

2015 Highlights – A Successful Year in Review

Another productive year at OMWD is drawing to a close. On a number of fronts, OMWD has been successful in achieving our mission of providing high-quality water while protecting ratepayers. Among our achievements:

FINANCES – We were happy to receive a highly favorable AA+ bond rating from Standard & Poor's; this provided us with added flexibility to refinance our bonds, which saved ratepayers more than \$3 million. Meanwhile, our board received yet another balanced budget, and we had our ninth straight year of net positive operating income. We continue to be recognized as one of the few San Diego County agencies that has kept rate increases in the single digits each year over the past nine years—we've done so through sound management, a focus on controlling costs, and utilizing an efficient workforce.



California Water Environment Association named our 4S Ranch Water Reclamation Facility its Plant of the Year

AWARDS – OMWD remains dedicated to providing the highest quality service at low cost, and our successes in doing so received the following recognitions in 2015:

- General Manager Kimberly Thorner was named WaterReuse Association of California 2015 Recycled Water Advocate of the Year.
- California Water Environment Association handed the 4S Ranch Water Reclamation Facility "Plant of the Year" Award.
- American Public Works Association's San Diego and Imperial Counties Chapter presented OMWD with the 2015 "Project of the Year" Award for our Solar Photovoltaic System Project and an "Honor Award" for our Emergency Generator Project.
- OMWD received its 18th consecutive award from the Government Finance Officers Association (GFOA) for Excellence in Financial Reporting, and our 16th consecutive Distinguished Budget Presentation award.
- We received our 11th consecutive California Society of Municipal Finance Officers' Operating Budget Excellence Award.
- Special District Leadership Foundation re-accredited OMWD as a District of Distinction, one of only 28 such districts in California, and also awarded OMWD the District Transparency Certificate of Excellence.

GRANTS – Grant funding allows us to achieve our district goals while reducing the cost to ratepayers. OMWD, San Diego Gas and Electric, and the University of California Riverside secured a \$3,000,000 California Energy Commission (CEC) grant for a joint energy efficiency project. The grant is one of only eight awarded to California entities. In addition, OMWD also participated in a regional application for Prop 84/IRWM Round 4 funds that will tentatively award \$600,000 for construction of a recycled water pipeline in Cardiff.

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Municipal Water District

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BOARD MEETING DATES

Please visit our website at olivenhain.com for dates.

MISSION STATEMENT

Olivenhain Municipal Water District is a multi-functioning public agency that is dedicated and committed to serving present and future customers in a service-oriented manner by:

Water

Providing safe, reliable, high-quality drinking water while exceeding all regulatory requirements in a cost-effective and environmentally responsive manner.

Recycled Water

Providing recycled water and wastewater treatment in the most cost-effective and environmentally responsive method.

Parks

Safely operating the Elfin Forest Recreational Reserve and providing all users with a unique recreational, educational, and environmental experience.

Emergency Management

Complying with policies and procedures that adhere to local, state, and federal guidelines for national security and disaster preparedness.

Sustainable Operations

Pursuing alternative and/or renewable resources with the most sustainable, efficient, and cost-effective approach.



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DROUGHT – While it’s growing more and more likely that our state will experience increased rainfall due to El Niño this winter, the multi-year drought continues. OMWD continues to achieve the 32% reduction target that was imposed on OMWD in June by the State Water Resources Control Board. OMWD also partnered with CSU San Marcos on a unique and affordable study that serves as a conservation program for our customers.

WATER QUALITY – We are happy to report that there were zero water quality violations in 2015 and our reliability rate continues to be exceptional. Our ongoing valve replacement project (www.olivenhain.com/valves) has completed an unprecedented number of replacements.

RECYCLED WATER – In 2015, OMWD made a number of positive steps to improve recycled water availability for customers. In April, we converted the Rancho Santa Fe Farms Golf Club to recycled water.



Commemorative valve-turning ceremony by OMWD and golf club officials in April 2015 marking flow of recycled water to Rancho Santa Fe Farms Golf Club.

In September, we opened our Residential Recycled Water Fill Station – the first of its kind in San Diego County. In addition, we completed the North San Diego County Regional Recycled Water Project’s Programmatic Environmental Impact Report as the lead agency, and its final adoption is expected by the end of the year. Finally, construction began on an important water supply project, the Village Park Recycled Water Project. Upon completion next year, the project is expected to offset up to 350 acre-feet of potable water use annually.

2016 – UPCOMING ACTIVITIES OF NOTE

2016 should be an exciting and productive year for OMWD and customers. Even if we experience increased rainfall from El Niño conditions, it’s likely we will still face the impacts of a drought. While the first set of regulations implemented by the State Water Resources Control Board are set to expire in February 2016, Governor Brown has already extended the emergency declaration through October 2016. OMWD has met with Governor Brown, testified on behalf of the district in Sacramento, and coordinated with regional leaders to gain important exemptions for our customers and to ensure that future regulations take into consideration Southern California’s investments in water supply.

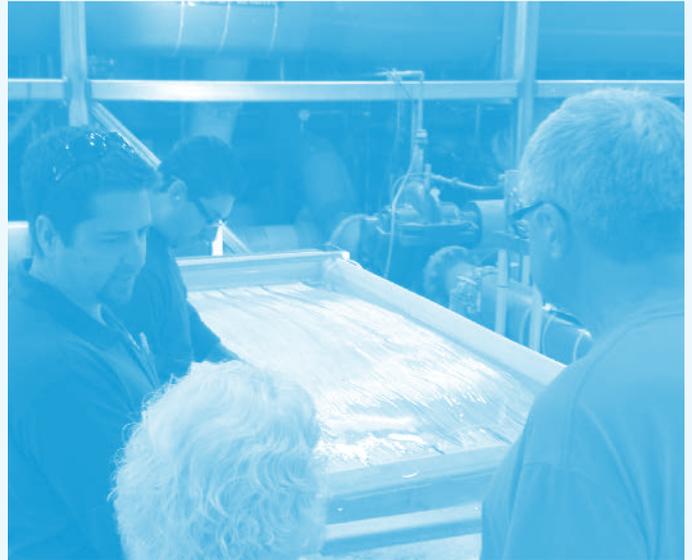
The state board is also exploring the idea of implementing permanent conservation and reporting regulations, continuing past this current drought, something we will continue to monitor.



Meanwhile, the completion of the Village Park Recycled Water Project is slated for the end of 2016, offsetting our potable water demands. In addition, OMWD and its partners in the North County Water Reuse Coalition will continue to pursue and hope to attain federal funding this year, allowing us to further expand the regional recycled water network and reduce our demands on imported water even further.

We're also continuing our exploration of the San Dieguito and San Elijo groundwater basins to identify if either holds the potential for potable water reuse and brackish water desalination.

In the meantime, OMWD wishes you and your family a safe and happy holiday season. Thank you for your continuing support.



El Niño on its Way – Prepare Now

Federal forecasters are indicating that there is a growing likelihood that our region will experience a surge of rainfall as a result of El Niño. While rainfall throughout the state may start to reverse the impacts of four years of drought, unusually high rainfall also carries risks. Take the steps below to protect yourself from El Niño's potential impact:

- Find your flood zone and risk using FEMA's Flood Map at msc.fema.gov/portal.
- Register your cellphone and email to receive emergency or disaster notifications with Alert San Diego or www.readysandiego.org/alertsandiego.
- Pick up free sand or sandbags to prevent flooding and soil erosion. View the County of San Diego's website for pickup locations.
- Learn how to stay safe during a flood at www.readysandiego.org/#prep-flooding.



Check Us Out, Take a Tour!

Ever wonder how your water arrives at your tap, clean and ready to drink? OMWD is happy to announce that we'll be providing a behind-the-scenes tour of our facilities on Thursday, January 14. Attendees will meet at our office in Encinitas and will have the chance to visit Elfin Forest Recreational Reserve, the David C. McCollom Water Treatment Plant, and the 4S Ranch Water Reclamation Facility. To learn more, visit www.olivenhain.com/events.

New Legislation Encourages Conservation Efforts

At the conclusion of this legislative session, Governor Jerry Brown signed legislation that would prohibit homeowners associations from banning artificial turf. AB 349, carried by Assembly member Lorena Gonzalez, is already in effect and establishes greater overall flexibility when it comes to turf installation.

The bill was supported by the San Diego County Water Authority as a way to add yet another tool in the battle to reduce water consumption and attain state-mandated reduction targets.

Similar legislation, AB 2100, which was signed earlier this year, prevents HOAs from fining residents for reducing or eliminating the watering of vegetation or lawns if an emergency has been declared due to drought.

Did You Meet Them? CSUSM Interns' Field Study Yields Positive Results

This past summer, OMWD partnered with Dr. Wesley Schultz of California State University San Marcos to conduct a study of residential commitment-making as a strategy to reduce residential irrigation.

The study consisted of CSUSM student interns proactively canvassing OMWD's service area with different door hangers, achieving the needs of the study

while also providing OMWD customers with more information about the Level 2 Water Supply Shortage.

After spending 1,722 hours in the field and reaching 11,069 households, the students showed that households that received information about the collective conservation of their community conserved more water than households that did not. In addition, households that made a commitment to comply with water use restrictions saved more water than those who did not. The partnership yielded not only relevant scientific information, but also helped encourage OMWD customers to reduce water consumption overall.



"Ripples" Wins Best-in-Show for 2015 Elfin Forest Recreational Reserve Photo Contest

On November 4, amateur photographers who were winners of the tenth annual Elfin Forest Recreational Reserve's Photo Contest were presented with prizes at OMWD's board meeting. This summer, shutterbugs from as far away as the state of Washington impressed our judges with a diversity of creative images from inside the reserve. Congratulations to the winners, who included Eddie Trujillo, landing the best-in-show prize with a closeup stream photo entitled "Ripples." Our appreciation goes out to the generous contest sponsors who donated great prizes. They include The Escondido Creek Conservancy, PC Photo & Imaging, San Diego Zoo Safari Park, Jake's Del Mar Restaurant, REI, and Barrels and Branches. View all award-winning photos at www.facebook.com/elfinforestrecreationalreserve.

