Lump Sum	$ 12,200
Refurbish existing chlorination equipment at spray field pump site		Lump Sum	$ 2,500
Connect to existing 8" meter		Lump Sum	$ 500

EXHIBIT C
COST ESTIMATE FOR PROVIDING SECONDARY EFFLUENT TO THE MT. WOODSON PROJECT
Page 2

Provide conversion of 8" Untreated Water line in Archie Moore road for reclaimed use to satisfy outside regulatory agencies	Lump Sum	$ 7,500
Provide conversion of Untreated Water use to treated water usage	Lump Sum	$ 66,000
TOTAL		$368,760

FIRST AMENDED AND RESTATED AGREEMENT FOR USE OF RECLAIMED WATER ON THE MT. WOODS
Mt. Woodson Security Revisions

		Total estimated CFD 92-1 Construction Facilities		Cost overrun 25% lines	Total	Less	Net	Current
		complete	to construct	Const. costs	Required Security	CFD Funds Committed	Remaining Security	CFD Security
						300,000		
OFFSITE WATER STORAGE RESERVOIR	Const Contract		700,000	175,000				
	survey stake		6,000					
	CFD consult		5,000					
	Cont.		35,000					
	Plan check		70,800					
	RMWD Inspect		49,000					
	Engineering	58,000	0					
	Const. serv		90,000					
	Record dwgs		6,000					
	Misc consult		10,000					
	TOTAL	1,028,800						
						474,500		
OFFSITE WATER TRANSMISSION MAIN	Const. contract		336,000	84,000				
	survey stake		15,000					
	CFD consult		6,000					
	Cont.		17,000					
	Plan check		10,000					
	RMWD Inspect		23,500					
	Engineering	26,100	2,900					
	Const. serv		30,000					
	Record dwgs		4,000					
	Misc consult		5,000					LIC # 1269/S0053
	TOTAL	474,500						850,000
			1,419,200	259,000	1,678,200	873,500	804,700	
						75,484	(75,484)	
SANTA MARIA REC. FACILITY transfer							729,216	
OFFSITE SEWAGE LIFT STATION	Const cost		181,000	45,250				
	CFD consult		2,000					
	Cont.		9,000					
	Plan check		59,735					
	RMWD Inspect		12,700					
	Engineering	13,500	1,500					
	Acquire site	10,000						
	Misc consult		3,000					LIC # 1269/S1045
		302,438						400,000
			278,938	45,250	324,188	302,000	22,188	
			1,698,138	304,250	2,002,388	1,250,984	751,404	1,350,000

EXHIBIT E

DAVIDSON COSCAN PARTNERS CERTIFICATE REGARDING WORKER'S COMPENSATION

Description of Contract: Agreement for Use of Reclaimed Water on the Mt. Woodson Golf Course

Labor Code Section 3700:

"Every employer except the State shall secure the payment of compensation in one or more of the following ways:

(a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in this State.

(b) By securing from the Director of Industrial Relations a certificate of consent to self-insure, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employees.

(c) For all political subdivisions of the State, including each member of a pooling arrangement under a joint exercise of powers agreement (but not the State itself), by securing from the Director of Industrial Relations a certificate of consent to self-insure against workers' compensation claims, which certificate may be given upon furnishing proof satisfactory to the Director of ability to administer workers' compensation claims that may become due to its employees. On or before March 31, 1979, a political subdivision of the State which, on December 31, 1978, was uninsured for its liability to pay compensation, shall file a properly completed and executed application for a certificate of consent to self-insure against workers' compensation claims. The certificate shall be issued and be subject to the provisions of Section 3702."

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing performance of the work of this contract.

Dated:

Davidson Coscan Partners, a California General Partnership

By: The Davidson Company, General Partner

By _____
William A. Davidson, President

(Labor Code Section 1861 provides that the above-certificate must be signed and filed by the contractor with the owner prior to performing any work under this contract)

FIRST AMENDMENT TO FIRST AMENDED AND RESTATED AGREEMENT FOR USE OF RECLAIMED WATER ON THE MT. WOODSON RANCH GOLF COURSE PROJECT

This First Amendment to First Amended and Restated Agreement For Use Of Reclaimed Water On The Mt. Woodson Ranch Golf Course Project ("First Amendment") is entered into by and between the Ramona Municipal Water District (hereinafter the "District"), a municipal water district organized and operating pursuant to California Water Code sections 71000 et seq., and Davidson Coscan Partners, a California general partnership (hereinafter "DCP"). This Agreement shall become effective as of December __, 1996, upon execution by the parties.

Developer

RECITALS

A. On May 3, 1996 DCP and the District entered into the First Amended and Restated Agreement For Use of Reclaimed Water On the Mt. Woodson Ranch Golf Course Project ("Agreement").

B. DCP and the District now desire to amend the Agreement, as provided below.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the District and DCP agree to amend the Agreement, as follows:

1. Recital J shall be amended to provide as follows:

DCP intends to construct Improvements (as defined below) and upon completion of the Improvements the District intends to accept delivery of such Improvements for the purpose of providing to the Project tertiary reclaimed water from the District's spray field ponds to the air gap above the delivery pond on the golf course ("Point of Delivery").

2. Section 1 of the Agreement shall be amended by deleting all references to "secondary" and replacing them with "tertiary".

3. Section 6 of the Agreement shall be amended by deleting all references to "secondary" and replacing them with "tertiary". The last part of the first paragraph of Section 6 shall be amended as follows:

"... (e) if daily irrigation demand exceeds the capacity of the Improvements; or (f) if tertiary water cannot be supplied to the Project as a result of conditions beyond the reasonable control of the District, then the District shall, at DCP's request, deliver Untreated Water to the Project resulting in no disruption of the supply of irrigation water to the Project. Such Untreated Water, except as provided in Section 6 (e) above, shall be credited towards the District and DCP's required minimum water delivery and acquisition obligations. Delivery of and payment for Untreated Water shall be in accordance with District's standard policy for untreated water users."

4. The first sentence of Section 7 of the Agreement shall be amended in its entirety to read, as follows:

"For all tertiary reclaimed water delivered to the Project and for any annual purchase shortfall, DCP shall pay to the District on a monthly basis at the rate of fifty-three percent (53%) of the then current effective District retail rate for potable water."

5. Section 10 of the Agreement shall be amended in its entirety to read as follows:

"If at any time during the term of this Agreement, the District elects to construct a facility to provide tertiary treated reclaimed water to the Project, then DCP shall not be obligated to pay for any costs or expense associated with the construction, modification or upgrading of any District facility or operation to provide tertiary water."

6. Section 11 of the Agreement shall be amended by deleting the reference to "secondary" and replacing it with "tertiary". The second sentence of the first paragraph of Section 11 shall be amended to provide as follows:

"The median number of coliform organisms in the water at the Point of Delivery shall not exceed 2.2 per 100 milliliters, as determined from the bacteriological results of the last seven days for which analyses have been completed, and the number of coliform organisms shall not exceed 23 per 100 milliliters in any two consecutive samples."

7. Section 29.10 of the Agreement shall be amended to provide that all notices to DCP shall be to the attention of Stephen P. Doyle and R. Casey Schnoor.

8. Exhibit B shall be amended to include the Tertiary Filter Design Scope and Operational Scheme ("Tertiary Filter Package") as detailed on Schedules I and II, attached hereto and incorporated herein by reference.

9. Exhibit C shall be amended as referenced in the new Exhibit C attached hereto and incorporated herein by reference.

Except as provided above the Agreement shall remain in full force and effect.

Davidson Coscan Partners, a California General Partnership

By: Brookfield Housing Inc., a California corporation, its General Partner

By: _____ 12.31.96
R. Casey Schnoor
Vice President

Ramona Municipal Water District

12.27.96

By: _____
Thomas L. Brammel, its General Manager

EXHIBIT B

SCOPE OF WORK FOR PROVIDING TERTIARY EFFLUENT TO THE MT. WOODSON PROJECT

DESCRIPTION

1. Install 8" pipeline from spray field pump station to existing pipeline in Rangeland Road.
2. Install 8" pipeline in Rangeland Road from existing 8" pipeline to Highland Valley Road.
3. Install 8" pipeline in Highland Valley Road from Rangeland Road to Archie Moore Road.
4. Install 8" pipeline in Archie Moore Road from Highland Valley Road south to the Untreated Water meter for the Mt. Woodson School.
5. Cap and disconnect Untreated Water system at Highland Valley Road and Archie Moore Road.
6. Connect to existing 8" meter.
7. Provide conversion of 8" Untreated Water line in Archie Moore Road for reclaimed use to satisfy outside regulatory agencies.
8. Provide conversion of Untreated Water use to treated water usage.
   A. Cross connection of Treated and Untreated Water lines in Quail Crossing Road
   B. Convert all Untreated Water services on Archie Moore Road to treated water
   C. Convert all Untreated Water fire hydrants on Archie Moore Road to treated water
   D. Provide all flushing, chlorination and bacteriological testing of the converted water services and fire hydrants
9. Provide Tertiary Filter package with the following scope and operational scheme.
   A. Design scope
      1. Influent Pumps
         - capable of pulling from pond or effluent pipe from plant
      2. Control Valves
      3. Flocculation Tank and Mixer
         - polyblend system
      4. Filter System (Title 22 Tertiary)
      5. Air Compressor
         - rotary screw type
      6. Mudwell and Two Mudwell Pumps
      7. Discharge of Backwash to Pond
      8. Clearwell

9. Chlorine Injection System
   a. inject upstream and downstream of the filter
   b. upgrade existing system from gaseous to sodium hypochlorite system
   c. continuous residual chlorine meter
10. Turbidity Meter Panel
11. Two Effluent Pumps

B. Tertiary Filter Package Operational Scheme
   1. Assumptions
      a. Location of tertiary filter package to be near the wet weather pond
      b. 350,000 gallons per day filter Capacity
      c. Influent pumps capacity at 350,000 gpd which Turn On and Off with level in effluent pump wet well
      d. 500,000 gallons useable storage at golf course
      e. Two effluent pumps each at 175,000 gallons per day without variable speed
      f. Approximate size for installation is 93'+/- x 77'+/-
   2. Operational Scenarios
      a. Water use less than 87,500 gpd (wet season)
         1. One effluent pump will be turned on twice a week if needed on Mondays and Thursdays and turned off after 1, 2, 3 or 4 days. With 500,000 of operation storage, the number of days the pumps will be left on will be based on storage levels and estimated use. Should attempt to fill storage since pump will run less than half of the time.

            Example 1. Storage at 500,000 gallons on Thursday, estimated use 87,500 gpd. Do not turn pump on . Monday storage will be down to 150,000.

            Example 2. Storage at zero gallons on Thursday, estimated use 87,500 gpd, turn pump on until Monday. On Monday storage will be 350,000 gallons.

      b. Water use between 87,500 gpd and 175,000 gpd
         1. One effluent pump will run most of the time and be turned off twice a week, if needed, on Monday and Thursday. It will be turned back on after 1, 2, 3 or 4 days as needed. Should attempt to empty storage since pump will run more than half the time.

            Example: Storage at 250,000 gallons use at 87,500. On Thursday turn pump off for one day. On Monday, storage will be at 425,000 gallons.

      c. Use between 175,000 gpd and 262,500 gpd.
         1. One effluent pump will run continuously and the other will be turned on as needed (like scenario number 1)
      d. Use between 262,500 gpd and 350,000 gpd.
         1. One effluent pump will run continuously and the other will be turned off as needed (like scenario number 2)
      e. Use over 350,000 gpd; Both pumps will run continuously and make up water will be added as needed from raw water system

3. Equipment Operation Scenario
   a. DCP will be responsible for the regular scheduling with RMWD for the routine delivery of water via RMWD's operation of the Tertiary Filter Facility pumps
   b. Emergency on/off access at the Tertiary Filter site shall be made available to DCP by RMWD and be incorporated within the design scope of the Tertiary Filter Package

EXHIBIT C

COST ESTIMATE FOR PROVIDING TERTIARY EFFLUENT TO THE MT. WOODSON PROJECT

DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST ($)
Install 8" pipeline from spray field pump station to existing pipeline in Rangeland Road	1,130 LF	$22/LF	$ 24,860
Install 8" pipeline in Rangeland Road from existing 8" pipeline to Highland Valley Road	500 LF	$32/LF	$ 36,000
Install 8" pipeline in Highland Valley Road from Rangeland Road to Archie Moore Road	7,000 LF	$32/LF	$224,000
Install 8" pipeline in Archie Moore Road from Highland Valley Road south to the Untreated Water meter for the Mt. Woodson School	300 LF	$34/LF	$ 10,200
Cap and disconnect Untreated Water system at Highland Valley Road and Archie Moore Road		Lump Sum	$ 2,500
Connect to existing 8" meter		Lump Sum	$ 500
Provide conversion of 8" Untreated Water line in Archie Moore Road for reclaimed use to satisfy outside regulatory agencies		Lump Sum	$ 7,500
Provide conversion of Untreated Water use to treated water usage		Lump Sum	$ 66,000
Provide Tertiary Filter Design/Build package with chlorination system		Lump Sum	$395,000
TOTAL			**$766,560**

RAMONA MUNICIPAL WATER DISTRICT

NOTICE OF PUBLIC HEARING

TO CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE DISTRICT'S LEGISLATIVE CODE TO ADOPT BY REFERENCE THE COUNTY OF SAN DIEGO'S DEFENSIBLE SPACE FOR FIRE PROTECTION ORDINANCE WHICH INCLUDES THE COUNTY OF SAN DIEGO'S PUBLIC NUISANCE ABATEMENT PROCEDURE

November 10, 2020 at 2:00 P.M.

(Hearing to be held Via Teleconference
Pursuant to State of California Executive Order N-29-20)

Notice is hereby given that on the 10th day of November 2020, at the hour of 2:00 p.m. via Teleconference: Phone Number 978-990-5000, Access Code 401324, the Board of Directors of the Ramona Municipal Water District will consider and receive comment on:

ADOPTION OF AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE RAMONA MUNICIPAL WATER DISTRICT AMENDING CHAPTER 5.28 OF THE DISTRICT'S LEGISLATIVE CODE RELATING TO NUISANCES TO REVISE CERTAIN SECTIONS AND ADOPT BY REFERENCE THE COUNTY OF SAN DIEGO'S DEFENSIBLE SPACE FOR FIRE PROTECTION ORDINANCE, CHAPTER 4 OF DIVISION 8 OF TITLE 6 OF THE SAN DIEGO COUNTY CODE OF REGULATORY ORDINANCES, SECTIONS 68.401-68.419 WHICH INCLUDES THE COUNTY OF SAN DIEGO'S PUBLIC NUISANCE ABATEMENT PROCEDURE, CHAPTER 2 OF DIVISION 6 OF TITLE 1 OF THE COUNTY CODE OF REGULATORY ORDINANCES, SECTIONS 16.201-16.218 FOR PURPOSES OF COUNTY ENFORCEMENT

The proposed ordinance will revise various provisions of Chapter 5.28 "Nuisances" of the District Legislative Code and adopt by reference the County of San Diego's Defensible Space for Fire Protection Ordinance ("Defensible Space Ordinance") to be applicable within the District. The Defensible Space Ordinance is designed to keep private property free from potential fire hazards, to require private properties to have cleared and defensible space as specified in the ordinance, and to require that materials such as weeds, rubbish and other combustible vegetation be removed from private property. If the District Board adopts the proposed ordinance, the County of San Diego will provide the administration and enforcement of the Defensible Space Ordinance within the District pursuant to an agreement between the County and the District. Additionally, the proposed ordinance includes the adoption by reference of the County's Public Nuisance

Abatement Procedure contained in the County Code which can be used by the County when necessary to perform forced abatement on private property pursuant to the Defensible Space Ordinance with notice and hearing procedures.

As of October 22, 2020, copies of the proposed ordinance, Chapter 4 of Division 8 of Title 6 of the San Diego County Code Of Regulatory Ordinances, Sections 68.401-68.419 (Defensible Space Ordinance), and Chapter 2 of Division 6 of Title 1 of the County Code of Regulatory Ordinances, Sections 16.201-16.218 (Public Nuisance Abatement Procedure) will be available for review at the District Office, 105 Earlham Street, Ramona, California 92065 and online at the following website: www.rmwd.org.

Any interested person may appear at said meeting and make a presentation to the Board related to the proposed ordinance. During the meeting, the Board shall hear and consider all objections or protests, if any, to the proposed ordinance.

Date: October 22, 2020

RAMONA MUNICIPAL WATER DISTRICT
Administrative Services Department
105 Earlham Street, Ramona, CA 92065
Phone: 760-789-1330

RAMONA MUNICIPAL WATER DISTRICT

AGENDA MEMO

Agenda Item No. C.1.a.
Regular Board Meeting of November 10, 2020

Jim Robinson, President
and Members of the Board of Directors
Ramona, CA 92065

RE: PUBLIC HEARING AND DISCUSSION WITH POSSIBLE ACTION TO ADOPT AN ORDINANCE AMENDING THE DISTRICT'S LEGISLATIVE CODE CHAPTER 5.28 WHICH INCLUDES ADOPTING BY REFERENCE THE COUNTY'S DEFENSIBLE SPACE FOR FIRE PROTECTION ORDINANCE AND NUISANCE ABATEMENT PROCEDURES

Members of the Board:

Purpose

To hold a public hearing, receive public input, and consider adoption of an Ordinance amending the District's Legislative Code Chapter 5.28 which includes adopting by reference the County's Defensible Space for Fire Protection Ordinance and Nuisance Abatement procedures.

Background

Prior to December 2015, the District performed fire prevention services "in-house" through District staff conducting building plan reviews and inspections based out of the Administrative Office at 105 Earlham Street in Ramona.

Through execution of a Fire Prevention Services Collaboration Agreement ("Agreement") with the County of San Diego Fire Authority ("Fire Authority"), those building plan reviews and inspections were contracted for beginning in December 2015. By contracting for those services, the District was able to maintain an adequate level of service while reducing costs. Services are currently being performed based out of the County Operations Center in the City of San Diego, which is a central hub for Building services provided by the County of San Diego.

The current updated 5-year Agreement was approved by the Board at its October 13, 2020 meeting, and that agenda item also included the first reading of an Ordinance amending Chapter 5.28 of the District's Legislative Code. This Ordinance is intended to make alterations to the District's Legislative Code that will allow the County to enforce their Defensible Space Ordinance while fulfilling their obligations under the terms of the Agreement.

Discussion

Pursuant to the Agreement, the County is requesting that the District Board consider adopting the County's Defensible Space Ordinance in its sole discretion. The proposed ordinance will revise various provisions of Chapter 5.28 "Nuisances" of the District Legislative Code and adopt by reference the County of San Diego's Defensible Space for Fire Protection Ordinance ("Defensible Space Ordinance") to be applicable within the District. The Defensible Space Ordinance is designed to keep private property free from potential fire hazards, to require private properties to have cleared and defensible space as specified in the ordinance, and to require that materials such as weeds, rubbish and other combustible vegetation be removed from private property. If the District Board adopts the proposed ordinance, the County of San Diego will provide the administration and enforcement of the Defensible Space Ordinance within the District pursuant to the Agreement between the County and the District. Additionally, the proposed ordinance includes the adoption by reference of the County's Public Nuisance Abatement Procedure contained in the County Code which can be used by the County when necessary to perform forced abatement on private property pursuant to the Defensible Space Ordinance with notice and hearing procedures.

If the Board does not adopt the Ordinance, then the County will not be required to administer the Defensible Space Ordinance within the District's service area.

If the District does want to adopt the County's Defensible Space Ordinance, amendments to the District's Legislative Code Chapter 5.28 are necessary. These amendments are highlighted as "Exhibit A" to the Ordinance amending this section of the Legislative Code (Attachment 1). Also attached for reference is the County Defensible Space Ordinance as Attachment 2. If the District adopts the Ordinance, the provisions of the County's Defensible Space Ordinance would be effective solely for the purposes of the County enforcement of their specific responsibilities under the proposed Agreement. Pursuant to Board direction at the October 13, 2020 Board meeting, the Agreement was revised such that the following language is included which will allow the District to be consulted about any proposed forced abatement proceedings prior to the County commencing any such action on the District's behalf:

> County shall consult with and obtain approval from the District for all forced abatements before commencing forced abatement proceedings.

If the District wants to adopt the Ordinance, it requires one Board meeting to introduce the Ordinance by title only, which occurred at the Board meeting on October 13, 2020. At that meeting, the Board also set a public hearing for today's meeting to allow the Board to consider public input and adoption of the Ordinance. Today, the Board is considering the second and final step to adopt the Ordinance. This public hearing has been published and noticed as required by applicable law. Additionally, copies of the proposed ordinance, Chapter 4 of Division 8 of Title 6 of the San Diego County Code Of Regulatory Ordinances, Sections 68.401-68.419 (Defensible Space Ordinance), and Chapter 2 of Division 6 of Title 1 of the County Code of Regulatory Ordinances, Sections 16.201-16.218 (Public Nuisance Abatement Procedure) were available for public review beginning on October 22, 2020 at the District's office at 105 Earlham Street and on the District's website at www.rmwd.org.

Fiscal Impact
No impact.

Recommendation
Staff respectfully recommends that after holding the public hearing and receiving public comments under agenda item C.1., the Board of Directors adopt the attached Ordinance by title only amending the District's Legislative Code Chapter 5.28 which includes adopting by reference the County's Defensible Space for Fire Protection Ordinance.

Prepared by: Craig Schmollinger, Chief Financial Officer

Submitted by: David Barnum, General Manager

ATTACHMENTS:

Attachment 1 Ordinance - AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE RAMONA MUNICIPAL WATER DISTRICT AMENDING CHAPTER 5.28 OF THE DISTRICT'S LEGISLATIVE CODE RELATING TO NUISANCES TO REVISE CERTAIN SECTIONS AND ADOPT BY REFERENCE THE COUNTY OF SAN DIEGO'S DEFENSIBLE SPACE FOR FIRE PROTECTION ORDINANCE, CHAPTER 4 OF DIVISION 8 OF TITLE 6 OF THE SAN DIEGO COUNTY CODE OF REGULATORY ORDINANCES, SECTIONS 68.401-68.419 WHICH INCLUDES THE COUNTY OF SAN DIEGO'S PUBLIC NUISANCE ABATEMENT PROCEDURE, CHAPTER 2 OF DIVISION 6 OF TITLE 1 OF THE COUNTY CODE OF REGULATORY ORDINANCES, SECTIONS 16.201-16.218 FOR PURPOSES OF COUNTY ENFORCEMENT Page 4-14

Attachment 2: County Defensible Space Ordinance Page 15-18

ORDINANCE NO. 20-XXX

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE RAMONA MUNICIPAL WATER DISTRICT AMENDING CHAPTER 5.28 OF THE DISTRICT'S LEGISLATIVE CODE RELATING TO NUISANCES TO REVISE CERTAIN SECTIONS AND ADOPT BY REFERENCE THE COUNTY OF SAN DIEGO'S DEFENSIBLE SPACE FOR FIRE PROTECTION ORDINANCE, CHAPTER 4 OF DIVISION 8 OF TITLE 6 OF THE SAN DIEGO COUNTY CODE OF REGULATORY ORDINANCES, SECTIONS 68.401-68.419 WHICH INCLUDES THE COUNTY OF SAN DIEGO'S PUBLIC NUISANCE ABATEMENT PROCEDURE, CHAPTER 2 OF DIVISION 6 OF TITLE 1 OF THE COUNTY CODE OF REGULATORY ORDINANCES, SECTIONS 16.201-16.218 FOR PURPOSES OF COUNTY ENFORCEMENT

WHEREAS, the Ramona Municipal Water District ("District") operates as a fire district pursuant to the authority in California Water Code section 71680 and the Health and Safety Code; and

WHEREAS, pursuant to Health and Safety Code section 13879 the District may abate hazardous weeds and rubbish; and

WHEREAS, Chapter 5.28 of the District's Legislative Code relates to nuisances and their abatement, including the forced abatement of hazardous weeds and rubbish; and

WHEREAS, on October 13, 2020, the District's Board of Directors authorized the District to enter into that certain Agreement between the County of San Diego and the Ramona Municipal Water District for Fire Prevention Services Collaboration ("MOU") which provides for the County of San Diego ("County") to perform administrative and enforcement actions, including but not limited to forced weed abatements, on behalf of the District if the District, in its sole discretion, adopts the County's Defensible Space for Fire Protection Ordinance, Chapter 4 of Division 8 of Title 6 of the San Diego County Code of Regulatory Ordinances ("County Code"), sections 68.401-68.419 ("Defensible Space Ordinance"); and

WHEREAS, the County's Defensible Space Ordinance includes County Code section 68.405, which says that abatement is handled pursuant to the County's Public Nuisance Abatement Procedure, Chapter 2 of Division 6 of Title 1 of the County Code (sections 16.201-16.218); and

WHEREAS, the District, in its sole discretion, desires to adopt the County's Defensible Space Ordinance by reference and have the County perform administrative and enforcement responsibilities pursuant to the Defensible Space Ordinance, including but not limited to forced abatements of hazardous weeds and rubbish on behalf of the District according to the terms of the MOU and consistent with applicable state law; and

WHEREAS, in order to implement this process, it is necessary for the District to amend its Legislative Code as shown in Exhibit A; and

WHEREAS, Health and Safety Code section 13861(h) provides that districts can adopt ordinances by following the procedures of Article 7 (commencing with Section 25120) of Chapter 1 of Part 2 of Division 2 of Title 3 of the Government Code; and

WHEREAS, Government Code sections 25127 and 50022.2 provide that an ordinance code may be adopted by reference; and

WHEREAS, notice of a public hearing on the adoption of this Ordinance was published pursuant to and in the manner required by applicable law; and

WHEREAS, on November 10, 2020, a public hearing was held on the adoption of this Ordinance.

NOW, THEREFORE, be it ordained by the Board of Directors of Ramona Municipal Water District as follows:

Section 1. The matters set forth in the recitals to this Ordinance are true and correct statements and are incorporated herein as findings.

Section 2. This Ordinance is not subject to the California Environmental Quality Act.

Section 3. Chapter 5.28 of the Ramona Municipal Water District Legislative Code is hereby amended as set forth in Exhibit A, which is fully incorporated herein. Exhibit A includes the adoption by reference of the County's Defensible Space for Fire Protection Ordinance, Chapter 4 of Division 8 of Title 6 of the San Diego County Code of Regulatory Ordinances, sections 68.401-68.419 and San Diego County's Public Nuisance Abatement Procedure, Chapter 2 of Division 6 of Title 1 of the County Code of Regulatory Ordinances, sections 16.201-16.218 solely for use with the County's enforcement of the Defensible Space for Fire Protection Ordinance.

Section 4. Upon the Effective Date of this Ordinance and for the duration of the MOU, the District hereby designates the Fire Chief and the Fire Chief hereby designates the County Abatement Officer and Fire Warden as the persons designated to carry out enforcement of the Defensible Space for Fire Protection Ordinance, including but not limited to giving notice to destroy weeds under applicable law.

Section 5. This Ordinance supersedes any ordinance, resolution, policy, or part thereof, previously adopted, to the extent such ordinance, resolution, or policy conflicts with this Ordinance.

Section 6. If any provision of this Ordinance or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The Board declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion of this Ordinance.

Section 7. The amendments to Chapter 5.28 of the Legislative Code shown in Exhibit A shall become effective in 30 days in accordance with Government Code section 25123.

Section 8. This Ordinance shall be published in accordance with Government Code section 25124.

Introduced and first read at a regular meeting of the Board of Directors of the Ramona Municipal Water District held on October 13, 2020.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Ramona Municipal Water District held on November 10, 2020, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Jim Robinson
President, Board of Directors
Ramona Municipal Water District

ATTEST:

_____
Jeff Lawler
Secretary, Board of Directors
Ramona Municipal Water District

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Chapter 5.28

NUISANCES

Contents:

Section 5.28.010 Definitions.

For the purposes of this Chapter 5.28, the following terms shall be defined as follows, except that to the extent any of these definitions conflict with those in Section 5.28.030, then the definitions found in Section 5.28.030 shall control for the application to Section 5.28.030:

"Abatement Report" shall mean that report filed by the Fire Chief with the board of directors detailing abatement work performed by the Fire Chief to remove a nuisance upon the failure of the property owner to remove the nuisance after Notice, as defined and required herein. The Abatement Report shall include an accurate account of the cost of abating the nuisance on each separate property.

"Fire Authority Having Jurisdiction" ("FAHJ") shall mean the designated entity providing enforcement of fire regulations as such regulations relate to planning, construction and development.

"Fire Chief" shall mean the Chief of the District's Fire Department or his or her authorized designee.

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"Fire Code" shall mean the Fire Code as adopted by the District in its Legislative Code, which incorporates the California Fire Code by reference, as may be amended from time to time.

"Fire Marshal" shall mean the Fire Marshal of the District or his or her authorized designee.
"Notice" shall mean one or all of the following methods of notice, whichever method(s) is best suited, in the discretion of the Fire Chief, to provide actual notice to the property owner:

A. By personal service on the owner, occupant or person in charge or control of the property;

B. By regular mail addressed to the owner or person in charge and control of the property, at the address shown on the last available assessment roll, or as otherwise known;

C. By posting at a conspicuous place on the land or abutting public right-of-way or insertion of an advertisement at least once a week for the period of two weeks in a newspaper of general circulation in the district. Said newspaper advertisement shall be a general notice that property in the district has been posted in accordance with this section and contain a general statement of the effect of such postings. The date of such newspaper advertisements shall not be considered in computing the appeal periods provided by this chapter.

"Structure" shall mean a residence, detached garage, utility building or related facility designed for human habitation or buildings designed for agricultural use or the housing of farm animals.

"Waste Matter" shall mean matter, which by reason of its location and/or character, may, in the Fire Chief's discretion, hamper or interfere with the prevention or suppression of fire upon the premises or adjacent premises, such as, but not limited to, combustible, non-functioning material.

"Weeds" shall mean, pursuant to California Health and Safety Code section 14875, as such section may be amended from time to time, vegetation growing upon streets, sidewalks, or private property in any county, including any fire protection district and may include any of the following:

A. Vegetation that bears seeds of a downy or wingy nature.

B. Vegetation that is not pruned or is otherwise neglected so as to attain such large growth as to become, when dry, a fire menace to adjacent improved property.

C. Vegetation that is otherwise noxious or dangerous.

D. Poison oak and poison ivy when the conditions of growth are such as to constitute a menace to the public health.

E. Dry grass, stubble, brush, litter, or other flammable material which endangers the public safety by creating a fire hazard in an urbanized portion of an unincorporated area which has been zoned for single and multiple residence purposes.

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Section 5.28.011 County of San Diego Combustible Vegetation and Other Flammable Materials Ordinance.

The District hereby adopts the County of San Diego Combustible Vegetation and Other Flammable Materials Ordinance, Ordinance No. 9633, ("County Ordinance") by this reference as may be applicable and as such Ordinance may be revised by the County of San Diego from time to time. To the extent that the County Ordinance conflicts with any provision of this Legislative Code, this Legislative Code shall govern. In applying the County Ordinance to the District, the terms "County" and "Director" referenced in the County Ordinance shall be interpreted to mean the "District" and the "General Manager or his or her designee," respectively.

Section 5.28.020 Public Nuisances.

The District hereby declares the following as public nuisances:

A. Weeds, grasses and other combustible items are hereby declared a public nuisance.

1. All weeds, dry grasses, dead shrubs, dead trees, rubbish or any material growing upon the streets, sidewalks or upon private property within the district which bears seeds of a wingy or downy nature or which by reason of their size, manner of growth and location constitute a fire hazard to any building, improvements, crops or other property, and weeds and grasses which, when dry, will in reasonable probability constitute such a fire hazard, are declared to be a public nuisance.

2. Cultivated and useful grasses and pasture may not be declared a public nuisance. It is not intended that natural chaparral and shrubbery be generally considered as weeds or a public nuisance. However, if the Fire Chief shall determine it necessary to protect adjacent improved property from fire exposure, an adequate fire-break may be required.

B. Waste Matter is hereby declared a public nuisance.

Section 5.28.030 County of San Diego Defensible Space Ordinance.~~Standards for Nuisance Abatement, Vegetation Clearance and Hazard Reduction.~~

A. The District hereby adopts by reference the County of San Diego Defensible Space for Fire Protection Ordinance, Chapter 4 of Division 8 of Title 6 of the San Diego County Code of Regulatory Ordinances ("County Code"), sections 68.401-68.419 ("Defensible Space Ordinance") as may be amended from time to time. The Defensible Space Ordinance includes County Code section 68.405, which says that abatement is handled pursuant to the County's Public Nuisance Abatement Procedure, Chapter 2 of Division 6 of Title 1 of the County Code, sections 16.201-16.218 ("Nuisance Abatement Procedures") as may be amended from time to time, which the District hereby adopts by reference solely for the purposes of County enforcement pursuant to the Defensible Space Ordinance and this Section.

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B. In applying the Defensible Space Ordinance to the District, the terms "County" and "Board of Supervisors" referenced in the Defensible Space Ordinance shall be interpreted to mean the "County" or the "District" and the "Board of Supervisors" or the "District Board or its designee," respectively, as the context requires.

C. For as long as the District and the County have a memorandum of understanding for the County to enforce the Defensible Space Ordinance within the District pursuant to County Code section 68.403(b), the District delegates to the County the administrative and enforcement authority for the Defensible Space Ordinance and procedures set forth in the County's Nuisance Abatement Procedures. During the term of the memorandum of understanding, the County will proceed with enforcement pursuant to the County procedures, including but not limited to County's Nuisance Abatement Procedures. When such a memorandum of understanding is not in effect, the District will exercise its enforcement authority as set forth in this Chapter and in accordance with applicable state law.

~~Property owners shall maintain their property in compliance with the following at all times:~~

A. ~~Waste Matter, trash, rubbish, and other combustible materials such as dead or dying vegetation must be properly removed and disposed of.~~

B. ~~Properties (parcels) one (1) acre, or less, located within the District shall have the entire property cleared of annual grasses, weeds and dead or dying vegetation.~~

C. ~~Roadways and driveways shall be cleared of combustible vegetation (excluding single specimen trees and properly maintained ornamental shrubbery) within ten feet (10') along both sides. All dead or dying vegetation shall likewise be removed within 10'. Vertical clearance of 13' 6" shall be maintained above all roadways and driveways for emergency vehicle access.~~

D. ~~A one-hundred foot (100') fuel modification zone is required around all Structures. The fuel modification zones shall not extend beyond the property line. The fuel modification zone is divided into two zones as follows, measured horizontally from the base of the Structure:~~

1. ~~Zone One: area within a 50' foot radius of any from any building. This zone must be cleared and planted with fire resistive plants. See the County of San Diego brochure: `Fire, Defensible Space and You' at www.sdcdplu.org.~~

2. ~~Zone Two: area between 50 to 100' feet from Structures. In this zone, native vegetation may remain but must be thinned by fifty percent (50%) with decreased continuity; all dead or dying vegetation must be properly removed. Grass and other vegetation less than 18" in height, above the ground need not be removed when necessary to stabilize the soil and prevent erosion.~~

E. ~~A fifty (50) foot fuel modification zone is required along and within property lines as determined by the Fire Chief to protect adjacent Structures.~~

F. ~~Clearing may be accomplished using methods such as mowing, cutting, grazing and trimming that leave the plant root structure intact. Removed trees shall have stumps cut no higher than eight inches (8") above the ground; however, orchards shall have the stumps removed. Any removed tree cuttings may be chipped and left on the parcel atop the soil to a maximum depth of six inches (6") and does not present a fire hazard. Clearing does not apply to properly maintained ornamental shrubbery or single specimen trees that do not form a means of rapidly transmitting fire to the Structure. Discing, which exposes bare mineral soil may be used if approved by the FAHJ. Grading shall not be used to clear properties without a valid County of San Diego Department of Planning and Land Use grading permit.~~

G. ~~All orchards, groves, vineyards, regardless of parcel size, shall be kept in a healthy state and maintained as described herein. A 10-foot firebreak shall be cleared, between the perimeters, orchard trees, grape vines and combustible chaparral or ornamental landscaping. Orchards shall be kept clean of dead, dying or downed trees. Orchards and vineyards shall be free of combustible debris, dead branches and dead foliage. All dead grasses and weeds between rows of trees or vines shall be mowed or disced to bare soil.~~

H. ~~All forests and woodlands shall be kept in a healthy state and maintained as described herein. The forests or woodlands shall be kept clean of dead, dying, downed or diseased trees (excluding tree stumps no higher than six inches (6") above the ground). Dead, dying and diseased trees shall include insect infested trees, no longer living, in the last stages of growth or infected by a pathogen of any type.~~

I. ~~Cuttings may be mulched and left atop of the soil to a maximum depth of six (6) inches or may be hauled to a County Landfill site.~~

J. ~~Mature trees must be trimmed to six (6) feet above the ground or as approved by the FAHJ. Trees must be cut back at least ten feet (10') from chimneys and roofs. All leaves, pine needles, bark, branches and other debris must be removed from roofs and rain gutters.~~

K. ~~There shall be ten feet (10) of clearance around all liquid propane and above ground fuel tanks, all combustible materials, grass, weeds, etc. shall be removed.~~

~~Chimneys must be equipped with an approved spark arrestor; i.e., wire mesh maximum ½ inch opening.~~

Section 5.28.040 Notice to Abate Nuisance.

If it is determined that a public nuisance, as herein defined, exists on any lot or premise, or upon any sidewalk, parking or street adjacent to such lot or premise, the Fire Chief shall cause ~~Notice to be issued~~ the procedures to abate such nuisance set forth in this Chapter and in accordance with applicable state law, as it may be amended from time to time, to be followed. Unless otherwise provided by this Chapter or applicable state law, such Notice shall be entitled: "NOTICE

TO CLEAN PREMISES" in letters not less than one inch in length and which shall, in legible characters, direct the abatement of the nuisance and refer to this chapter and section for particulars. Notices served by means other than posting shall contain a description of the property in general terms reasonably sufficient to identify the location of the nuisance thereon.

Section 5.28.050 Right of Appeal.

Within ten (10) calendar days from the date of posting, mailing or personal service of the required Notice, the owner or person occupying or controlling such lot or premise affected may appeal to the Fire Marshal. Such appeal shall be in writing and shall be filed with the Fire Marshal. Within ten (10) calendar days from the Fire Marshal's decision, the appellant may appeal the Fire Marshal's decision to the general manager. Within ten (10) calendar days from the general manager's decision, the appellant may appeal the general manager's decision to the board of directors. The board of directors shall consider the appeal of the general manager's decision at a regular meeting or regular adjourned meeting of the board, and the decision of the board shall be final and conclusive. This section shall apply unless otherwise required by this Chapter or applicable state law.

Section 5.28.060 Time Limit for Removal of Nuisance.

Unless otherwise required by this Chapter or applicable state law, it shall be the duty of the owner, the agent of the owner, or the person in possession of any lot or premise in the district within ten (10) calendar days from the date of notification as provided herein, or in case of an appeal to the board, within ten (10) calendar days from the determination thereof, unless the same is sustained, to remove the nuisance as stated.

Section 5.28.070 Abatement of Nuisance by Fire Chief.

If the owner fails or neglects to remove the nuisance as herein defined, within the time specified in this chapter, the Fire Chief shall cause such nuisance to be abated. The abatement work may be done by district crews or by private contractor at such rates and fees as may be authorized and approved by the FAHJ and/or the general manager. An Abatement Report shall be filed with the board of directors by the Fire Chief following the abatement. This section shall apply unless otherwise required by this Chapter or applicable state law.

Section 5.28.080 Hearing: Posting of Time and Place.

Unless otherwise required by this Chapter or applicable state law, the general manager shall set the Abatement Report and account for hearing by the board of directors at the first regular or adjourned meeting and shall post a copy of said report and account and notice of the time and place of hearing in a conspicuous place at or near the entrance of the chambers of the board of directors in the Ramona Community Center.

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Section 5.28.090 Hearing: Board of Directors' Decision.

The board of directors shall consider the Abatement Report and account at the time set for hearing, together with any objections or protests by any interested parties. Any owner of land or person interested therein may present a written or oral protest or objection to the Abatement Report and account. At the conclusion of the hearing, the board of directors shall either approve the report and account as submitted, or as modified or corrected by the board. The amounts so approved shall be liens upon the respective lots or premises, and the board shall adopt a resolution assessing said amounts as liens upon the respective parcels of land as they are shown upon the last available assessment roll, and determining that such Weeds, grasses, dead trees, dead shrubs and Waste Matter constitute a public nuisance. The general manager shall prepare and file with the county auditor of the county of San Diego a certified copy of such resolution of the board. This section shall apply unless otherwise required by this Chapter or applicable state law.

Section 5.28.100 Payment Prior to Hearing.

The general manager may accept payment of any amount due at any time prior to the hearing.

Section 5.28.110 Collection of Assessments.

The county auditor shall enter each assessment in the county tax roll opposite the parcel of land. The amount of the assessment shall be collected at the time and in the manner of ordinary district taxes; and, if delinquent, the amount is subject to the same penalties and procedure of foreclosure and sale as is provided for ordinary district taxes.

Section 5.28.120 Violation: Penalty.

The owner, occupant or agent of any lot or premises within the district who shall permit or allow the existence of a public nuisance as defined in this chapter, upon any lot or premises owned, occupied or controlled by him or who shall violate any of the provisions of this chapter, shall be guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than five hundred dollars or to imprisonment for a period not exceeding six months, or both such fine and imprisonment.

Section 5.28.130 Discretion.

Subject to the rights of appeal as set forth in this chapter, where discretion is herein given to determine a public nuisance or reasonable probability thereof or any material question of fact herein raised, that discretion shall lie with the Fire Chief.

Section 5.28.140 State Responsibility Area.

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Within the State Responsibility Area in the Ramona Municipal Water District, as defined herein, consistent with California Health & Safety Code Section 13811, responsibility for the administration of a nuisance abatement program, including but not limited to, the inspection, notification and abatement of timbered, brush, and grass-covered lands, shall lie with the State of California, Department of Fire and Forestry Protection. "State Responsibility Area" shall mean, "lands exclusive of cities and federal lands regardless of ownership, classified by the State Board of Forestry as areas in which the primary financial responsibility for preventing and suppressing fires is that of the State. These are lands covered wholly or in part by timber, brush, undergrowth or grass, whether of commercial value or not, which protect the soil from erosion, retard runoff of water or accelerated percolation, and lands used principally for range or forage purposes." The Ramona Municipal Water District shall not be responsible for the administration of a nuisance abatement program, as outlined in the preceding Sections 5.28.010 through 5.28.130 of this Legislative Code, for property located within the State Responsibility Area. Sections 5.28.010 through 5.28.130 of this Legislative Code shall apply to properties located outside of the State Responsibility Area but within the Ramona Municipal Water District.

CHAPTER 4. DEFENSIBLE SPACE FOR FIRE PROTECTION ORDINANCE*

***Note--**Chapter 4, Abatement of Weeds and Rubbish, Sections68.410--68.419, added by Ord. No. 6998 (N.S.), effective 7-24-85; Ord. No. 7001 (N.S.) adopted 7-30-85, effective 8-29-85, supersedes Ord. No. 6998; amended (including title) by Ord. No. 9633 (N.S.), effective 4-23-04; amended (including title) by Ord. No. 10147 (N.S.), effective 6-9-11.

Cross reference(s)--Uniform public nuisance abatement procedure, § 16.201 et seq.; management of solid waste, § 68.501 et seq.

SEC. 68.401. FINDINGS.

The Board of Supervisors makes the following findings and declarations:

The accumulation of combustible vegetation, dead, dying or diseased trees, green waste, rubbish, and other materials on private property is hereby found to create a condition that is a fire hazard and potentially injurious to the health, safety, and general welfare of the public. Therefore, the presence of such combustible vegetation, dead, dying or diseased trees, green waste, rubbish, and other materials on parcels as hereinafter defined is hereby declared to constitute a public nuisance which may be abated in accordance with the provisions of this chapter. Nothing in this chapter shall replace or conflict with the authority of the County Agricultural Commissioner to eradicate noxious weeds under applicable sections of the California Food and Agricultural Code.

(Amended by Ord. No. 9633 (N.S.), effective 4-23-04; amended by Ord. No. 10147 (N.S.), effective 6-9-11)

Cross reference(s)--Uniform public nuisance abatement procedure, § 16.201 et seq.

SEC. 68.402. DEFINITIONS.

For the purpose of this chapter, the following words and phrases shall have the meanings respectively ascribed to them in this section:

(a) "COMBUSTIBLE VEGETATION" is material that in its natural state will readily ignite, burn and transmit fire from native or landscape plants to any structure or other vegetation. Combustible vegetation includes dry grass, brush, weeds, litter or other flammable vegetation that creates a fire hazard.

(b) "DEAD, DYING OR DISEASED TREES" include pest or pathogen infested trees, abandoned or neglected groves or other trees which are in a dying condition or no longer living.

(c) "DEFENSIBLE SPACE" is an area either natural or man-made, where material capable of allowing a fire to spread unchecked has been treated, cleared or modified to slow the rate and intensity of an advancing wildfire and to create an area for fire suppression operations to occur.

(d) "FIRE WARDEN" means the Deputy Chief Administrative Officer of the Public Safety Group or his/her authorized representative.

(e) "GREEN WASTE" includes, but is not limited to, organic material such as yard trimmings, plant waste, untreated wood wastes, paper products, natural fiber products, mulch and compost.

(f) "IMPROVEMENT" means any building or structure, permanent or temporary, erected for the support, shelter, or enclosure of persons, animals, chattels, or property of any kind located in the unincorporated area of the County of San Diego subject to this chapter and shall include agricultural crops. For purposes of this chapter, the term "improvement" shall not include decks, sheds, gazebos, freestanding open-sided shade structures and similar accessory structures less than 250 square feet and 30 feet or more from a dwelling, and fences more than 5 feet from a dwelling.

(g) "MSCP SUBAREA" means that area shown as the "County of San Diego MSCP Subarea" on the map which is "Attachment A" to the Biological Mitigation Ordinance (found at Chapter 5 of Division 6 of Title 8 of the County Code) as referenced in Section 86.502 of the County Code and on file with the Clerk of the Board of Supervisors as Document No. 0769999.

(h) "NOXIOUS WEED" shall mean any species of plant that is, or is liable to be, troublesome, aggressive, intrusive, detrimental, or destructive to agriculture, silviculture, or important native species, and difficult to control or eradicate, as defined in Section 5004 of the California Food and Agricultural Code.

(i) "PARCEL" means any contiguous quantity of land in the possession of, or owned by, or recorded as the property of, the same person or entity and which is located in the unincorporated area of the County of San Diego subject to this chapter but shall not include any portion of a parcel that has been in active production of agricultural crops within one growing season of that crop.

(j) "PUTRESCIBLE" means rapidly decomposable by microorganisms, which may give rise to foul smelling, offensive products during such decomposition or which is capable of attracting or providing food for birds and potential disease vectors such as rodents and flies.

(k) "RESPONSIBLE PARTY" includes, but is not limited to, any person, firm, partnership or corporation owning, renting, leasing, or otherwise controlling any parcel located in the unincorporated area of the County of San Diego subject to this chapter.

(l) "RUBBISH" is waste material including, but not limited to, waste paper and debris from construction or demolition. For the purposes of this chapter, the term "rubbish" does not include putrescible material.

(Amended by Ord. No. 7186 (N.S.), effective 9-12-86; amended by Ord. No. 9633 (N.S.), effective 4-23-04; amended by Ord. No. 10147 (N.S.), effective 6-9-11)

Cross reference(s)--Definitions, § 12.101 et seq.

SEC. 68.403. ENFORCEMENT RESPONSIBILITY/ APPLICABILITY.

(a) This chapter shall be applicable in all unincorporated territory of the County of San Diego outside of the fire protection districts or municipal water districts which provide fire protection services, and the Fire Warden shall administer and enforce the provisions of this chapter.

(b) This chapter shall be applicable in the unincorporated territory of the County of San Diego within a fire protection district or municipal water district which provides fire protection service if the district has adopted this ordinance by reference through enactment of its own district ordinance. In such case, administrative and enforcement responsibility shall rest with the district, and the County shall bear no such enforcement responsibility except to the extent specifically approved by the Fire Warden through a Memorandum of Understanding (MOU) with the district.

(Amended by Ord. No. 7186 (N.S.), effective 9-12-86; amended by Ord. No. 9633 (N.S.), effective 4-23-04; amended by Ord. No. 10147 (N.S.), effective 6-9-11)

SEC. 68.404. PROHIBITIONS/ DEFENSIBLE SPACE REQUIREMENTS.

(a) Defensible Space for Improvements. No responsible party shall permit on a parcel, or on any adjacent sidewalks, parking areas, or streets, any accumulation of combustible vegetation, dead, dying or diseased trees, green waste, rubbish, or other flammable materials within 100 feet of the exterior perimeter of any improvement thereon, provided, however, the Fire Warden may authorize a distance less than 100 feet, but no less than 30 feet, in accordance with the exceptions found in the defensible space requirements found in the Fire Code at section 96.1.001 et seq. of the San Diego County Code. Where the distance from the improvement to the property line of the parcel on which the improvement is located is less than the required defensible space, the responsible party shall only be required to provide the required defensible space to the property line.

(b) Defensible Space along Property Lines. No responsible party shall permit on a parcel any accumulation of combustible vegetation, dead, dying or diseased trees, green waste, rubbish, or other flammable materials within 30 feet of the property line when such accumulation endangers or encroaches on the required defensible space for improvements on an adjacent property. The Fire Warden may require a distance greater than 30 feet but not to exceed 100 feet when it is determined that the greater distance is necessary to provide defensible space for improvements on an adjacent property.

(c) Defensible Space along Roads and Driveways. No responsible party shall permit on a parcel any accumulation of combustible vegetation, dead, dying or diseased trees, green waste, rubbish, or other flammable materials within 10 feet of each side of the improved width of highways, private roads and driveways, provided, however, the Fire Warden may require, after providing written notice to the responsible party, a distance greater than 10 feet in accordance with the defensible space requirements found in the Fire Code at section 96.1.001 et seq. of the San Diego County Code.

(d) Additional Defensible Space. Notwithstanding the provisions of subsections (a), (b), and (c) of this section, if the Fire Warden determines that a greater distance is necessary to protect property or the health, safety and welfare of residents of the vicinity, the Fire Warden may require a responsible party to provide additional defensible space up to the following maximum acreages on parcels which meet the following criteria:

i. Two acres, on parcels located within the Pre-Approved Mitigation Area of the MSCP Subarea that are 10 acres and under in size and zoned for single family residential uses if the Fire Warden finds that the defensible space will not interfere with the assembly of the Multiple Species Conservation Plan Preserve according to the terms of the MSCP Plan and the Subarea Plan.

ii. Five acres, on parcels located outside the Pre-Approved Mitigation Area of the MSCP Subarea that are 10 acres and under in size and zoned for single family residential uses if the Fire Warden finds that the defensible space will not interfere with the assembly of the Multiple Species Conservation Plan Preserve according to the terms of the MSCP Plan and the Subarea Plan.

iii. Five acres, on parcels located outside the MSCP Subarea zoned for single family residential use and improved with a single family residence.

(e) Combustible Vegetation. For purposes of this section, combustible vegetation does not include single specimens of trees, fire-resistant ornamental shrubbery, and other fire-resistant planting materials or cultivated ground covers which the Fire Warden determines do not form a means of rapidly transmitting fire from native or landscape plants to any improvement or other vegetation.

(f) Grading. The provisions of this chapter shall not be construed to authorize grading which does not comply with the San Diego County regulations regarding grading, clearing and watercourses found in Division 7 of Title 8 of the San Diego County Code.

(Amended by Ord. No. 9633 (N.S.), effective 4-23-04; amended by Ord. No. 10147 (N.S.), effective 6-9-11)

SEC. 68.405. PUBLIC NUISANCE.

Whenever combustible vegetation, dead, dying or diseased trees, green waste, rubbish, or other materials are allowed to grow or accumulate on a parcel, or on adjacent sidewalks, parking areas, or streets, so as to endanger improvements on such parcel or neighboring property, or the health, safety, or welfare of the residents of such parcel or adjacent parcel or vicinity, as prohibited by Section 68.404, the Fire Warden may declare a public nuisance and proceed to abate, in accordance with the Public Nuisance Abatement Procedure contained in Chapter 2 of Division 6 of Title 1 (commencing with Section 16.201) of the San Diego County Code or any other procedure permitted by law.

(Amended by Ord. No. 7141 (N.S.), effective 6-26-86; amended by Ord. No. 9633 (N.S.), effective 4-23-04; amended by Ord. No. 10147 (N.S.), effective 6-9-11)

SEC. 68.406. REMOVAL OF PROHIBITED MATERIALS.

The following are approved methods for the removal of prohibited materials:

(a) The removal of prohibited materials shall be done using methods such as mowing, cutting, grazing and trimming that leave the plant root structure intact to stabilize the soil and prevent erosion. Removed trees shall have the stumps cut no higher than eight inches above the ground. The height of weeds and annual grasses shall not exceed a height of six inches. Any chipping of trees or vegetation that is done onsite may be allowed to remain so long it is dispersed over an area not to exceed six inches in depth. If the Fire Warden determines that difficult terrain, danger of erosion, or other unusual circumstances make strict compliance with this section undesirable or impractical, enforcement thereof may be suspended and reasonable alternative measures shall be provided.

(b) Areas where prohibited materials are removed may be re-planted with single specimens of trees, fire-resistant ornamental shrubbery, and other fire-resistant planting materials or cultivated ground covers which do not form a means of rapidly transmitting fire from native or landscape plants to any improvement or other vegetation, to the Fire Warden's satisfaction. Re-planting may be required for erosion control.

(c) The removal of prohibited materials shall be carried out in conformance with all federal, state and local environmental laws and regulations including, but not limited to, the Endangered Species Act and the San Diego County regulations regarding grading, clearing and watercourses found in Division 7 of Title 8 of the San Diego County Code.

(Repealed by Ord. No. 7141 (N.S.), effective 6-26-86; new Sec. 68.406 added by Ord. No. 9633 (N.S.), effective 4-23-04; amended by Ord. No. 10147 (N.S.), effective 6-9-11)

SEC. 68.407. [RESERVED.]

(Repealed by Ord. No. 7141 (N.S.), effective 6-26-86)

SEC. 68.408. [RESERVED.]

(Repealed by Ord. No. 7141 (N.S.), effective 6-26-86)

SEC. 68.409. [RESERVED.]

(Repealed by Ord. No. 7141 (N.S.), effective 6-26-86)

SEC. 68.410. [RESERVED.]

(Repealed by Ord. No. 7141 (N.S.), effective 6-26-86)

SEC. 68.411. [RESERVED.]

(Repealed by Ord. No. 7141 (N.S.), effective 6-26-86)

SEC. 68.412. [RESERVED.]

(Repealed by Ord. No. 7141 (N.S.), effective 6-26-86)

SEC. 68.413. [RESERVED.]

(Repealed by Ord. No. 7141 (N.S.), effective 6-26-86)

SEC. 68.414. [RESERVED.]

(Repealed by Ord. No. 7141 (N.S.), effective 6-26-86)

SEC. 68.415. [RESERVED.]

(Repealed by Ord. No. 7141 (N.S.), effective 6-26-86)

SEC. 68.416. [RESERVED.]

(Repealed by Ord. No. 7141 (N.S.), effective 6-26-86)

SEC. 68.417. [RESERVED.]

(Repealed by Ord. No. 7141 (N.S.), effective 6-26-86)

SEC. 68.418. [RESERVED.]

(Repealed by Ord. No. 7141 (N.S.), effective 6-26-86)

SEC. 68.419. [RESERVED.]

(Repealed by Ord. No. 7141 (N.S.), effective 6-26-86)

RAMONA MUNICIPAL WATER DISTRICT

AGENDA MEMO

Agenda Item No. F.1.
Regular Board Meeting of November 10, 2020

Jim Robinson, President
and Members of the Board of Directors
Ramona, CA 92065

RE: INFORMATION ITEM FOR ACCEPTANCE OF THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Members of the Board:

Purpose

To accept the audited financial statements for the fiscal year ended June 30, 2020 from the independent auditing firm, Squar Milner.

Background

The District is audited each year by an independent certified public accounting firm. The audit ensures the District's compliance with accounting, internal control, and audit standards. While annual financial audits are mandated under California and Federal Government requirements, the District is pleased to provide these annual checks to demonstrate accountability and stewardship of public funds.

Discussion

The audited financial statements include the opinion of Squar Milner that the financial statements of RMWD present fairly, in all material respects, the financial position of RMWD as of June 30, 2020.

The audited financial statements are included as Attachment 1. These statements were prepared in accordance Generally Accepted Accounting Principles in the United States of America. Squar Milner has issued an unmodified ("clean") opinion on the District's financial statements.

Fiscal Impact

None.

Recommendation

Staff respectfully recommends the Board accept the audited financial statements for Fiscal Year Ended June 30, 2020.

Prepared by: Craig Schmollinger, Chief Financial Officer

Submitted by: David Barnum, General Manager

ATTACHMENTS:

Attachment 1 Audited Financial Statements for FY ended June 30, 2020 F.1. Page 3-50

Ramona Municipal Water District
Financial Statements
June 30, 2020

INDEX TO FINANCIAL STATEMENTS

squarmilner
Certified Public Accountants
and Financial Advisors

Squar Milner LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ramona Municipal Water District
Ramona, California

Report on the Financial Statements

We have audited the accompanying financial statements of Ramona Municipal Water District, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Ramona Municipal Water District's basic financial statements as listed in the index to financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ramona Municipal Water District, as of June 30, 2020, and the changes in financial position and cash flows thereof for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9, and the schedules of proportionate share of the net pension liability and plan contributions on pages 42 and 43, and other post employment benefits schedule of changes in the total OPEB liability and related ratios on page 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Ramona Municipal Water District's basic financial statements. The organizational structure and assessed valuation presented in Other Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The organizational structure and assessed valuation on pages 46 and 47 of the other supplementary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

SQUAR MILNER LLP

Squar Milner LLP

San Diego, California
October 29, 2020

RAMONA MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

As management of the Ramona Municipal Water District (the "District"), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements, which begin immediately following this analysis. This annual financial report consists of three main parts (1) Management's Discussion and Analysis, (2) Basic Financial Statements, and (3) Required Supplemental Information.

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

FINANCIAL HIGHLIGHTS

- The District's ending net position was $105,330,021.
- The change in net position for the year was an increase of $218,173 due to an increase in non-operating revenues.
- The District's operating revenues decreased by $242,792 or 1%, from $27,789,393 to $27,546,601, the prior year, primarily tied to decreases in fire and emergency medical services fees.
- The District's operating expenses increased by $2,685,342 or 8%, from $32,400,041 to $35,085,386, from the prior year, primarily due to amounts tied to water purchases by the District and related expenses, depreciation and general administration expenses.

Unaudited Voluntary Supplemental Information

Pension Costs through the California Public Employees Retirement System

The District, like most local government entities in California, contracts with the California Public Employees Retirement System (CalPERS) for employee retirement services. The District is allocated a proportion of the CalPERS pension plan Net Pension Liability (NPL). The NPL is equal to the difference between the total pension liability and the pension plan's fiduciary net position. The pension plan's fiduciary net position is equal to the market value of plan assets. The District's proportional share of the NPL for this period increased by $1,102,597 to $11,136,825, primarily due to the CalPERS Board decision to reduce the "discount rate" from 7.5% to 7.0% over a three-year period. The effect of this change is an assumed reduced rate of return on CalPERS investments, with the difference made up through an increase in employer contributions.

FY17/18 was the first year of the rollout of this discount rate reduction, which went from 7.5% in FY16/17, to 7.35% for FY17/18. This discount rate was further reduced for FY19/20 to 7.25% which caused an increase in contributions of $199,373 from $1,187,209 in FY18/19 to $1,386,582 in FY19/20.

FINANCIAL HIGHLIGHTS (continued)

This situation is not unique to the District, as almost all CalPERS contracting governmental entities have faced similar increased required contributions. For the next reporting period (FY20/21), CalPERS will be reducing the discount rate further to 7.0% as the final year of reductions to meet the 7.0% target.

Looking forward to FY20/21, the District is planning for these increased expenses to ensure we are meeting those pension related obligations.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements include the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows and notes to the basic financial statements.

- *Statement of Net position:* This statement presents information on all of the District's assets and liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

- *Statement of Revenues, Expenses and Changes in Net Position:* This statement presents information on the District's current fiscal year's revenue and expense. All changes in net position are reported a soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items will result in cash flows in future fiscal years.

- *Statement of Cash Flows:* This statement provides relevant information about the District's cash receipts and cash payments segregated among operating, capital and related financing, and investing activities.

- *Notes to the Basic Financial Statements:* These notes provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements.

The District uses Enterprise Funds to account for the five (5) operating divisions. Those operating divisions are (1) Water, (2) Fire and Paramedic, (3) Parks and Recreation, (4) San Vicente Sewer and (5) Santa Maria Sewer.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Water

This operating division maintains and services both a treated water system and an untreated water system. The treated system distributes treated water upon demand to customers. The untreated system provides irrigation water to customers. Rates for both treated and untreated water are based upon the cost of treating, transporting, and delivering water to customers.

Fire and Paramedic

This operating division provides fire protection services and emergency medical services. The District contracts out this service to the California Department of Forestry and Fire Protection ("CAL FIRE"), and maintains three fire stations. Rates for fire service charges and ambulance calls are based on the cost to service and maintain these fire stations.

Parks and Recreation

This operating division provides the land and facilities for a park, which is managed by the Ramona Parks and Recreation Association on a volunteer basis. The operating division receives funds from property taxes, through a special assessment known as "District A", and the funds are remitted to the Ramona Parks and Recreation Association.

San Vicente Sewer

This operating division provides sewer service to the San Diego Country Estates area of Ramona. A service rate is set based on the cost of treatment and collection of sewage for this facility.

Santa Maria Sewer

This operating division provides sewer service to the downtown area of Ramona. A service rate is set based on the cost of treatment and collection of sewage for this facility.

STATEMENT OF NET POSITION

The condensed summary below presents a summary of the District's statement of net position. The District's Net Position as June 30, 2020 totaled $105,330,021 compared with $105,111,848 as of June 30, 2019, an increase of $218,173 or 0.2%. Net position is accumulated from revenues, expenses, and contributed capital combined with the beginning balance of net position as presented in the Statement of Revenues, Expenses, and Changes in Net Position.

RAMONA MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Condensed Statement of Net Position

	2020	2019	$ Change
Current Assets	$ 51,425,281	$ 52,739,621	$ (1,314,340)
Capital assets, net	77,081,357	72,428,002	4,653,355
Total assets	128,506,638	125,167,623	3,339,015
Deferred outflows of resources	3,526,818	3,460,215	66,603
Current liabilities	8,118,446	6,675,889	1,442,557
Compensated absences, less current portion	643,954	620,105	23,849
Long-term debt, less current portion	2,980,000	3,263,000	(283,000)
Net pension liability	11,136,825	10,034,228	1,102,597
OPEB liability	1,920,987	1,486,441	434,546
Total liabilities	24,800,212	22,079,663	2,720,549
Deferred inflows of resources	1,903,223	1,436,327	466,896
Net investment in capital assets	59,901,939	56,542,526	3,359,413
Unrestricted	45,428,082	48,569,322	(3,141,240)
Total net position	$105,330,021	$105,111,848	$ 218,173

RAMONA MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The condensed statement of revenues, expenses and changes in net position below shows how the District's net position changed during the fiscal years. In the case of the District, the District's net position increased by $218,173 during the year ended June 30, 2020.

Condensed Statement of Revenues, Expenses and Change in Net Position

	2020	2019	$ Change
Operating revenues:			
Water sales and service fees	$ 16,828,491	$ 16,739,262	$ 89,229
Fire and emergency medical service fees	3,717,133	3,991,402	(274,269)
Sewer service fees	7,000,977	7,058,729	(57,752)
Total operating revenues	27,546,601	27,789,393	(242,792)
Operating expenses:			
Water and related expenses	22,898,822	21,082,031	1,816,791
Fire, emergency medical, and related expenses	6,456,069	5,915,806	540,263
Sewer and related expenses	5,587,692	5,272,204	315,488
Park expenses	142,800	130,000	12,800
Total operating expenses	35,085,383	32,400,041	2,685,342
Operating income (loss)	(7,538,782)	(4,610,648)	(2,928,134)
Non-operating revenues (expenses):			
Property taxes	6,812,125	6,533,532	278,593
Investment income	664,123	762,252	(98,129)
Other revenue and (expenses), net	(5,711)	(92,581)	86,870
Total non-operating revenues (expenses)	7,470,537	7,203,203	267,334
Income (loss) before contributions	(68,245)	2,592,555	(2,660,800)
Assessment revenue	71,876	89,790	(17,914)
Capital contributions	214,542	185,569	28,973
Increase in net position	218,173	2,867,914	(2,649,741)
Net position, beginning of year	105,111,848	102,243,934	2,867,914
Net position, end of year	$105,330,021	$105,111,848	$ 218,173

RAMONA MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

BUDGETARY HIGHLIGHTS

The District adopts an annual operating budget which includes proposed expenses and the means of financing them. A comparison between actual and budgeted amounts are not required nor shown in the financial statements section of this report.

A comparison of the operating results for fiscal year ended June 30, 2020 to the budget is presented below.

Comparison of the Operating Results for 2020 to the Budget

	Actual	Budget	Favorable (Unfavorable)
Operating revenues	$ 27,546,601	$ 29,627,260	$ (2,080,659)
Operating expenses:			
Water and related expenses	22,898,822	24,519,831	1,621,009
Fire and emergency medical expenses	6,456,069	7,341,672	885,603
Sewer and related expenses	5,587,692	6,153,037	565,345
Park expenses	142,800	155,651	12,851
Total operating expenses	35,085,383	38,170,191	3,084,808
Operating income (loss)	(7,538,782)	(8,542,931)	1,004,149
Non-operating revenues (expenses):			
Property taxes	6,812,125	6,392,800	419,325
Investment income	664,123	302,422	361,701
Other revenue and (expenses)	(5,711)	1,111	(6,822)
Total non-operating revenues	7,470,537	6,696,333	774,204
Income (loss) before contributions	$ (68,245)	$ (1,846,598)	$ 1,778,353

Unfavorable variance for operating revenues versus budgeted expectations are primarily related to a decrease in demand and water sales to District customers, including a large decrease in untreated water sales.

CAPITAL ASSETS

The District reported a net increase of $4,653,355 in net capital assets in fiscal year 2020. Capital asset additions during the year were for various projects and equipment. A comparison of changes in capital assets is provided in table below.

CAPITAL ASSETS (continued)

Changes in Capital Assets

	2020	2019	$ Change
Land	$ 10,073,828	$ 10,073,828	$ -
Construction in progress	20,282,497	12,035,392	8,247,105
Water property, plant, lines, and equipment	115,200,919	113,962,679	1,238,240
Fire protection property, building and equipment	6,426,569	6,411,305	15,264
Park buildings and equipment	1,874,283	1,874,283	-
San Vicente Sewer - property, plant, lines, and equipment	24,423,246	24,399,577	23,669
Santa Maria Sewer - property, plant, lines, and equipment	17,653,332	17,617,006	36,326
Accumulated depreciation	(118,853,317)	(113,946,068)	(4,907,249)
Total capital assets	$ 77,081,357	$ 72,428,002	$ 4,653,355

LONG-TERM DEBT

As of June 30, 2020, the District had long-term debt in the amount of $3,263,000 in an installment purchase agreement. Long-term debt decreased by $275,000 or 8%.

Changes in Long-Term Debt

	2020	2019	$ Change
Installment Purchase Agreement	$ 3,263,000	$ 3,538,000	$ (275,000)
Total long-term debt	$ 3,263,000	$ 3,538,000	$ (275,000)

CONTACTING THE DISTRICT'S FINANCIAL MANAGER

Ramona Municipal Water District's financial report is designed to provide Ramona Municipal Water District's Board of Directors, legislative and oversight agencies, citizens, and customers with an overview of Ramona Municipal Water District's finances and to demonstrate its accountability for funds received. For additional information about this report, please contact Ramona Municipal Water District, Craig Schmollinger, Chief Financial Officer, at 105 Earlham Street, Ramona, CA 92065 or (760) 789-1330.

RAMONA MUNICIPAL WATER DISTRICT
STATEMENT OF NET POSITION
June 30, 2020

Assets	
Current assets:	
Cash and investments	$ 45,909,089
Accounts receivable, net:	
Water and sewer, net of allowance for doubtful accounts of $ 34,433	1,515,790
Property taxes	42,677
Interest receivable	118,681
Other receivables	508,058
Inventory, net of reserve of $25,000	3,330,986
Total current assets	51,425,281
Other assets:	
Capital assets, net of accumulated depreciation	77,081,357
Total non-current assets	77,081,357
Total assets	128,506,638
Deferred outflows of resources	
Pension related costs	3,526,818
Total assets and deferred outflows of resources	$ 132,033,456
Liabilities	
Current liabilities:	
Accounts payable	3,499,432
Deposits payable	4,058,896
Accrued interest payable	23,879
Unearned revenues	38,587
Current portion of compensated absences	214,652
Current portion of installment purchase agreement	283,000
Total current liabilities	8,118,446
Non-current liabilities:	
Compensated absences, less current portion	643,954
Installment purchase agreement, less current portion	2,980,000
Net pension liability	11,136,825
OPEB liability	1,920,987
Total non-current liabilities	16,681,766
Total liabilities	24,800,212
Deferred inflows of resources	
Pension related costs	1,903,223
Net position	
Net investment in capital assets	59,901,939
Unrestricted	45,428,082
Total net position	105,330,021
Total liabilities, deferred inflows, and net position	$ 132,033,456

The accompanying notes are an integral part of these financial statements.

RAMONA MUNICIPAL WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
For the Fiscal Year Ended June 30, 2020

Operating revenues:	
Water sales and service fees	$ 16,828,491
Fire and emergency medical service fees	3,717,133
Sewer service fees	7,000,977
Total operating revenues	27,546,601
Operating expenses:	
Source of supply	7,166,549
Treatment plants	1,238,475
Reservoirs and pumping	1,586,696
Transmission and distribution	2,330,333
Sewer services	3,257,359
Safety services	6,456,069
Park services	142,800
Depreciation	4,907,249
General and administrative	7,999,853
Total operating expenses	35,085,383
Operating loss	(7,538,782)
Non-operating revenues:	
Property taxes	6,812,125
Interest revenue	664,123
Other revenues and (expenses), net	(5,711)
Total non-operating revenues	7,470,537
Income before contributions	(68,245)
Assessment revenue	71,876
Capital contributions	214,542
Change in net position	218,173
Net position - beginning	105,111,848
Net position - ending	$ 105,330,021

The accompanying notes are an integral part of these financial statements.

RAMONA MUNICIPAL WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2020

Cash flows from operating activities:	
Receipts from customers	$ 27,384,795
Payments to suppliers and vendors	(21,396,965)
Payments to employees	(4,638,358)
Net cash provided by operating activities	1,349,472
Cash flows from non-capital financing activities:	
Property taxes	6,896,973
Miscellaneous	(8,673)
Net cash provided by non-capital financing activities	6,888,300
Cash flows from capital and related financing activities:	
Capital contributions	214,542
Acquisition of capital assets	(10,659,563)
Disposal of capital assets	1,098,959
Repayment of notes and contracts	(275,000)
Interest payments	(2,133)
Net cash used in capital and related financing activities	(9,623,195)
Cash flows from investing activities:	
Interest on investments	748,509
Net cash provided by investing activities	748,509
Net change in cash and investments	(636,914)
Cash and investments - beginning	46,546,003
Cash and investments - ending	$ 45,909,089

(continued)

RAMONA MUNICIPAL WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2020

(continued)

Reconciliation to operating income to net cash provided by operating activities:	
Operating loss	$ (7,538,782)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	4,907,249
Increase (decrease) in:	
Accounts receivable	85,446
Inventory	499,717
Deferred outflows of resources	(66,603)
Increase (decrease) in:	
Accounts payable	1,085,463
Deposit payable	271,888
Unearned revenues	69,256
Compensation benefits payable	31,799
OPEB liability	434,546
Net pension liability	1,102,597
Deferred inflows of resources	466,896
Net cash provided by operating activities	1,349,472
Reconciliation to statement of net position	
Unrestricted: cash and investments	45,909,089
Total cash and investments	$ 45,909,089

The accompanying notes are an integral part of these financial statements.

RAMONA MUNICIPAL WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

1. ORGANIZATION AND OPERATIONS OF THE DISTRICT

The Ramona Municipal Water District (the "District") was formed on August 15, 1956, pursuant to the Municipal Water Act of 1911 (California Statutes of 1991, Charter 671 as amended) for the primary purpose of supplying water to Ramona, California and surrounding areas. A five-member Board of Directors elected to staggered four-year terms of office from five (5) geographical divisions governs the District. In addition, the District provides fire protection, paramedic, sewer, and park recreation services.

In 1988, the District completed construction of Lake Ramona, a 12,100 acre-foot reservoir. Untreated water is purchased from the San Diego County Water Authority and pumped to the reservoir, and then sold to agricultural customers.

In 1981, the Ramona Fire Protection District was dissolved and merged with the District. The District managed the fire department until July 1993, when a contract was entered into between the District and the California Department of Forestry and Fire Protection ("CAL FIRE"), to provide fire and paramedic staff.

In May 1975, the District was authorized to provide park and recreational services to the public. The District owns a 166-acre park in conjunction with its well fields. In 1994, the District entered into a contract with the Ramona Parks and Recreation Association (a non-profit public benefit organization), to operate and manage the park.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District accounts for its financial transactions in accordance with the policies and procedures of the Irrigation District Law, now Division 11, of the California State Water Code. The accounting policies of the District conform to accounting principles generally accepted in the United State of America ("GAAP") as applicable to governments and to general practice within California Special Districts. The District accounts for its financial transactions in accordance with the policies and procedures of the State Controller's Office Division of Local Government Fiscal Affairs Minimum Audit Requirement and Reporting Guidelines for California Special Districts.

Reporting Entity

The District's financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, subsequently amended by GASB Statement No. 39 *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 34*, include whether:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting Entity (continued)

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District
- it would be misleading or cause the financial statements to be incomplete to exclude another organization

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB statement.

The District uses Enterprise Funds to account for the five (5) operating divisions. Those operating divisions are (1) Water, (2) Fire and Paramedic, (3) Parks and Recreation, (4) San Vicente Sewer and (5) Santa Maria Sewer.

Water

This operating division maintains and services both a treated water system and an untreated water system. The treated system distributes treated water upon demand to approximately 9,500 customers. The untreated system provides irrigation water to approximately 200 customers. Rates for both treated and untreated water are based upon the cost of treating, transporting, and delivering water to customers.

Fire and Paramedic

This operating division provides fire protection services and emergency medical services. The District contracts out this service to the California Department of Forestry and Fire Protection ("CAL FIRE"), and maintains three fire stations. Rates for fire service charges and ambulance calls are based on the cost to service and maintain these fire stations.

Parks and Recreation

This operating division provides the land and facilities for a park, which is managed by the Ramona Parks and Recreation Association on a volunteer basis. The operating division receives funds from property taxes, through a special assessment known as "District A", and the funds are remitted to the Ramona Parks and Recreation Association.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting Entity (continued)

San Vicente Sewer

This operating division provides sewer service to the San Diego Country Estates area of Ramona and services approximately 3,800 equivalent dwelling units (EDUs). A service rate per EDU is set based on the cost of treatment and collection of sewage for this facility.

Santa Maria Sewer

This operating division provides sewer service to the downtown area of Ramona and services approximately 4,500 EDUs. A service rate per EDU is set based on the cost of treatment and collection of sewage for this facility.

Basis of Accounting

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

Operating revenues and expenses are generated and incurred through water sales, fire services, emergency medical services, and sewer fees to the District's customers. Administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

Financial Reporting

The District's basic financial statements are presented in conformance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and subsequently amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*. This statement established revised financial reporting requirements for state and local governments throughout the United States for the purpose of enhancing the understandability and usefulness of financial reporting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Reporting (continued)

The District's basic financial statements are also presented in conformance with the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to provide guidance to include two classifications separate from assets and liabilities. Amounts reported as deferred outflows of resources are required to be reported in a Statement of Net Position in a separate section following assets. Similarly, amounts reported as deferred inflows of resources are required to be reported in a Statement of Net Position in a separate section following liabilities. In addition, the totals of these two new classifications should be added to the total for assets and liabilities, respectively.

Assets, Liabilities, and Equity

Cash and Investments

For purposes of the statements of cash flows, cash and investments consists of cash on hand, cash in banks and short-term highly liquid investments with maturities of ninety days or less from the date of purchase.

The District's investment policy and state statutes authorize the District to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit with national and state-licensed or chartered banks or federal or state savings and loan associations, money market and mutual funds whose portfolios consist of one or more of the foregoing investments, and the Local Agency Investment Fund. State statutes require all deposits be insured or collateralized. Depositories holding public funds on deposit are required to maintain collateral in the form of a pool of securities with the agent of the depository having a market value of at least 10 to 50 percent in excess of the total amount of all public funds on deposit.

Accounts Receivable, Net

Accounts receivable arise from billings to customers for water sales, property taxes, emergency medical services, and other utility billings and include an estimate for unbilled water revenue, revenue earned from the dates the customer were last billed to the end of the fiscal year. The District has recorded an allowance of $34,433 for doubtful accounts as of June 30, 2020, based on collection history and other factors.

Inventories

Inventories are recorded on the average cost basis. Inventory consists primarily of water meters, water line maintenance materials, and sewer line maintenance materials. The District maintains an inventory of $3,330,986, net of a $25,000 reserve, at June 30, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Equity (continued)

Capital Assets

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

Capital Assets (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	10-50
Water systems	10-50
Improvements of sites	7-25
Equipment	5-10

Unearned Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent cash received on specific projects and programs exceeds qualified expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferral of outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District reports deferred employer pension contributions and other deferred outflows related to the District's pension.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources which represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Certain changes in the District's net pension liability are required to be deferred over a closed amortized period.

Pensions

The District follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB Statement No. 68), as of July 1, 2014. This statement requires accrual-based measurement and recognition of the cost of pension benefits during the periods when employees render their services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Equity (continued)

Pensions (continued)

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

Compensated Absences

Accumulated unpaid employee vacation benefits and sick leave are recognized as current and non-current liabilities in the Statement of Net Position. As of June 30, 2020, the District had $858,606 of accrued vacation and sick leave.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1. Unsecured property taxes are payable in one installment on or before August 31. The County of San Diego bills and collects the taxes for the District.

Use of Estimates

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

RAMONA MUNICIPAL WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

3. COMPLIANCE AND ACCOUNTABILITY

Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

Violation	Action taken
None reported	Not applicable

4. CASH AND INVESTMENTS

Cash and investments at June 30, 2020, consisted of the following:

Cash	$ 13,382,976
Investments	32,526,113
Total cash and investments	$ 45,909,089

Deposits

The carrying amount of the District's cash deposit in the bank was $13,382,976 at June 30, 2020, which is insured up to $250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collaterized with securities pledged by the pledging financial institution in the District's name.

The California Government Code (Code) requires California banks and savings and loan associations to secure the District's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the District's name.

The market value of the pledged securities must equal at least 110% of the District's cash deposits. California law also allows institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total cash deposits.

4. CASH AND INVESTMENTS (continued)

Investments

Investments are reported at fair value. California statutes authorize special districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restricted) that address interest rate risk, credit risk, and concentration of credit risk. The table does not address investments of debt proceeds held by a bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

The District's permissible investments include the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
California Local Agency Investment	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates and Time Deposits	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-through Securities	5 years	20%	None
Investment Pools, including LAIF	None	None	None

The District may invest in financial futures and option contracts of any of the above authorized categories, subject to the same overall portfolio limitations.

The District complied with the provisions of the California Government Code and its investment policy pertaining to the types of investments held, the institutions in which deposits were made and the security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

4. CASH AND INVESTMENTS (continued)

Investments (continued)

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District's investments with LAIF at June 30, 2020 include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes – are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

*Asset-Backed Securitie*s – the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2020, the fair value of the District's LAIF investment was $32,526,113 invested in LAIF, which had invested 3.37% of the pool investments funds in Structured Notes and Asset-Backed Securities as compared to 1.77% in the previous year.

Interest Risk – Interest rate risk is the market value fluctuation due to overall changes in interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policy does not contain any provisions limiting interest rate risk that are more restrictive than what is specified in the California Government Code.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2020:

		Investment Maturities (in years)				
Investment Type	Fair Value	1 year or Less	2 years	3 years	4 years	5 years or More
Local Agency Investment Fund	$ 32,526,113	$ 32,526,113	$ -	$ -	$ -	$ -
Total	$ 32,526,113	$ 32,526,113	-	-	-	$ -

4. CASH AND INVESTMENTS (continued)

Investments (continued)

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2020 the District's investments in the Local Agency Investment Funds were not rated.

Concentration of Credit Risk – The California Government Code limits the amount the District may invest in any one issuer, with the exception of U.S. Treasury obligations, U.S. Agency securities and LAIF. The District has no investments in any one issuer (other than LAIF) that represent 5% or more of total District investments.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depositary financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value for its investment or collateral securities that are in the possession of another party.

Investment Valuation – Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements at June 30, 2020 are described as follows:

		Fair Value Measurement		
Investment Type	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Local Agency Investment Fund	$ 32,526,113	$ -	$ 32,526,113	$ -
Total	$ 32,526,113	$ -	$ 32,526,113	$ -

The fair value of the District's investment in the State of California LAIF is based on the fair market value factors provided by LAIF that are calculated based on the total fair market value of the pool. LAIF includes investments categorized as Level 1 such as United States Treasury securities, Federal Agency securities, and supranational debentures that are valued based on prices quoted in active markets and investments categorized as Level 2 such as negotiable certificates of deposit and bank notes that are based on market corroborated pricing utilizing inputs such as yield curves and indices that are derived principally from or corroborated by observable market data by correlation to other means. The District categorized its investments in LAIF based on the lowest significant input used to determine the fair market value of the total pool. The LAIF fair value factor of 1.004912795 was used to calculate the fair value of the investments in LAIF.

RAMONA MUNICIPAL WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

5. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net of allowance for doubtful accounts as of June 30, 2020, consists of the following:

Utility billings	$ 1,515,790
Property taxes	42,677
Interest receivable	118,681
EMS receivables	262,282
Other receivables	245,776
Total	$ 2,185,206

6. CAPITAL ASSETS

Changes in capital assets for the fiscal year ended June 30, 2020, were as follows:

	Balance at June 30, 2019	Additions	Disposals	Balance at June 30, 2020
Capital Assets Subject to Depreciation				
Water property, plant, lines, and equipment	$ 113,962,679	$ 1,238,240		$ 115,200,919
Fire protection property, building and equipment	6,411,305	15,264		6,426,569
Park buildings and equipment	1,874,283	-	-	1,874,283
San Vicente Sewer - property, plant, lines, and equipment	24,399,577	23,669	-	24,423,246
Santa Maria Sewer - property, plant, lines, and equipment	17,617,006	36,326		17,653,332
Less: accumulated depreciation	(113,946,068)	(4,907,249)	-	(118,853,317)
Total capital assets being depreciated, net	50,318,782	(3,593,750)	-	46,725,032
Capital Assets Not Subject to Depreciation				
Land	10,073,828	-	-	10,073,828
Construction in progress	12,035,392	9,346,064	(1,098,959)	20,282,497
Total capital assets not being depreciated	22,109,220	9,346,064	(1,098,959)	30,356,325
Net capital assets	$ 72,428,002	$ 5,752,314	$ (1,098,959)	$ 77,081,357

For the year ended June 30, 2020, depreciation expense was $4,907,249.

RAMONA MUNICIPAL WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

7. NON-CURRENT LIABILITIES

Non-current liabilities include debt and other long-term liabilities. Changes in long-term obligations for the fiscal year ended June 30, 2020, are as follows:

	June 30, 2019	Increases	Decreases	June 30, 2020	Current Portion
Compensated absences	$ 826,807	$ 41,892	$ (10,093)	$ 858,606	$ 214,652
Installment Purchase	3,538,000	-	(275,000)	3,263,000	283,000
	$ 4,364,807	$ 41,892	$ (285,093)	$ 4,121,606	$ 497,652

Installment Purchase Agreement

On May 8, 2014, the District entered into an Installment Purchase Agreement in the amount of $4,808,000 to J.P. Morgan Chase with interest at 3.06% used to finance 2014 San Vicente Road Pipeline Relocation Project. Annual principal payments plus interest are due through October 2029. Future long-term maturities as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 283,000	$ 95,518	$ 378,518
2022	292,000	86,720	378,720
2023	301,000	77,648	378,648
2024	311,000	68,284	379,284
2025	320,000	63,525	383,525
2026-2029	1,756,000	132,743	1,888,743
	$ 3,263,000	$ 524,438	$ 3,787,438

8. SEGMENT INFORMATION

The following is summarized condensed information for the major operating divisions of the District and the combined nonmajor operating divisions including Parks and Recreation, San Vicente Sewer and Santa Maria Sewer:

Water Fund

Condensed Statement of Net Position

Cash and investments	$ 21,684,386
Accounts receivable	1,922,924
Inventory	3,330,986
Capital assets, net	53,995,324
Total assets	80,933,620
Deferred outflows of resources	3,526,818
Current liabilities	3,943,332
Non-current liabilities	16,896,418
Total liabilities	20,839,750
Deferred inflows of resources	1,903,223
Capital assets, net of related debt	37,098,906
Unrestricted	24,618,559
Total net position	$ 61,717,465

Condensed Statement of Activities

Operating revenues:	
Sales and service fees	$ 16,828,491
Total operating revenues	16,828,491
Operating expenses:	
Water and related expenses	12,639,679
Depreciation and general & administrative	9,013,617
Total operating expenses	21,653,296
Operating loss	(4,824,805)
Non-operating revenues (expenses):	
Property taxes	3,354,007
Interest income	297,000
Other revenue and expenses, net	(12,097)
Total non-operating revenues	3,638,910
Income before contributions	(1,185,895)
Capital contributions	214,542
Increase in net position	(971,353)
Net position, beginning of year	62,688,818
Prior period adjustment	-
Net position, end of year	$ 61,717,465

8. SEGMENT INFORMATION (continued)

Fire and Paramedic Fund

Condensed Statement of Net Position

Cash and investments	$	2,860,696
Accounts receivable		262,282
Capital assets, net		2,385,091
Total assets		5,508,069
Current liabilities		(161,760)
Total liabilities		(161,760)
Capital assets, net of related debt		2,385,091
Unrestricted		3,284,738
Total net position	$	5,669,829

Condensed Statement of Activities

Operating revenues:		
Fire and emergency medical service fees	$	3,717,133
Total operating revenues		3,717,133
Operating expenses:		
Safety services		6,456,069
Depreciation and general & administrative		1,004,981
Total operating expenses		7,461,050
Operating loss		(3,743,917)
Non-operating revenues (expenses):		
Property taxes		2,342,481
Interest income		63,124
Other revenue and expenses		75,595
Total non-operating revenues		2,481,200
Increase in net position		(1,262,717)
Net position, beginning of year		6,932,546
Net position, end of year	$	5,669,829

8. SEGMENT INFORMATION (continued)

Nonmajor Funds

Condensed Statement of Net Position

Cash and investments	$	21,364,005
Capital assets, net		20,700,941
Total assets		42,064,946
Current liabilities		4,122,218
Total liabilities		4,122,218
Capital assets, net of related debt		20,700,941
Unrestricted		17,241,787
Total net position	$	37,942,728

Condensed Statement of Activities

Operating revenues:		
Sales and service fees	$	752,411
Total operating revenues		752,411
Operating expenses:		
Sewer services		3,257,809
Park services		142,800
Depreciation and general & administrative		2,570,876
Total operating expenses		5,971,485
Operating loss		(5,219,074)
Non-operating revenues (expenses):		
Property taxes		7,322,589
Interest income		303,999
Other revenue and expenses, net		44,729
Total non-operating revenues		7,671,317
Increase in net position		2,452,243
Net position, beginning of year		35,490,485
Net position, end of year	$	37,942,728

9. EMPLOYEE RETIREMENT PLAN

Plan Description, Benefits Provided and Employees Covered

All qualified permanent and probationary employees are eligible to participate in the District's Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors four rate plans (three miscellaneous and one safety). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found at CalPERS' website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The District's labor contract with miscellaneous employees require the District to make no contribution for the employee's share of member contributions, employees in the miscellaneous plan pay the full 8.00% (6.75% if hired after January 1, 2013), and the employer's rate is 14.714% (7.363% if hired after January 1, 2013) after payment of the Annual Lump Sum payment option. The District no longer provides public safety service so there are no employee contributions being made to that safety plan.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and will be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

9. EMPLOYEE RETIREMENT PLAN (continued)

Contribution Description (continued)

The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District's contributions to the Plan for the year ended June 30, 2020 were $1,386,582.

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

At June 30, 2020, the District reported a net pension liability of $11,136,825 for its proportionate share of the net pension liability of the Plan. The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the Local Government's long-term share of contributions to the Plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability as of June 30, 2020 was 0.301343%.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 1,386,582	$ -
Change in assumptions	422,687	85,619
Differences between expected and actual experiences	879,860	169,452
Difference in actual versus projected contributions	-	1,408,071
Changes in proportions	801,986	-
Net differences between projected and actual earnings on pension plan investments	35,703	240,081
	$ 3,526,818	$ 1,903,223

9. EMPLOYEE RETIREMENT PLAN (continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

The $1,386,582 reported as deferred outflows of resources related to the pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Periods Ending June 30:	Deferred Outflows/ (Inflows) of Resources
2021	$ 1,077,050
2022	253,358
2023	186,368
2024	106,819
	$ 1,623,595

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2019 valuation was rolled forward to determine the June 30, 2020 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increas	Contract COLA up to 2% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

9. EMPLOYEE RETIREMENT PLAN (continued)

Change of Assumptions

There were no changes of assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11 - 60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

9. EMPLOYEE RETIREMENT PLAN (continued)

Discount Rate (continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period.
(b) An expected inflation of 3.0% used for this period.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate:

	Discount Rate -1.00% 6.15%	Current Discount Rate 7.15%	Discount Rate +1.00% 8.15%
Miscellaneous Plan's Net Pension Liability	$ 19,758,414	$ 11,136,825	$ 4,027,468

9. EMPLOYEE RETIREMENT PLAN (continued)

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net positions is available in the separately issued CalPERS financial report.

The District did not report a payable outstanding for contributions to the pension plan required for the year ended June 30, 2020.

10. JOINT VENTURES (JOINT POWERS AGREEMENT)

The District is a participating member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), which arranges for and provides general liability, property damage, and dam failure liability insurance to its member agencies. The District pays a premium commensurate with the level of coverage requested. The District has elected to self-insure for a portion of property damage coverage in the amount of $10,000 per occurrence.

Contributions to ACWA/JPIA were approximately $1,175,707 for the year ended June 30, 2020. Contributions to ACWA/JPIA were approximately $1,206,382 for the year ended June 30, 2019. Condensed financial information available for the ACWA/JPIA as of September 30, 2018 are as follows. The complete financial statements can be obtained by contacting ACWA/JPIA at P.O. Box 619082, Roseville, CA 95661-9082.

Total revenues	$	181,825,144
Total expenses		169,356,246
Net decrease in net position		12,468,898
Beginning net position		86,465,604
Ending net position	$	98,934,502

11. OTHER POST EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description and Benefits Provided

To be eligible for retiree health benefits, an employee must retire from the District on or after age 50 according to the following tiers:

- Tier 1 (Hire prior to January 1, 2005) – five (5) years of full time District employment/50 years of age;
- Tier 2 (Hire on/after January 1, 2005) – ten (10) years of full time employment/50 years of age;

11. OTHER POST EMPLOYMENT BENEFITS (continued)

General Information about the OPEB Plan (continued)

Plan Description and Benefits Provided (continued)

- Tier 3 (Hired after January 1, 2008) – 10 years of full time service/50 years of age/sum of age and service with the District equals to 65.

Employees hired after January 1, 2014 are no longer eligible for the retiree health benefit.

The District's contribution is based on a percentage of the least expensive District-sponsored medical plan for eligible employees at the date of retirement. For employees with less than 25 years of eligible service at retirement, the District's contribution percentage is 86.76% for retiree only coverage and 68.17% for any additional spouse coverage. For employees with greater than 25 years of eligible service at retirement, the District's contribution percentage is 100% for retiree coverage and 75% for retiree plus spouse coverage. The retiree must pay any additional costs above the District's contribution including future increases in the cost of coverage. The District's contribution is also provided to retirees as a cash reimbursement under accountable plan benefit if opting out of the District-sponsored plan. The District policy is to fund the Plan on a pay as you go basis, which covers only current cost of health insurance premiums for employees and retirees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	8
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	49
Total	60

Total OPEB Liability

The District's total OPEB liability of $1,920,987 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

11. OTHER POST EMPLOYMENT BENEFITS (continued)

Total OPEB Liability (continued)

Actuarial assumptions and other inputs (continued)

Inflation	2.75% per annum
Salary increases	3.0% per annum, in aggregate
Discount rate	2.66% per annum
Healthcare cost trend rates	6.5% for 2020, decreasing 0.5% percent per year to an ultimate rate of 4.5% for 2028 and later years

The discount rate used was based on the historical and expected returns of the District's investments.

Mortality rates are based on the most recent mortality tables used by CalPERS for the pension valuations.

The actuarial assumptions used in the June 30, 2020 valuation based upon the most recent CalPERS experience study covering the period June 30, 1997 through June 30, 2011.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	$ 1,486,441
Changes for the year:	
Service cost	95,485
Interest	52,668
Changes of benefit terms	-
Differences between expected and actual experience	5,661
Changes of assumptions	423,339
Benefit payments, including refunds of member contributions	(142,607)
Net changes	434,546
Balance at June 30, 2020	$ 1,920,987

Sensitivity of the total OPEB liability to changes in the discount rate

11. OTHER POST EMPLOYMENT BENEFITS (continued)

Total OPEB Liability (continued)

The following presents the total OPEB liability, calculated using the discount rate of 2.66%, as well as what the Net OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66%) or 1-percentage-point higher (3.66%) than the current rate:

	1% Decrease (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB Liability	$ 2,053,242	$ 1,920,987	$ 1,796,329

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the District, calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50% decreasing to 4.50%) or 1-percentage-point higher (7.50% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (5.50% decreasing to 3.50%)	Current Discount Rate (6.50% decreasing to 4.50%)	1% Increase (7.50% decreasing to 5.50%)
Total OPEB Liability	$ 1,733,943	$ 1,920,987	$ 2,175,041

12. CAPITAL CONTRIBUTIONS

Contributions of Water and Sewer Systems

Contributions of Water and Sewer Systems by developers and property owners are valued based upon the District engineers' estimates of cost and are recorded as capital contributions. Water and Sewer Systems acquired by merging are also recorded as capital contributions.

The District adopted GASB Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions*, to record capacity charges. Under Statement No. 33, the District recognizes capacity charges as revenue.

13. VACATION, SICK LEAVE AND COMPENSATORY TIME

Vacation and Sick Leave

Based on the Memorandum of Understanding between the District and the District's Employees Association for the period of January 1, 2014 through December 31, 2017, all eligible employees are entitled to vacation and sick leave referred to as Comprehensive Annual Leave (CAL Time).

A new Memorandum of Understanding between the District and District's Employees Association for the period of January 1, 2018 through December 31, 2021 went into effect and did not alter the terms outlined below.

Commencement of CAL Time Accrual	CAL Time Accrual Per Period (Hours)	CAL Time Accrual Annually (Days)
0 years	6.8	22.10
6 years	8.3	26.98
11 years	9.9	32.18
16 years	11.4	37.05

Accrual of CAL Time shall cease when an employee reaches the maximum cap of 1,040 hours and does not accrue until the balance of the unused time again falls below 1,040 hours. Unless CAL Time is used for an absence due to the employee's illness or injury, it will only be scheduled and taken with the approval of the employee's immediate supervisor. No employee may take more than twenty-five (25) consecutive days of CAL Time without the written approval of the General Manger.

Probationary employees may use accrued CAL Time from their hire date for approved absence away from work related to the employee's inability to work due to the employee's illness or injury, and are eligible to use their CAL Time for vacation purposes after six (6) months of employment with the District. Employees who are laid off, resign, retire, or are otherwise separated from the service of the District, shall be paid for all accrued CAL Time upon separation from employment with the District. The amount of payment is calculated based upon the employee's regular straight time hourly rate of pay in effect for the employee's regular job, on the last work day of the employee's employment.

Compensatory Time (Comp Time)

When an employee works beyond their regularly scheduled workday or duty shift, the employee shall be paid either by use of comp time at a rate of one and one-half (1½) hours from each overtime hour worked over eight (8) hours in a workday or at the rate of time and one-half of their regular hourly rate of pay for all time worked over eight (8) hours in a workday. Hours worked which are eligible for overtime and double time pay may be compensated either by use of comp time or pay. No employee shall be allowed to accumulate over sixty (60) hours of unused comp time without the written permission of the department head.

14. DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full time employees, permits deferment of a portion of current salary to future years. Benefits from the plan are not available to employees until termination, retirement, disability, death or unforeseeable emergencies.

All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The District does not meet the criteria for fiduciary fund reporting since it does not have either significant administrative involvement (e.g. custody) or performs the investment function. The plan assets are being administered by both the California Public Employees' Retirement System (CalPERS) and Lincoln Financial Group. New employees may only elect a deferred compensation plan with CalPERS. Current employees who have participated with Lincoln Financial Group cannot make additional contributions to their account but must commence a plan with CalPERS.

15. ASSESSMENT DISTRICT NO. 99-1

On March 14, 2000, the Board of Directors formed Assessment District No. 99-1 and issued bonds in the aggregate principal amount of $3,355,000 in August 2000. The bonds were issued pursuant to the Improvement Bond Act of 1915 and the bonds are designated as Limited Obligation Improvement Bonds, Ramona Municipal Water District, Assessment District No. 99-1 2000 Series A. The Bonds were issued to finance the construction and acquisition of certain public improvements specifically benefiting property owners within the Assessment District.

The bonds mature in various amounts ranging from $85,000 to $265,000 on September 2 of each year from 2001 until 2020. Interest rates range from 4.75% to 6.60%. The bonds are secured by a pledge of all assessment revenues of the Assessment District No. 99-1. As of June 30, 2020, the District has no outstanding balance.

The Assessment District No. 99-1 is accounted for in an agency fund of the District and is therefore not included in the basic financial statements of the District. There is no activity for the Assessment District No. 99-1 as it was paid in in full as of June 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

RAMONA MUNICIPAL WATER DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 YEARS
June 30, 2020

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Proportion of the net pension liability	0.29217%	0.29055%	0.28666%	0.363540%
Proportionate share of the net pension liability	$ 11,136,825	$ 10,034,228	$ 10,516,206	$ 9,178,515
Covered - employee payroll	$ 4,186,819	$ 3,971,964	$ 3,832,504	$ 3,653,926
Proportionate Share of the net pension liability as percentage of covered-employee payroll	266.00%	252.63%	274.40%	251.20%
Plan's fiduciary net position	$ 50,778,862	$ 50,778,862	$ 49,217,479	$ 45,179,789
Plan fiduciary net position as a percentage of the total pension liability	75.84%	75.74%	74.75%	83.11%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit.

Change in Assumptions: None

RAMONA MUNICIPAL WATER DISTRICT
SCHEDULE OF PLAN CONTRIBUTIONS
June 30, 2020

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Contractually required contribution (actuarially determined)	$ 1,386,582	$ 1,187,209	$ 1,014,043	$ 937,629
Contributions in relation to the actuarially determined contributions	(1,386,582)	(1,187,209)	(1,014,043)	(937,629)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 4,186,819	$ 3,971,964	$ 3,832,504	$ 3,653,926
Contributions as a percentage of covered employee payroll	33.12%	29.89%	26.46%	25.66%
Notes to Schedule:				
Valuation date:	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016

RAMONA MUNICIPAL WATER DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S OTHER POST-EMPLOYMENT BENEFITS TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Fiscal Year Ended June 30, 2020

	2020
Total OPEB Liability	
Service cost	$ 95,485
Interest	52,668
Changes of benefit terms	-
Differences between expected and actual experience	5,661
Changes of assumptions	423,339
Benefit payments, including refunds of member contributions	(142,607)
Net change in Total OPEB Liability	434,546
Total OPEB Liability - beginning	1,486,441
Total OPEB Liability - ending	$1,920,987
Covered-employee payroll	$4,444,005
Total OPEB liability as a percentage of covered-payroll	43.2%

Notes to Schedule:

Fiscal year 2018 was the 1st year of implementation, therefore only one year is shown.

OTHER SUPPLEMENTARY INFORMATION

RAMONA MUNICIPAL WATER DISTRICT
ORGANIZATION
June 30, 2020

Name	Office	Term Expiration
Jim Robinson	President	December 2, 2022
Bryan Wadlington	Vice President	December 2, 2022
Jeff Lawler	Secretary	December 4, 2020
Thomas Ace	Treasurer	December 4, 2020
Jim Hickle	Director	December 4, 2020

General Manager

David P. Barnum

Chief Financial Officer

Craig Schmollinger

RAMONA MUNICIPAL WATER DISTRICT
ASSESSED VALUATION
June 30, 2020

Assessed Valuation		
Secured Property	$	4,532,977,480
Unsecured Property		46,432,968
Total Assessed Valuation	$	4,579,410,448