

**NOTICE OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
OLIVENHAIN MUNICIPAL WATER DISTRICT  
1966 Olivenhain Road, Encinitas, CA 92024  
Tel: (760) 753-6466 • Fax: (760) 753-5640  
VIA TELECONFERENCE ONLY**

**Pursuant to AB3035, effective January 1, 2003, any person who  
requires a disability related modification or accommodation in order  
to participate in a public meeting shall make such a request in writing  
to Stephanie Kaufmann, Executive Secretary, for immediate consideration.**

DATE: WEDNESDAY, FEBRUARY 10, 2021

**TIME: 4:00 P.M.**

PLACE: Remote Regular Meeting VIA TELECONFERENCE ONLY

Pursuant to the State of California Executive Order N-35-20, and in the interest of public health, OMWD is temporarily taking actions to mitigate the COVID-19 pandemic by holding Board Meetings electronically or by teleconference. The Boardroom will not be open to the public for this meeting.

**To join this meeting via phone, please dial:**

(669) 900-9128 or (346) 248-7799

Meeting ID: 812 2099 3427 and Password: 771331

**Public Participation/Comment:** Members of the public can participate in the meeting by emailing your comment on an item to the Board Secretary at [skaufmann@olivenhain.com](mailto:skaufmann@olivenhain.com) by 3:00 P.M. the day of the meeting. If you do not receive a confirmation email that your comment has been received, please call (760) 632-4648. The subject line of your email should clearly state the item number you are commenting on and should include your name and phone number to ensure you are called on and have the opportunity to comment. All comments will be emailed to the Board of Directors.

*NOTE: ITEMS ON THE AGENDA MAY BE TAKEN OUT OF SEQUENTIAL ORDER  
AS THEIR PRIORITY IS DETERMINED BY THE BOARD OF DIRECTORS*

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. DETERMINATION OF A QUORUM
5. ADOPTION OF AGENDA

6. PERSONAL APPEARANCES AND PUBLIC COMMENTS

7. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

County of San Diego Parks and Recreation – WaterReuse Customer of the Year Award - 2020  
 APWA Project of the Year – 153A Recycled Water Pipeline - 2020

Brian Sodeman – Customer Service and Public Affairs Supervisor – 5 years  
 Margaret Parascand – Customer Service Representative I – 5 years

8. CONSIDER APPROVAL OF THE MINUTES OF THE JANUARY 13, 2021 REGULAR BOARD OF DIRECTORS MEETING

9. CONSENT CALENDAR

*NOTE: ANY ITEM MAY BE REMOVED FROM THE CONSENT CALENDAR  
 FOR DISCUSSION*

C-a	CONSIDER ADOPTION OF A MOTION APPROVING THE PAYMENT OF LISTED WARRANTS FROM THE DISTRICT'S REVOLVING AND REGULAR ACCOUNTS; LISTED TRANSFERS OF FUNDS; REIMBURSEMENT OF EXPENSES TO BOARD MEMBERS AND STAFF; AND MONTHLY INVESTMENT REPORTS (NOVEMBER 2020 AND DECEMBER 2020)
C-b	CONSIDER ADOPTION OF A MOTION APPROVING THE DISTRICT'S CONSOLIDATED STATEMENT OF NET POSITION, CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, CONSOLIDATED STATEMENT OF CASH FLOWS, CONSOLIDATED ACTUAL VS BUDGET SUMMARY, AND CONSTRUCTION IN PROGRESS REPORT (NOVEMBER 2020)
C-c	CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 408 FOR 16710 CAMINITO DE LAS PALMAS (JAFARI) AND ORDER THE PERMIT BE RECORDED
C-d	CONSIDER ACCEPTANCE OF THE 4S RANCH WATER RECLAMATION FACILITY ULTRAVIOLET DISINFECTION SYSTEM REPLACEMENT PROJECT (STANEK CONSTRUCTORS, INC) INTO THE DISTRICT'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
C-e	CONSIDER FINALIZING THE ANNUAL OBJECTIVES FOR CALENDAR YEAR 2021
C-f	CONSIDER ADOPTION OF A RESOLUTION OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT UPDATING THE DISTRICT'S REPRESENTATIVE AND RECONFIRMING THE DESIGNATION OF MICHAEL HOGAN OF THE SANTA FE IRRIGATION DISTRICT TO VOTE IN THE ABSENCE OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S REPRESENTATIVE TO THE SAN DIEGO COUNTY WATER AUTHORITY

10. CONSIDER ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT DESIGNATING DEPOSITORIES AND AUTHORIZING INVESTMENTS FOR THE MONEY OF THE DISTRICT AND DESIGNATING THE SIGNATORIES FOR THE MANAGEMENT OF THE DISTRICT DEPOSITS AND RESCINDING RESOLUTION 2019-01

11. CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 4 – Classified Positions)
12. CONSIDER UPDATE ON ELFIN FOREST RECREATIONAL RESERVE (INFORMATIONAL ITEM)
13. CONSIDER PRESENTATION AND APPROVAL OF THE 2020 WASTEWATER RATE STUDY REPORT
14. CONSIDER APPROVAL OF AMENDMENT NO. 1 WITH INFRASTRUCTURE ENGINEERING CORPORATION (IEC) IN THE AMOUNT OF \$81,240 FOR ADDITIONAL SERVICES FOR THE 4S RANCH NEIGHBORHOOD 1 SEWER PUMP STATION REPLACEMENT PROJECT, APPROPRIATE \$50,000 TO THE PROJECT BUDGET, AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT
15. CONSIDER UPDATE ON THE COVID-19 EMERGENCY DECLARATION
16. INFORMATIONAL REPORTS
  - A. PRESIDENT
  - B. GENERAL MANAGER
  - C. CONSULTING ENGINEER
  - D. GENERAL COUNSEL
  - E. SAN DIEGO COUNTY WATER AUTHORITY REPRESENTATIVE
  - F. LEGISLATIVE
  - G. TWELVE MONTH CALENDAR / OTHER MEETINGS / REPORTS BY BOARD MEMBERS PER AB 1234
17. CORRESPONDENCE
18. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS
19. FUTURE AGENDA ITEMS
20. CONSIDER PUBLIC COMMENTS
21. CLOSED SESSION
  - A) CONSIDER LITIGATION – HILLSIDE PATIO HOMES HOA [PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)] • Additional Facts: Claim received on August 17, 2020. Claim rejected on September 9, 2020. Lawsuit received on December 22, 2020.
22. OPEN SESSION
23. ADJOURNMENT



# Memo

To: Board of Directors  
From: Stephanie Kaufmann, Executive Secretary  
Via: Kimberly A. Thorner, General Manager  
Subject: BOARD MEETING MINUTES

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Draft minutes of the most recently held Board of Directors meeting will be provided separately. Following Board approval, the minutes will be posted on the District's website.



# Memo

Date: February 10, 2021  
To: Olivenhain Municipal Water District Board of Directors  
From: Rainy Selamat, Finance Manager  
Via: Kimberly Thorner, General Manager  
Subject: **CONSIDER ADOPTION OF A MOTION APPROVING THE PAYMENT OF LISTED WARRANTS FROM THE DISTRICT'S REVOLVING AND REGULAR ACCOUNTS; LISTED TRANSFERS OF FUNDS; AND REIMBURSEMENT OF EXPENSES TO BOARD MEMBERS AND STAFF**

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The following monthly financial reports are enclosed for review and approval by the Board of Directors:

- January 2021 Summary of payment of listed warrants from the District's checking account and listed transfer of funds.
- January 2021 Monthly Summary of Reimbursement Expenses to Board Members and Staff.
- November and December 2020 Monthly Investment Reports

Olivenhain Municipal Water District  
Proposed Motions for February 10, 2021 Board of Directors Meeting  
January 2021 Activities  
Consent Calendar Item # C-a

Proposed Motions:

- I. That the following warrants and wire transfers be approved:

Regular Account	warrants	027408	to	027633	\$	1,118,842.17
	ACH Payments - Payroll					198,061.60
	Wire - SDCWA - Monthly Purchased Water Payment					2,129,013.12
	ACH Payments - ACWA JPIA - Health Insurance					129,699.02
	ACH Payments - Payroll					186,427.86
	Wire - SDCWA - Capacity Fees					371,561.00
						<hr/>
					\$	4,133,604.77

Major Category of Disbursements

Total disbursements from the District's checking account:

\$ 1,118,842.17

Following is a breakdown of this total by major categories:

Category

Outside services	\$	564,314.83
Inventory and supplies		187,501.38
Utilities		179,382.09
Repairs and maintenance		43,438.03
Other		39,671.83
Refunds		37,569.05
Permit Fees		59,924.67
Insurance		7,040.29

Total	\$	<u>1,118,842.17</u>
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Sincerely,



Rainy K. Selamat/Finance Manager

Olivenhain Municipal Water District  
Proposed Motions for February 10, 2021 Board of Directors Meeting  
January 2021 Activities

California Bank and Trust

Regular Account

warrants	027408	to	027633	\$	1,118,842.17
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1/7/2021 ACH Payments - Payroll	198,061.60
1/19/2021 Wire - SDCWA - Monthly Purchased Water Payment	2,129,013.12
1/27/2021 ACH Payments - ACWA JPIA - Health Insurance	129,699.02
1/21/2021 ACH Payments - Payroll	186,427.86
1/27/2021 Wire - SDCWA - Capacity Fees	371,561.00

\$	<u>4,133,604.77</u>
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Approved:

For Board Consideration and Approval

**Olivenhain Olivenhain Municipal Water District  
January 2021 Warrant List**

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
027408	1/6/2021	4S Ranch Gasoline & Car Wash	377.90	WWTP GASOLINE & CARWASH	
027409	1/6/2021	ACWA	24,923.24	2021 MEMBERSHIP DUES	
027410	1/6/2021	AG Tech Llc	1,371.24	WWTP BIOSOLIDS WASTE DISPOSAL	
027411	1/6/2021	American Messaging	98.91	L1-072035	
027412	1/6/2021	AT & T	591.98	9391059578	Yes
027413	1/6/2021	AToM Engineering Constr. Inc	91,485.12	MORNING SUN PROJECT	Yes
027414	1/6/2021	Aztec Landscaping, Inc.	11,323.00	LANDSCAPE MAINTENANCE	Yes
027415	1/6/2021	Brightview Landscape Services	2,400.00	3122 DUSTY TRAIL	
027416	1/6/2021	California State Disbursement Unit	123.23	ED100514-1/7/2021	
027417	1/6/2021	Carollo Engineers	17,264.50	Engineering Construction Support Services	Yes
027418	1/6/2021	CDW Government Inc	168.59	SUPPLIES	Yes
027419	1/6/2021	Christine Hamel	101.12	REF:1085464_189255	
027420	1/6/2021	City of Oceanside	523.46	WATER SAMPLES	
027421	1/6/2021	Controlled Motion Solutions	395.39	SUPPLIES	Yes
027422	1/6/2021	County Of San Diego	2,264.00	19090 VIA AMBIENTE	Yes
027423	1/6/2021	D&H Water Systems	438.49	WTP SUPPLIES	
027424	1/6/2021	Dan Figueroa	2,685.00	SETTLEMENT AGREEMENT	
027425	1/6/2021	DCL Enterprise Inc DbA	57.19	KEYS	Yes
027426	1/6/2021	Dexter Rodillo	102.97	REF:1058128_126865	
027427	1/6/2021	ECS Imaging Inc	7,444.00	LASERFICHE MAINTENANCE	
027428	1/6/2021	Edco Waste & Recycling	378.38	25-4A 861816	Yes
027429	1/6/2021	Encinitas Ford	1,215.36	PU66 SUPPLIES	Yes
027430	1/6/2021	ESS	216.00	BLDG J ALARM CODE CHANGES	
027431	1/6/2021	Fallbrook Printing Corp	6,183.47	Printing Services FY 2021	Yes
027432	1/6/2021	Federal Express Corp	59.69	SHIPPING CHARGES	Yes
027433	1/6/2021	Flo Systems Inc	7,395.98	Replacement Volute for the Firehouse SPS	Yes
027434	1/6/2021	G. Brist Consulting, Inc.	1,435.22	ENGINEER CONSULTING SERVICES	Yes
027435	1/6/2021	Ghada Kadri	165.82	REF:1074457_101040	
027436	1/6/2021	Global Power Group Inc	2,818.75	NBHD #3 PM SERVICES	Yes
027437	1/6/2021	Guardian	946.96	1/2021 DENTAL PREM	
027438	1/6/2021	Hadronex Llc	21,396.52	SUPPLIES	Yes
027439	1/6/2021	Hanson Aggregates Inc	1,461.22	CALLE SANTA CLEMENTE	Yes
027440	1/6/2021	Harrington Industrial	1,595.77	WTP SUPPLIES	Yes
027441	1/6/2021	Hasa	4,370.99	WWTP CHEMICALS	
027442	1/6/2021	Stephen Lee Mowry DBA	2,268.00	SAN DIEGUITO ROAD	Yes
027443	1/6/2021	Idexx Distribution Inc	188.01	WTP SUPPLIES	
027444	1/6/2021	Interface Automation Inc.	437.50	ZORR & MILLER	Yes
027445	1/6/2021	Interstate Battery Of San Diego Inc	452.64	SHOP SUPPLIES	
027446	1/6/2021	Jennifer Newman	51.45	REF:1086704_145850	
027447	1/6/2021	John Farizell	27.68	REF:1009947_225630	
027448	1/6/2021	Joshua Losner	793.03	SETTLEMENT AGREEMENT	
027449	1/6/2021	KirE Builders, Inc.	1,781.78	REF:1088229_302575	
027450	1/6/2021	L A Design Studio Inc	750.00	WEB DESIGN SERVICES	
027451	1/6/2021	Marie Berkuti	934.75	REF:1045313_238300	
027452	1/6/2021	Meghan MacArthur	116.10	REF:1086984_234620	
027453	1/6/2021	Morton Salt Inc	4,400.36	WTP CHEMICALS	
027454	1/6/2021	Nancy Moler	33.07	REF:1023012_206475	
027455	1/6/2021	Naumann Hobbs - San Diego	318.89	WTP SERVICES	Yes
027456	1/6/2021	Pacific Pipeline Supply	1,034.14	SUPPLIES	Yes
027457	1/6/2021	Palomar Health	50.00	D.O.T. TESTING	
027458	1/6/2021	Productive Computing Inc	4,352.40	FileMaker Licensing Annual License	Yes
027459	1/6/2021	Protelesis Corporation	1,159.50	SUPPLIES	
027460	1/6/2021	REM Mechanical	296.00	WWTP SERVICES	
027461	1/6/2021	Rich Byer	200.05	REF:1057696_183005	
027462	1/6/2021	Road One	320.00	PU66 TOWING SERVICE	Yes
027463	1/6/2021	Rockwell Solutions	1,761.46	WWTP SUPPLIES	
027464	1/6/2021	Safety io, LLC	182.00	GAS MONITORING SERVICE	
027465	1/6/2021	San Diego County Treasurer	78.12	267-313-07-00	Yes
027466	1/6/2021	San Diego County Vector	466.60	VECTOR CONTOL SERVICES	
027467	1/6/2021	San Diego Gas & Electric	52,718.32	86691602929	Yes
027468	1/6/2021	Southern Counties Lubricants, LLC.	8,924.04	UNLEADED AND DIESEL FUEL	Yes
027469	1/6/2021	Standard Insurance Co.	5,146.37	01/21 LIFE,LTD PREMIUM	
027470	1/6/2021	Sunbelt Rentals, Inc.	328.03	COMPACTION WHEEL EXCAVATOR	Yes
027471	1/6/2021	Susan Thompson	120.78	REF:1083166_171040	

**Olivenhain Olivenhain Municipal Water District**  
**January 2021 Warrant List**

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
027472	1/6/2021	The Dumbell Man Fitness	165.00	FITNESS EQUIPMENT SERVICE	
027473	1/6/2021	Tim Sasseen	105.92	REF:1087461_206275	
027474	1/6/2021	Traffic Supply Inc	107.84	SUPPLIES	
027475	1/6/2021	Trebor Shoring Rentals	3,170.68	SHORING FLUID	Yes
027476	1/6/2021	Tri Signal Integration Inc	387.25	WTP FIRE ALARM/SPRINKLER	
027477	1/6/2021	TS Industrial Supply	275.81	PRESSURE WASHER REPAIR	
027478	1/6/2021	UniFirst Aid Corp	299.14	FIRST AID SUPPLIES	
027479	1/6/2021	United Parcel Service	84.50	SHIPPING CHARGES	
027480	1/6/2021	US Internet Corp - BIN #131489	184.40	EMAIL SCANNING SERVICE	
027481	1/6/2021	Vicki Webster	3.04	REF:1059431_146720	
027482	1/6/2021	Water for People	137.00	WTRPL 1/7/2021	
027483	1/6/2021	West Coast Safety Supply Co	834.04	WWTP SUPPLIES	
027484	1/6/2021	West Coast Sand & Gravel	1,673.72	SUPPLIES	Yes
027485	1/6/2021	West Yost & Associates, Inc	5,779.09	Inspections/as-needed services NW Quadrant	Yes
027486	1/6/2021	Western Hose & Gasket	1,411.95	WTP SUPPLIES	
027487	1/6/2021	Whitson CM	6,100.00	WWTP SITE INSPECTION	Yes
027488	1/13/2021	Aqua Metric	593.50	HANDHELD REPAIR	
027489	1/13/2021	AT & T	22.98	9391056562	
027490	1/13/2021	Brightview Landscape Services	2,482.00	OMWD HQ TREE SERVICES	
027491	1/13/2021	CA. Dept. of Tax and Fee Admin.	178.00	Q4 2020 SALES/USE TAX	
027492	1/13/2021	Chloe Maxwell	87.16	REF:1061197_190450	
027493	1/13/2021	Cintas First Aid & Safety	159.13	WWTP FIRST AID SUPPLIES	
027494	1/13/2021	City Treasurer	14,454.05	11/20 17.89 AF RECYCLED WATER	
027495	1/13/2021	Craig Lewis	510.55	REF:1019515_301540	
027496	1/13/2021	Dudek	31,723.75	Engineering design services	Yes
027497	1/13/2021	Encinitas Ford	839.59	PU66 SUPPLIES	Yes
027498	1/13/2021	Fallbrook Printing Corp	641.76	Printing Services FY 2021	Yes
027499	1/13/2021	First Choice Technology	166.63	13001474	Yes
027500	1/13/2021	Geoscience Support Svcs, Inc.	14,955.50	Conduct long term pumping test, verify water quality, & evaluate impacts to water levels in wells	Yes
027501	1/13/2021	Heather Pownner	71.72	REF:1055376_207505	
027502	1/13/2021	Infrastructure Engineering Corporation	551.00	Additional surveying services	Yes
027503	1/13/2021	Integrity Municipal Services	1,303.00	WWTP SERVICES	
027504	1/13/2021	J.M.D. Landscape Inc	5,397.46	WWTP SERVICES	Yes
027505	1/13/2021	Jessica Broom	6.20	REF:1081210_198125	
027506	1/13/2021	John Garrigan	1,014.31	REF:1011485_116500	
027507	1/13/2021	Julia Mellusi	86.98	REF:1037996_221265	
027508	1/13/2021	Keeton Construction Company, Inc.	20,153.30	BUILDING D	Yes
027509	1/13/2021	Kim Moffit	58.66	REF:1084150_215840	
027510	1/13/2021	Mallory Safety and Supply, LLC	2,172.24	SUPPLIES	
027511	1/13/2021	McCall's Meter Sales & Service	58.86	FLOW TEST	
027512	1/13/2021	Mission Janitorial Sply	383.34	SUPPLIES	
027513	1/13/2021	Morton Salt Inc	4,398.52	WTP CHEMICALS	
027514	1/13/2021	Otay Landfill	435.81	4-4531-0018538	
027515	1/13/2021	Pacific Pipeline Supply	1,579.38	SUPPLIES	Yes
027516	1/13/2021	Phillip Traver	118.47	REF:1063122_237745	
027517	1/13/2021	R & R Industries Inc	3,836.60	Employee SHNQT 5000 Jackets	Yes
027518	1/13/2021	Rain For Rent	2,348.57	WWTP SUPPLIES	
027519	1/13/2021	Republic Services	1,805.73	4-4530-0333405	
027520	1/13/2021	Sam Courtney	144.91	REF:1083543_191055	
027521	1/13/2021	San Diego Gas & Electric	876.80	92081023809	Yes
027522	1/13/2021	San Elijo Joint Powers Auth.	33,128.00	12/20 20.20 AC/FT RECYCLED WTR	
027523	1/13/2021	Stanek Constructors, Inc.	91,081.25	Installation of the new UV system	Yes
027524	1/13/2021	Stephanie Frye	51.66	REF:1011069_208860	
027525	1/13/2021	Sunbelt Rentals, Inc.	4,125.85	HYDRAULIC EXCAVATOR	Yes
027526	1/13/2021	SWRCB Accounting Office	55,358.27	WATER SYSTEM ANNUAL FEE	
027527	1/13/2021	The Pun Group	5,500.00	6/30/2020 AUDIT SERVICES	
027528	1/13/2021	Tri-R Coffee & Vending	530.00	FESTIVUS HOLIDAY CREDIT	
027529	1/13/2021	Univar Solutions Usa Inc	2,043.60	WTP CHEMICALS	
027530	1/13/2021	US Bank	5,311.70	777321, 12/31/2020	
027531	1/13/2021	Valley Construction Management	31,969.00	ECR Pipeline Replacement CM/Inspection Services	Yes
027532	1/13/2021	Wageworks	532.00	11/20 ADMIN FEES	Yes
027533	1/15/2021	VOID	4,600.21	VOID	Yes
027534	1/20/2021	4S Ranch Gasoline & Car Wash	444.22	WWTP GASOLINE & CAR WASH	

**Olivenhain Olivenhain Municipal Water District  
January 2021 Warrant List**

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
027535	1/20/2021	Allied Refrigeration	338.02	SUPPLIES	Yes
027536	1/20/2021	AmeriGas	304.18	PROPANE	
027537	1/20/2021	AT & T	873.28	9391056789	Yes
027538	1/20/2021	Boot World Inc	184.23	Safety Boots	Yes
027539	1/20/2021	Brax Company, Inc.	2,200.47	WWTP SUPPLIES	
027540	1/20/2021	California State Disbursement Unit	123.23	ED100514-1/21/2021	
027541	1/20/2021	Karen Connor	700.00	CPR/AED FIRST AID CLASS	
027542	1/20/2021	Core & Main LP	1,556.56	2" Mip X Quick Joint Corp.	Yes
027543	1/20/2021	Corodata	272.79	OFFSITE RECORD STORAGE	
027544	1/20/2021	Corodata Shredding, Inc	83.87	PAPER SHREDDING SERVICES	
027545	1/20/2021	DLM Engineering Inc	14,725.00	ENGINEER CONSULTING SERVICES	Yes
027546	1/20/2021	Edco Waste & Recycling	814.20	25-4R 912759	
027547	1/20/2021	Federal Express Corp	58.75	SHIPPING CHARGES	Yes
027548	1/20/2021	Global Power Group Inc	847.75	WWTP PREVENT MAINT SERVICES	Yes
027549	1/20/2021	Gov't Fin. Officer Assoc	160.00	MEMBERSHIP RENEWAL	
027550	1/20/2021	Harrington Industrial	1,810.32	WWTP SUPPLIES	Yes
027551	1/20/2021	Hasa	4,315.86	WWTP CHEMICALS	
027552	1/20/2021	Home Depot/Gecf	6,709.10	12/20 SUPPLIES	Yes
027553	1/20/2021	J.M.D. Landscape Inc	7,785.00	Overgrowth removal	Yes
027554	1/20/2021	Napa Auto Parts	289.74	12/20 SUPPLIES	
027555	1/20/2021	Parascand, Margaret	50.00	5 YEAR SERVICE AWARD	
027556	1/20/2021	Parkhouse Tire Inc	3,480.06	FB48 SUPPLIES	Yes
027557	1/20/2021	Purchase Power	899.35	8000-9090-0674-5785	
027558	1/20/2021	Radwell International, Inc.	929.19	WTP SUPPLIES	
027559	1/20/2021	Raftelis Financial Consultant	12,876.25	SEWER SERVICE STUDY	
027560	1/20/2021	Samba Holdings Inc	171.95	DRIVER RECORD MONITORING	
027561	1/20/2021	San Diego Gas & Electric	52,633.50	98000669143	Yes
027562	1/20/2021	Santa Fe Irrigation Dist	242.65	008128-005	
027563	1/20/2021	Sarah Coombe	113.58	REF:1061122_237695	
027564	1/20/2021	SiteOne Landscape Supply, LLC	290.14	SUPPLIES	
027565	1/20/2021	Smith & Loveless, Inc.	11,101.63	Recplacement parts for the 4S WRF Headworks Grit Systems	Yes
027566	1/20/2021	Southern Counties Lubricants, LLC.	4,103.98	FUEL SUPPLIES	
027567	1/20/2021	Stephen Mickelsen	41.38	REF:1022556_189055	
027568	1/20/2021	Steven L. Sherman DBA	3,577.50	Conservation landscape services-evaluations	Yes
027569	1/20/2021	SWRCB Accounting Office	1,474.00	1966 OLIVENHAIN ROAD	
027570	1/20/2021	TASC	585.20	VEBA ADMIN FEES	
027571	1/20/2021	The Dumbell Man Fitness	330.00	GYM EQUIPMENT SERVICE	
027572	1/20/2021	Traffic Supply Inc	564.85	SUPPLIES	Yes
027573	1/20/2021	Trebor Shoring Rentals	656.60	CROSSING PLATE	Yes
027574	1/20/2021	United Parcel Service	133.07	SHIPPING CHARGES	
027575	1/20/2021	Univar Solutions Usa Inc	7,858.64	WTP CHEMICALS	
027576	1/20/2021	Vallecitos Water District	49,349.03	RECLAIMED WATER SALES	
027577	1/20/2021	Water for People	37.00	WTRPL 1/21/2021	
027578	1/20/2021	West Yost & Associates, Inc	9,220.46	Inspections/as-needed services NW Quadrant	Yes
027579	1/20/2021	Westamerica Communications, Inc.	837.37	MORNING SUN POSTCARD	
027580	1/27/2021	Allen Wood	54.61	REF:1059538_145760	
027581	1/27/2021	Andy Schooler	853.06	REF:1029956_186460	
027582	1/27/2021	AT & T	607.62	9391059578	Yes
027583	1/27/2021	B. Weber Consulting LLC	5,193.29	CONSULTING SERVICES	
027584	1/27/2021	Bavco Backflow Apparatus	1,224.76	SUPPLIES	
027585	1/27/2021	Bay City Electric Works	503.51	CIELO PUMP STATION	
027586	1/27/2021	C E Wilson Corporation	26,950.07	VRP Change Order #1	Yes
027587	1/27/2021	CA Municipal Statistics Inc	500.00	6/30/20 DEBT STATEMENT	
027588	1/27/2021	Carollo Engineers	40,517.74	Engineering Construction Support Services	Yes
027589	1/27/2021	CDW Government Inc	10,826.24	Veeam Availability Suite Universal License - Upfront Billing License Renewal	Yes
027590	1/27/2021	County Of San Diego	802.40	PARK DALE LANE ELEMENTARY	Yes
027591	1/27/2021	County of San Diego, RCS	171.00	12/20 RADIO SERVICES	
027592	1/27/2021	D&H Water Systems	796.02	WTP SUPPLIES	

**Olivenhain Olivenhain Municipal Water District**  
**January 2021 Warrant List**

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
027593	1/27/2021	DCL Enterprise Inc Db	22.63	KEYS	
027594	1/27/2021	Dennis Sceehy	96.43	REF:1085937_103585	
027595	1/27/2021	Encinitas Ford	1,682.17	SHOP SUPPLIES	Yes
027596	1/27/2021	Evoqua Water Technologies	208.21	WWTP SERVICES	
027597	1/27/2021	Federal Express Corp	104.62	SHIPPING	Yes
027598	1/27/2021	Ferguson Enterprises Inc. #1083	1,115.21	2"CI300 90 Fip X Fip Angle Vlv	Yes
027599	1/27/2021	Grangetto's Ag. Supply	271.61	SUPPLIES	Yes
027600	1/27/2021	Guardian	946.96	2/21 DENTAL INSURANCE PREM	
027601	1/27/2021	Hanson Aggregates Inc	155.00	DUMP BOBTAL - CONCRETE	
027602	1/27/2021	Harrington Industrial	591.64	WWTP SUPPLIES	Yes
027603	1/27/2021	Infosend	249.29	WATER BILLING	Yes
027604	1/27/2021	Infrastructure Engineering Corporation	3,800.00	I&I flow monitoring study	Yes
027605	1/27/2021	Keeton Construction Company, Inc	1,548.46	REF:1083148_300605	
027606	1/27/2021	Morton Salt Inc	4,424.64	WTP CHEMICALS	
027607	1/27/2021	NBS	9,747.33	QTRLY ADMIN FEES 1/21-3/21	
027608	1/27/2021	NexusTek Phoenix	6,491.00	Monthly service fee (\$2,936 x 36 months)	Yes
027609	1/27/2021	Ninyo & Moore	3,852.50	Task Order No. 12	Yes
027610	1/27/2021	NV5, Inc	3,460.00	Design services	Yes
027611	1/27/2021	Otay Landfill	471.69	4-4531-0018538	
027612	1/27/2021	Jaroht Inc., dba	78.00	760-489-9971	
027613	1/27/2021	Parkhouse Tire Inc	765.09	PU108 SUPPLIES	Yes
027614	1/27/2021	Patriot Environmental	987.00	WWTP ROLLOFF BIN DISPOSAL	Yes
027615	1/27/2021	R & R Industries Inc	386.30	SAFETY AWARDS	Yes
027616	1/27/2021	Roy Allen Slurry Seal, Inc.	1,302.74	REF:1088028_302505	
027617	1/27/2021	San Diego County Recorder	26.00	EASEMENT 558 RECORDING FEE	Yes
027618	1/27/2021	San Diego Gas & Electric	53,114.05	98253875124	Yes
027619	1/27/2021	Tim Sheppard	50.00	CONGRATULATIONS FROM THE ERC	
027620	1/27/2021	Transene Company, Inc.	290.32	WTP SUPPLIES	
027621	1/27/2021	Trebor Shoring Rentals	789.10	CROSSING PLATE	Yes
027622	1/27/2021	TS Industrial Supply	205.26	WTP SUPPLIES	
027623	1/27/2021	US Internet Corp - BIN #131489	184.40	EMAIL SCANNING SERVICES	
027624	1/27/2021	Verizon Connect NWF, Inc.	1,469.35	VEHICLE TRACKING SERVICES	
027625	1/27/2021	VWR International LLC	603.79	WTP SUPPLIES	
027626	1/27/2021	Wageworks	266.00	12/20 ADMIN FEES	
027627	1/27/2021	Walters Wholesale Electric Co	197.68	SUPPLIES	
027628	1/27/2021	Watereuse Association	3,103.00	2021 MEMBERSHIP	
027629	1/27/2021	Western Hose & Gasket	53.68	WTP SUPPLIES	Yes
027630	1/27/2021	Marwan Bisher	10,765.65	RM REFUND: DEBIT000000000533	
027631	1/27/2021	HAALAND, MICHAEL	5,090.05	RM REFUND: DEBIT000000000531	
027632	1/27/2021	SAN DIEGUITO UNION HSD	11,807.94	RM REFUND: DEBIT000000000532	
027633	1/27/2021	Rancho Santa Fe Community Svs	20,875.20	11/20 and 12/20 Recycled Water Purchased	Yes
			<u><u>1,118,842.17</u></u>		

**Olivenhain Municipal Water District**  
**Monthly Directors Fee and Reimbursed Expenses for Directors and Staff**  
**January 2021**

<u>Name</u>	<u>Payment Date</u>	<u>Check#/ Credit Card</u>	<u>Meals &amp; Lodging</u>	<u>Travel &amp; Transport</u>	<u>Other</u>	<u>Reimbursed Expenses</u>	<u>Directors Fee</u>
Director Bruce-Lance			0.00	0.00	0.00	0.00	750.00
			0.00	0.00	0.00	0.00	750.00
Director Guerin			0.00	0.00	0.00	0.00	600.00
			0.00	0.00	0.00	0.00	600.00
Director Sprague			0.00	0.00	0.00	0.00	300.00
			0.00	0.00	0.00	0.00	300.00
Director Topolovac			0.00	0.00	0.00	0.00	450.00
			0.00	0.00	0.00	0.00	450.00
Director Watt			0.00	0.00	0.00	0.00	900.00
			0.00	0.00	0.00	0.00	900.00
General Manager Thorner			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Human Resources Manager Joslin			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Engineering Manager Hubbard			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Finance Manager Selamat			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Operations Manager Fulks			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Assistant General Manager Randall			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Customer Service Manager Carnegie			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	

Notes:

(1) Reviewed and discussed with the Finance Committee (02/05/18).

(2) Reimbursement of expenses are in compliance with Article 19 of the District's Administrative and Ethics Code.

(3) Travel and other expenses charged to District's credit cards and paid by the District are recorded and maintained separately.



**Olivenhain Municipal Water District**  
**MONTHLY CASH AND INVESTMENT SUMMARY**  
**As of November 30, 2020**

**Active Deposits**

	<b><u>Book Value</u></b>
Checking Accounts	\$ 10,548,820
Cash Restricted for Specific Use	286,608
Petty Cash/Disaster Preparedness	1,468
Total Active Deposits	<u>\$ 10,836,895</u>

**Deposits Not Covered by Investment Policy**

Cash with Fiscal Agents	2,807,764
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<b><u>Investments</u></b>	<b><u>Face Value</u></b>	<b><u>Market Value</u></b>	<b><u>Current Yield</u></b>	
LAIF	\$ 25,079,261	25,202,470	0.58%	\$ 25,079,261
CAMP	14,827,570	14,827,570	0.14%	14,827,570
Money Market Funds	86,496	86,496	0.03%	86,496
Municipal Bonds	3,371,071	3,601,896	3.00%	3,619,714
U.S. Treasury Securities	1,000,000	1,001,830	2.37%	998,196
U.S. Agency Securities	18,545,000	18,540,079	0.98%	18,545,000
Total Investments	<u>\$ 62,909,398</u>	<u>\$ 63,260,341</u>	<u>0.76%</u>	<u>\$ 63,156,237</u>

**Total - All Deposits/Investments**

**\$ 76,800,897**

**Maturity Analysis of Investments**

	<b><u>Percent</u></b>	<b><u>Balance</u></b>
Demand Deposits	63.3%	\$ 39,993,327
Maturity within the next two months	1.6%	998,196
Maturity within three months and one year	3.8%	2,402,954
Maturity beyond one year	31.3%	19,761,760
Total Investments	<u>100.0%</u>	<u>\$ 63,156,237</u>

**Weighted Average Days to Maturity**

**373**

**Other Required Disclosures:**

Accrued interest receivable as of 11/30/2020 \$ 102,210

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2019.

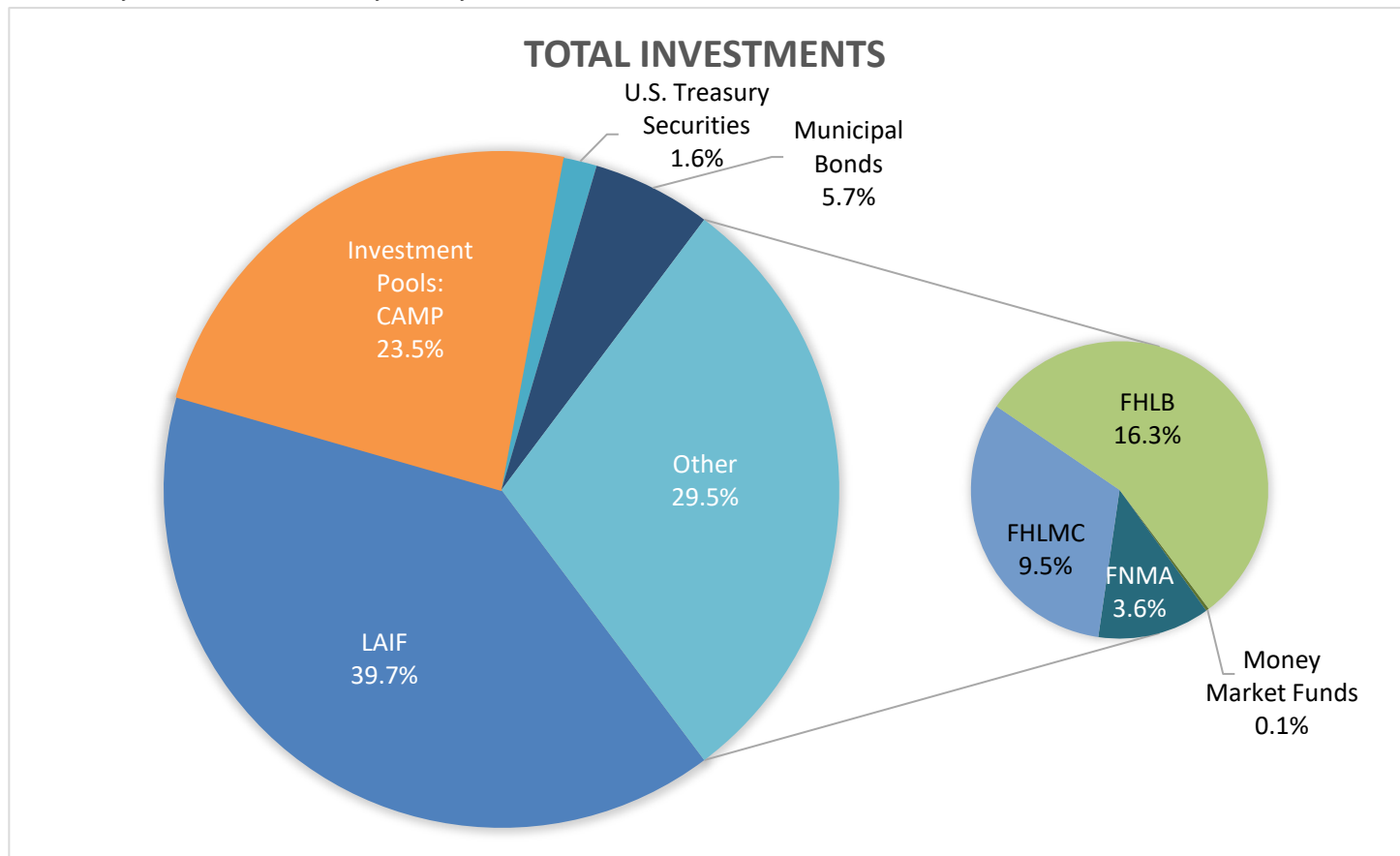
The District has sufficient funds on hand to meet the next 30 days' obligations.

**Olivenhain Municipal Water District**  
**PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY**  
**November 30, 2020**

	<u>Book Value</u>	<u>Percent</u>	<u>Permitted Percent</u>	<u>In Compliance?</u>
LAIF	\$ 25,079,261	39.7%	40.0% <sup>(1)</sup>	Yes
Investment Pools: CAMP	14,827,570	23.5%	30.0%	Yes
U.S. Treasury Securities	998,196	1.6%	100.0% <sup>(2)</sup>	Yes
Municipal Bonds	3,619,714	5.7%	30.0%	Yes
Money Market Funds	86,496	0.1%	20.0% <sup>(3)</sup>	Yes
U.S. Agency Securities	18,545,000	29.4%	50.0%	Yes
<i>FNMA Fannie Mae</i>	<i>2,250,000</i>	<i>3.6%</i>		
<i>FHLMC Freddie Mac</i>	<i>6,000,000</i>	<i>9.5%</i>		
<i>FHLB Federal Home Loan Bank</i>	<i>10,295,000</i>	<i>16.3%</i>		
<b>Total Investments</b>	<b>\$ 63,156,237</b>	<b>100%</b>		

Note:

- <sup>(1)</sup> New limit of 40% approved by the board in May 2020.  
<sup>(2)</sup> No limit.  
<sup>(3)</sup> May not exceed 5% in any money market fund.



\* Total may not add up to 100% due to rounding.

## Olivenhain Municipal Water District MONTHLY INVESTMENTS DETAIL

ACTIVE DEPOSIT	Book Value
Checking A/C California Bank and Trust for General Purpose	10,548,820
California Bank and Trust for Specific Purpose	286,608
Petty Cash/Disaster Preparedness	1,468
<b>Total - Active Deposits</b>	<b>10,836,895</b>

## DEPOSITS NOT COVERED BY INVESTMENT POLICY

### Cash with Fiscal Agents:

Union Bank - AD 96-1 Refunding Bond	126,053
Union Bank - 2015A Refunding Bond	1,217,070
SRF Loan	643,361
Union Bank - 2016A Refunding Bond	492,821
Union Bank - 2018 Revenue Bond	328,460

## Total Deposits Not Covered by Investment Policy

RATING		DATE				Weighted Average Days to						
Moody's	S&P	Purchase	Maturity	Next Call	Next S-U	Maturity	Call	Stated Coupon	Current Yield	Market Value	Face Value	Book Value

## INVESTMENTS

<b>Invest. Pools:</b> Calif. Asset Mgmt Prgm (CAMP)	Demand	1	0.14%	\$ 14,827,570	\$ 14,827,570	14,827,570
State Local Agency Investment Fund (LAIF)	Demand	1	0.58%	25,202,470	25,079,261	25,079,261
JP Morgan US Gov't Money Market Fund Premier Class SHS	Demand	1	0.03%	86,496	86,496	\$ 86,496

## U.S. Treasury Notes/Bills

912828A83	U.S.Treasury Notes	Aaa	--	02/12/19	12/31/20	32	2.38%	2.37%	1,001,830	1,000,000	998,196
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32	2.38%	2.37%	\$ 1,001,830	\$ 1,000,000	\$ 998,196
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## U.S. Agency Securities

3130AHV75	FHLB Callable	Aaa	AA+	01/13/20	01/13/23	01/13/21	775	45	1.70%	1.70%	1,001,710	1,000,000	1,000,000
31314GU3H1	FHLMC Callable	Aaa	AA+	01/27/20	01/27/23	01/27/21	789	59	1.67%	1.67%	1,002,160	1,000,000	1,000,000
3130AJ3M9	FHLB Callable	Aaa	AA+	02/18/20	08/18/23	02/18/21	992	81	1.63%	1.62%	2,005,900	2,000,000	2,000,000
3130AHV83	FHLB Callable	Aaa	AA+	01/22/20	01/22/24	01/22/21	1,149	54	1.78%	1.78%	2,002,940	2,000,000	2,000,000
3130AHY56	FHLB Callable	Aaa	AA+	01/29/20	01/29/25	01/29/21	1,522	61	1.87%	1.87%	2,003,980	2,000,000	2,000,000
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	07/28/21	1,702	241	0.65%	0.65%	995,200	1,000,000	1,000,000
3136G4A29	FNMA Callable	Aaa	AA+	07/30/20	07/30/24	07/30/21	1,339	243	0.55%	0.55%	998,130	1,000,000	1,000,000
3134GWGL4	FHLMC Callable	Aaa	AA+	08/03/20	02/03/23	02/03/21	796	66	0.33%	0.33%	1,997,160	2,000,000	2,000,000
3134GW2F2	FHLMC Callable	Aaa	AA+	08/25/20	05/25/23	08/25/21	907	269	0.30%	0.30%	1,997,880	2,000,000	2,000,000
3136G4P56	FNMA Callable	Aaa	AA+	08/26/20	02/26/24	08/26/22	1,184	635	0.40%	0.40%	1,247,063	1,250,000	1,250,000
3130AJZJ1	FHLB Callable	Aaa	AA+	09/02/20	08/25/23	02/25/21	999	88	0.32%	0.32%	1,293,317	1,295,000	1,295,000
3130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	05/04/21	1,436	156	0.43%	0.43%	1,994,640	2,000,000	2,000,000

1,131	359	0.98%	0.98%	\$ 18,540,079	\$ 18,545,000	\$ 18,545,000
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## Municipal Bonds

13063DAC2	CALIFORNIA ST GO	AA3	AA	04/09/18	04/01/21	123	2.63%	2.60%	1,007,890	1,000,000	999,620
13066YTY5	CALIF ST DEPT REV	AA1	AA	12/02/16	05/01/21	153	1.71%	1.70%	373,376	371,071	366,874
052476N79	AUSTIN TEX WTR REV	AA2	AA	11/15/16	05/15/21	167	2.54%	2.52%	1,010,130	1,000,000	1,036,460
882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25	1,767	5.00%	4.13%	1,210,500	1,000,000	1,216,760

691	3.21%	3.00%	\$ 3,601,896	\$ 3,371,071	\$ 3,619,714
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## Total Investments

373	0.76%	0.76%	\$ 63,260,341	\$ 62,909,398	\$ 63,156,237
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TOTAL - ALL DEPOSITS AND INVESTMENTS	76,800,897
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Olivenhain Municipal Water District  
INVESTMENTS TRANSACTION  
November 30, 2020

PURCHASED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		<i>Coupon</i>	<i>Yield</i>		
11/04/20	11/04/24	05/04/21		FHLB Callable	0.430%	0.431%	\$ 2,000,000	\$ 2,000,000

MATURED / REDEEMED / CALLED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		<i>Coupon</i>	<i>Yield</i>		
11/02/20	11/02/20			U.S.Treasury Notes	1.375%	1.375%	2,000,000	1,942,216

**Olivenhain Municipal Water District**  
**UNAUDITED CASH POSITION BY FUNDING SOURCES**  
**As of November 30, 2020**

<b><u>Water Funds (Potable &amp; Recycled)</u></b>		<b><u>Balance</u></b>
10050-100	Cash - Petty Cash Fund	\$ 1,468
10030-100	Cash - Capital and Equipment Fund	34,105,168
10010-100	Cash - Operating Fund	14,151,267
10060-100	Cash - Deposit Work for Other	540,063
10040-100	Cash - Rate Stabilization	8,432,838
14000-500	Restricted Cash - Capacity Fee Fund	4,202,306
<b>Total Water Funds (Potable &amp; Recycled)</b>		<b><u>\$ 61,433,109</u></b>

<b><u>Wastewater Funds</u></b>		
10010-110	4S Ranch Sanitation District - Operating Fund	681,622
10030-110	4S Ranch Sanitation District - Capital Replacement Fund	8,791,657
10040-110	Wastewater - Rate Stabilization Fund	2,595,610
10010-111	Rancho Cielo Sanitation District - Operating Fund	204,527
<b>Total Wastewater Funds</b>		<b><u>\$ 12,273,416</u></b>

<b><u>Non Fiscal Agent Debt Service Cash</u></b>		
14020-570	Cash non-agent - RAD 96-1	273,571
10070-561	Cash non-agent - Bond 2015A	621
10070-581	Cash non-agent - Bond 2016A	10,580
14020-512	Cash non-agent - Bond 2018	1,836
<b>Total Non Fiscal Agent Debt Service Cash</b>		<b><u>\$ 286,608</u></b>

<b><u>Debt Service Funds</u></b>		
14030-510	SRF Loan - Fiscal Agent	643,361
14105-570	Redemption fund - RAD 96-1	40,787
14110-570	Reserve fund - RAD 96-1	85,267
14100-561	Redemption fund - Bond 2015A	1,217,070
14100-581	Redemption fund - Bond 2016A	492,821
14100-512	Redemption fund - CB&T 2018	328,460
<b>Total Debt Service Funds</b>		<b><u>\$ 2,807,764</u></b>

<b>TOTAL FUND BALANCES</b>	<b><u>\$ 76,800,897</u></b>
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**Olivenhain Municipal Water District**  
**MONTHLY CASH AND INVESTMENT SUMMARY**  
**As of December 31, 2020**

**Active Deposits**

	<b><u>Book Value</u></b>
Checking Accounts	\$ 14,348,114
Cash Restricted for Specific Use	493,178
Petty Cash/Disaster Preparedness	1,468
Total Active Deposits	<u>\$ 14,842,759</u>

**Deposits Not Covered by Investment Policy**

Cash with Fiscal Agents	2,239,697
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<b><u>Investments</u></b>	<b><u>Face Value</u></b>	<b><u>Market Value</u></b>	<b><u>Current Yield</u></b>	
LAIF	\$ 25,079,261	25,202,470	0.54%	\$ 25,079,261
CAMP	12,828,954	12,828,954	0.12%	12,828,954
Money Market Funds	1,097,690	1,097,690	0.01%	1,097,690
Municipal Bonds	3,371,071	3,596,773	3.00%	3,619,714
U.S. Agency Securities	20,545,000	20,537,545	0.90%	20,545,000
Total Investments	<u>\$ 62,921,976</u>	<u>\$ 63,263,432</u>	<u>0.70%</u>	<u>\$ 63,170,619</u>

**Total - All Deposits/Investments**

**\$ 80,253,075**

**Maturity Analysis of Investments**

	<b><u>Percent</u></b>	<b><u>Balance</u></b>
Demand Deposits	61.7%	\$ 39,005,905
Maturity within the next two months	0.0%	-
Maturity within three months and one year	3.8%	2,402,954
Maturity beyond one year	34.4%	21,761,760
Total Investments	<u>100.0%</u>	<u>\$ 63,170,619</u>

**Weighted Average Days to Maturity**

**419**

**Other Required Disclosures:**

Accrued interest receivable as of 12/31/2020 \$ 128,897

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2020.

The District has sufficient funds on hand to meet the next 30 days' obligations.

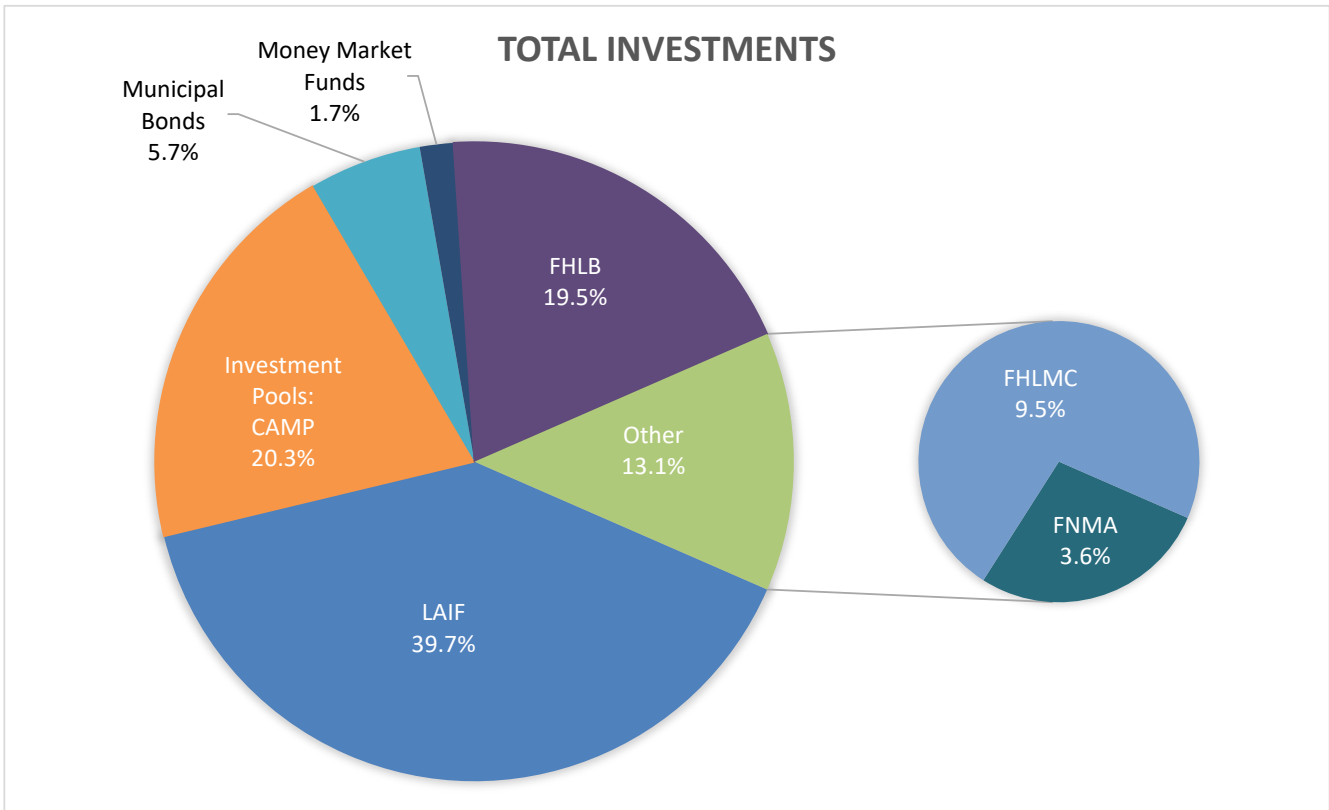
**Olivenhain Municipal Water District**  
**PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY**  
**December 31, 2020**

	<u>Book Value</u>	<u>Percent</u>	<u>Permitted Percent</u>	<u>In Compliance?</u>
LAIF	\$ 25,079,261	39.7%	40.0% <sup>(1)</sup>	Yes
Investment Pools: CAMP	12,828,954	20.3%	30.0%	Yes
Municipal Bonds	3,619,714	5.7%	30.0%	Yes
Money Market Funds	1,097,690	1.7%	20.0% <sup>(2)</sup>	Yes
U.S. Agency Securities	8,250,000	32.6%	50.0%	Yes
<i>FHLB</i> <i>Federal Home Loan Bank</i>	<i>12,295,000</i>	<i>19.5%</i>		
<i>FNMA</i> <i>Fannie Mae</i>	<i>2,250,000</i>	<i>3.6%</i>		
<i>FHLMC</i> <i>Freddie Mac</i>	<i>6,000,000</i>	<i>9.5%</i>		
<b>Total Investments</b>	<b>\$ 63,170,619</b>	<b>100%</b>		

Note:

<sup>(1)</sup> New limit of 40% approved by the board in May 2020.

<sup>(2)</sup> May not exceed 5% in any money market fund.



\* Total may not add up to 100% due to rounding.

**Olivenhain Municipal Water District**  
**MONTHLY INVESTMENTS DETAIL**  
**December 31, 2020**

ACTIVE DEPOSIT										Book Value
<b>Checking A/C</b> California Bank and Trust for General Purpose										14,348,114
California Bank and Trust for Specific Purpose										493,178
Petty Cash/Disaster Preparedness										1,468
<b>Total - Active Deposits</b>										<b>14,842,759</b>

**DEPOSITS NOT COVERED BY INVESTMENT POLICY**

**Cash with Fiscal Agents:**

Union Bank - AD 96-1 Refunding Bond	126,054
Union Bank - 2015A Refunding Bond	847,905
SRF Loan	750,338
Union Bank - 2016A Refunding Bond	256,999
Union Bank - 2018 Revenue Bond	258,401

**Total Deposits Not Covered by Investment Policy**

**2,239,697**

	RATING		DATE				Weighted Average Days to Maturity	Call	Stated Coupon	Current Yield	Market Value	Face Value	Book Value
	Moody's	S&P	Purchase	Maturity	Next Call	Next S-U							

**INVESTMENTS**

<b>Invest. Pools:</b> Calif. Asset Mgmt Prgm (CAMP)	Demand	1	0.12%	\$ 12,828,954	\$ 12,828,954	12,828,954
State Local Agency Investment Fund (LAIF)	Demand	1	0.54%	25,202,470	25,079,261	25,079,261
JP Morgan US Gov't Money Market Fund Premier Class SHS	Demand	1	0.01%	1,097,690	1,097,690	\$ 1,097,690

**U.S. Agency Securities**

3130AHV75	FHLB Callable	Aaa	AA+	01/13/20	01/13/23	01/13/21	744	14	1.70%	1.70%	1,000,380	1,000,000	1,000,000
3134GU3H1	FHLMC Callable	Aaa	AA+	01/27/20	01/27/23	01/27/21	758	28	1.67%	1.67%	1,000,920	1,000,000	1,000,000
3130AJ3M9	FHLB Callable	Aaa	AA+	02/18/20	08/18/23	02/18/21	961	50	1.63%	1.62%	2,003,460	2,000,000	2,000,000
3130AHV83	FHLB Callable	Aaa	AA+	01/22/20	01/22/24	01/22/21	1,118	23	1.78%	1.78%	2,001,100	2,000,000	2,000,000
3130AHY56	FHLB Callable	Aaa	AA+	01/29/20	01/29/25	01/29/21	1,491	30	1.87%	1.87%	2,001,800	2,000,000	2,000,000
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	07/28/21	1,671	210	0.65%	0.65%	995,930	1,000,000	1,000,000
3136G4A29	FNMA Callable	Aaa	AA+	07/30/20	07/30/24	07/30/21	1,308	212	0.55%	0.55%	998,680	1,000,000	1,000,000
3134GWGL4	FHLMC Callable	Aaa	AA+	08/03/20	02/03/23	02/03/21	765	35	0.33%	0.33%	1,998,100	2,000,000	2,000,000
3134GW2F2	FHLMC Callable	Aaa	AA+	08/25/20	05/25/23	08/25/21	876	238	0.30%	0.30%	1,999,300	2,000,000	2,000,000
3136G4P56	FNMA Callable	Aaa	AA+	08/26/20	02/26/24	08/26/22	1,153	604	0.40%	0.40%	1,247,700	1,250,000	1,250,000
3130AJZJ1	FHLB Callable	Aaa	AA+	09/02/20	08/25/23	02/25/21	968	57	0.32%	0.32%	1,294,055	1,295,000	1,295,000
3130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	05/04/21	1,405	125	0.43%	0.43%	1,995,860	2,000,000	2,000,000
3130AKGX8	FHLB Callable	Aaa	AA+	12/15/20	12/15/25	06/15/21	1,811	167	0.20%	0.20%	2,000,260	2,000,000	2,000,000

**1,170    329    0.90%    0.90%    \$ 20,537,545    \$ 20,545,000    \$ 20,545,000**

**Municipal Bonds**

13063DAC2	CALIFORNIA ST GO	AA3	AA-	04/09/18	04/01/21	92	2.63%	2.61%	1,005,790	1,000,000	999,620
13066YTY5	CALIF ST DEPT REV	AA1	AA	12/02/16	05/01/21	122	1.71%	1.70%	372,863	371,071	366,874
052476N79	AUSTIN TEX WTR REV	AA2	AA	11/15/16	05/15/21	136	2.54%	2.52%	1,008,080	1,000,000	1,036,460
882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25	1,736	5.00%	4.13%	1,210,040	1,000,000	1,216,760

**660    3.21%    3.00%    \$ 3,596,773    \$ 3,371,071    \$ 3,619,714**

**Total Investments**

**419    0.71%    0.70%    \$ 63,263,432    \$ 62,921,976    \$ 63,170,619**

<b>TOTAL - ALL DEPOSITS AND INVESTMENTS</b>	<b>80,253,075</b>
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**Olivenhain Municipal Water District**  
**INVESTMENTS TRANSACTION**  
**December 31, 2020**

**PURCHASED**

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		<i>Coupon</i>	<i>Yield</i>		
12/15/20	12/15/25	06/15/21		FHLB Callable	0.200%	0.200%	2,000,000	2,000,000

**MATURED / REDEEMED / CALLED**

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		<i>Coupon</i>	<i>Yield</i>		
12/31/20	12/31/20			U.S.Treasury Notes	2.375%	2.371%	1,000,000	998,196

**Olivenhain Municipal Water District**  
**UNAUDITED CASH POSITION BY FUNDING SOURCES**  
**As of December 31, 2020**

<b><u>Water Funds (Potable &amp; Recycled)</u></b>			<b><u>Balance</u></b>
10050-100	Cash - Petty Cash Fund	\$	1,468
10030-100	Cash - Capital and Equipment Fund		33,972,554
10010-100	Cash - Operating Fund		16,651,583
10060-100	Cash - Deposit Work for Other		523,547
10040-100	Cash - Rate Stabilization		8,436,943
14000-500	Restricted Cash - Capacity Fee Fund		4,983,279
<b>Total Water Funds (Potable &amp; Recycled)</b>			<b><u>\$ 64,569,373</u></b>

<b><u>Wastewater Funds</u></b>			
10010-110	4S Ranch Sanitation District - Operating Fund		1,406,357
10030-110	4S Ranch Sanitation District - Capital Replacement Fund		8,720,831
10040-110	Wastewater - Rate Stabilization Fund		2,596,874
10010-111	Rancho Cielo Sanitation District - Operating Fund		226,767
<b>Total Wastewater Funds</b>			<b><u>\$ 12,950,828</u></b>

<b><u>Non Fiscal Agent Debt Service Cash</u></b>			
14020-570	Cash non-agent - RAD 96-1		480,141
10070-561	Cash non-agent - Bond 2015A		621
10070-581	Cash non-agent - Bond 2016A		10,580
14020-512	Cash non-agent - Bond 2018		1,836
<b>Total Non Fiscal Agent Debt Service Cash</b>			<b><u>\$ 493,178</u></b>

<b><u>Debt Service Funds</u></b>			
14030-510	SRF Loan - Fiscal Agent		750,338
14105-570	Redemption fund - RAD 96-1		40,787
14110-570	Reserve fund - RAD 96-1		85,267
14100-561	Redemption fund - Bond 2015A		847,905
14100-581	Redemption fund - Bond 2016A		256,999
14100-512	Redemption fund - CB&T 2018		258,401
<b>Total Debt Service Funds</b>			<b><u>\$ 2,239,697</u></b>

<b>TOTAL FUND BALANCES</b>			<b><u>\$ 80,253,075</u></b>
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# Memo

Date: February 10, 2021  
To: Olivenhain Municipal Water District Board of Directors  
From: Rainy K. Selamat, Finance Manager  
Via: Kimberly Thorner, General Manager  
Subject: **CONSIDER ADOPTION OF A MOTION APPROVING THE DISTRICT'S  
CONSOLIDATED STATEMENT OF NET POSITION, CONSOLIDATED STATEMENT  
OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, CONSOLIDATED  
STATEMENT OF CASH FLOWS, CONSOLIDATED ACTUAL VS BUDGET  
SUMMARY, AND CONSTRUCTION IN PROGRESS REPORT**

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The following unaudited monthly financial reports are enclosed for review and approval by the Board of Directors:

- November 2020 Monthly Statement of Net Position Report.
- November 2020 Monthly Statement of Revenues, Expenses, and Changes in Net Position Report.
- November 2020 Consolidated Statement of Cash Flows.
- November 2020 Monthly Consolidated Actual VS Budget Summary and explanation of significant variance report.
- November 2020 Construction In Progress Report.

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Statement of Net Position (Unaudited)  
All Funds  
11/30/2020

	<u>2021</u>
<b>Assets</b>	
Current assets:	
Unrestricted assets:	
Cash and cash equivalents	\$69,934,701
Accounts receivable - water and sewer, net	9,550,065
Interest Receivable	102,210
Taxes receivable	164,205
Other receivables	377,387
Inventories	1,554,190
Prepaid expenses and deposits	<u>1,187,230</u>
Total unrestricted assets	<u>82,869,988</u>
Restricted assets:	
Cash and cash equivalents	7,171,727
Assesments receivable	52,288
Grants receivable	<u>1,062,220</u>
Total restricted assets	<u>8,286,235</u>
Total current assets	<u>91,156,223</u>
Noncurrent assets:	
Capital assets, nondepreciable	62,459,325
Capital assets, depreciable/amortizable, net	<u>326,584,555</u>
Capital assets, net	389,043,880
Prepaid bond insurance	26,266
Other long-term receivables	<u>79,389</u>
Total noncurrent assets	<u>389,149,535</u>
<b>Total assets</b>	<b><u>480,305,758</u></b>
<b>Deferred Outflows of Resources</b>	
Deferred amount on refunding	(1,302,259)
Deferred amount from pension	<u>(3,368,573)</u>
<b>Total deferred outflows of resources</b>	<b><u>(4,670,832)</u></b>
<b>Liabilities</b>	
Current Liabilities	
Liabilities payable from unrestricted assets:	
Accounts payable	5,741,605
Accrued payroll	385,917
Customer deposits	403,762
Payable related to work in progress	532,701
Compensated absences, current portion	799,000
Current portion of long-term debt:	
Wastewater Revenue Bonds 2018A	507,000
Water Revenue Refunding Bonds 2016A	505,000
Water Revenue Refunding Bonds 2015A	1,665,000
Special Assessment Debt with Government Commi...	845,000
Notes Payable	<u>780,979</u>
Total liabilities payable from unrestricted assets	<u>12,165,962</u>
Liabilities payable from restricted assets:	
Accounts payable	860,473
Interest payable	<u>830,381</u>
Total liabilities payable from restricted assets	<u>1,690,854</u>
Total current liabilities	<u>13,856,816</u>
Noncurrent liabilities	
Compensated absences	783,329
Net pension liability	13,760,679
Long-term debt, excluding current portion:	
Wastewater Revenue Bonds 2018A	4,013,000
Water Revenue Refunding Bonds 2016A	14,375,953
Water Revenue Refunding Bonds 2015A	15,975,938
Special Assessment Debt with Government Commi...	5,470,000
Notes Payable	<u>11,961,998</u>
Total noncurrent liabilities	<u>66,340,897</u>
<b>Total liabilities</b>	<b><u>80,197,713</u></b>

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Statement of Net Position (Unaudited)  
All Funds  
11/30/2020

2021

**Deferred Inflows of Resources**

Deferred amounts on pension 722,696

**Total deferred inflows of resources** 722,696

**Net Position**

Investment in Capital Assets, net of related debt 334,246,272

Restricted Net Position 6,595,381

Unrestricted Net Position 63,214,528

**Total Net Position** 404,056,181

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Statement of Revenues, Expenses and Changes in Net Position (Unaudited)  
All Funds  
For the Five Months Ending 11/30/2020

	<u>2021</u>
<b>Operating Revenues:</b>	
Water Sales	\$27,975,277
Sewer Charges	472,047
Other Water Operating revenues	892,383
<b>Total Operating Revenues</b>	<u>29,339,706</u>
<b>Operating Expenses</b>	
Cost of Purchased Water Sold	14,042,962
Pumping and Water Treatment	1,711,021
Transmission and Distribution	1,626,488
Sewer Collection and Treatment	712,128
Elfin Forest Recreation Operations	161,910
Facilities Maintenance	444,356
Customer Service	920,100
General and Administrative	2,586,567
Depreciation and Amortization	2,824,400
<b>Total Operating Expenses</b>	<u>25,029,931</u>
<b>Operating Income (Loss)</b>	<b>4,309,775</b>
<b>Nonoperating Revenues (Expenses)</b>	
Investment income	265,766
Property taxes	487,194
Capacity charges	1,309,912
Benefit assessments	192,034
Other nonoperating revenues	6,131
Interest expense, net	(603,992)
Other nonoperating expenses	(43,132)
<b>Total nonoperating revenues (expenses)</b>	<u>1,613,913</u>
<b>Income before capital contributions</b>	<b>5,923,689</b>
<b>Capital contributions</b>	<u>60,735</u>
<b>Change in net position</b>	<b>5,984,423</b>
<b>Net Position, Beginning of year</b>	<u>398,071,758</u>
<b>Net Position, End of year</b>	<u><u>404,056,181</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT  
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
AS OF NOVEMBER 30, 2020

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from water and sewer customers	\$ 29,805,302
Payments for water	(14,415,716)
Payments for services and supplies	(6,854,340)
Payments for employee wages, benefits and related costs	(5,728,161)
<b>Net cash provided by operating activities</b>	<u>2,807,085</u>

**CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:**

Property taxes and benefit assessments received	672,240
<b>Net cash provided by noncapital and related financing activities</b>	<u>672,240</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Acquisition and construction of capital assets	(5,335,430)
Proceeds from Grants	716,020
Principal paid on bonds and certificates of participation	(1,033,120)
Interest paid on bonds and certificates of participation	64,204
Capacity charges received	1,309,913
Other capital financing receipts (expenses)	43,857
<b>Net cash used by capital and related financing activities</b>	<u>(4,234,556)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Net change in investments	-
Investment income received	423,182
<b>Net cash provided (used) by investing activities</b>	<u>423,182</u>

**Net increase (decrease) in cash and cash equivalents** (332,049)

**Cash and cash equivalents, beginning of year** 55,698,515

**Cash and cash equivalents, end of period** \$ 55,366,466

**FINANCIAL STATEMENT PRESENTATION:**

Cash and cash equivalents - current assets	49,516,755
Cash and cash equivalents - restricted assets	5,849,711
<b>Total cash and cash equivalents</b>	<u>\$ 55,366,466</u>

**CASH AND CASH EQUIVALENTS RECONCILIATION**

		<b>Balance Includes Mkt Securities</b>	<b>Without Mkt Securities</b>
Unrestricted cash	11/30/2020	69,934,701	49,516,755
Restricted cash	11/30/2020	7,171,727	5,849,711
<b>Total cash and cash equivalents</b>			<u>55,366,466</u>

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Consolidated Actual vs Budget Summary  
For the Five Months Ending 11/30/2020

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
<b>Operating Revenues</b>						
Commodity Water Sales	\$39,013,000.00	\$21,660,895.58	\$22,203,000.00	(\$542,104.42)	(2.4%)	1
Water Fees and Services	17,276,000.00	7,206,764.06	7,199,100.00	7,664.06	0.1%	
Sewer Revenue	4,865,000.00	472,046.58	286,000.00	186,046.58	65.1%	2
<b>Total Operating Revenues</b>	<b>61,154,000.00</b>	<b>29,339,706.22</b>	<b>29,688,100.00</b>	<b>(348,393.78)</b>	<b>(1.2%)</b>	
<b>Operating Expenses</b>						
Purchased Water - Variable	20,573,000.00	10,693,369.65	10,266,100.00	(427,269.65)	(4.2%)	1
Purchased Water - Fixed	8,100,000.00	3,349,592.10	3,349,590.00	(2.10)	(0.0%)	
General Manager Dept	1,961,000.00	615,105.07	817,550.00	202,444.93	24.8%	3
Engineering Dept	2,088,500.00	777,103.14	871,100.00	93,996.86	10.8%	3
Finance Dept	1,558,000.00	632,626.66	649,400.00	16,773.34	2.6%	3
Customer Service Dept	2,710,000.00	974,316.05	1,130,470.00	156,153.95	13.8%	3
Human Resources Dept	834,700.00	267,662.00	347,885.00	80,223.00	23.1%	3
Water Operations and Maintenance Dept	9,959,000.00	4,125,223.68	4,147,740.00	22,516.32	0.5%	3
Parks Dept	458,500.00	185,002.28	191,720.00	6,717.72	3.5%	3
Other Operating Expenses	50,000.00		21,000.00	21,000.00	100.0%	3
Sewer Operations and Maintenance Dept	2,773,000.00	1,053,458.40	1,156,200.00	102,741.60	8.9%	3
Recycled Water Operations Dept	1,168,000.00	503,759.94	486,850.00	(16,909.94)	(3.5%)	3
Paygo Transfers						
Water Operations	3,800,000.00	1,585,000.00	1,585,000.00		0.0%	
Sanitation Operations	1,400,000.00				0.0%	
Recycled Operations	2,200,000.00	915,000.00	915,000.00		0.0%	
Capitalized Operations Expenditures	(1,323,000.00)	(647,287.97)	(551,100.00)	96,187.97	(17.5%)	4
<b>Total Operating Expenses</b>	<b>58,310,700.00</b>	<b>25,029,931.00</b>	<b>25,384,505.00</b>	<b>350,204.23</b>	<b>1.4%</b>	
<b>Net Operating Income (Loss)</b>	<b>2,843,300.00</b>	<b>4,309,775.22</b>	<b>4,303,595.00</b>	<b>1,810.45</b>		
<b>Nonoperating Revenues</b>						
Water Funds	3,379,000.00	650,083.00	388,100.00	261,983.00	67.5%	5
Debt Service Funds	1,049,000.00	192,272.86	143,100.00	49,172.86	34.4%	6
Sewer Funds	27,000.00	12,428.83	11,400.00	1,028.83	9.0%	
Recycled Water Funds	61,000.00	28,269.29	25,400.00	2,869.29	11.3%	
<b>Total Nonoperating Revenue</b>	<b>4,516,000.00</b>	<b>883,053.98</b>	<b>568,000.00</b>	<b>315,053.98</b>	<b>55.5%</b>	
<b>Nonoperating Expense</b>						
Capacity Fee Funds	30,000.00	6,205.05	12,400.00	6,194.95	50.0%	
Debt Service Funds	1,517,385.22	636,511.51	635,317.80	(1,193.71)	(0.2%)	
Potable Water Funds	10,000.00	4,407.46	4,000.00	(407.46)	(10.2%)	
<b>Total Nonoperating Expense</b>	<b>1,557,385.22</b>	<b>647,124.02</b>	<b>651,717.80</b>	<b>9,001.24</b>	<b>1.4%</b>	
<b>Inc before Cap Fees and Capital Contributions</b>	<b>5,801,914.78</b>	<b>4,545,705.18</b>	<b>4,219,877.20</b>	<b>325,865.67</b>		
Capacity Fee Funds	515,000.00	1,377,983.47				
Capital contributions	400,000.00	60,734.66				
<b>Change in Net Position</b>		<b>5,984,423.31</b>				



OLIVENHAIN MUNICIPAL WATER DISTRICT  
Actual vs Budget Variance  
For the Five Months Ending 11/30/2020

1. Water Sales revenue was lower than Budget YTD by approximately \$540 thousand resulting in an unfavorable variance of 2.4%. The negative variance is primarily due estimates in unbilled water. Actual water consumption through the end of November is 486 acre feet more than budgeted, resulting in an unfavorable variance of approximately \$420 thousand or 4.2% for purchased water – variable costs.
2. Sewer Revenue was higher than Budget YTD for a favorable variance due to timing of receipts. 4S Ranch and Rancho Cielo Sanitation Districts' sewer service fees are collected on the County's tax roll when customers pay their property tax to the County. Actual YTD sewer service revenue will be closer to Budget YTD amount as the year progresses.
3. Actual departmental expenses varied from the Budget YTD amounts due to the timing of actual operating expenses. The Budget YTD amounts assume expenditures are incurred evenly throughout the year.
4. Actual Capitalized Operating Expenses were higher than the Budget YTD due to increased capitalized labor from staff time spent on large Capital Improvement Projects (CIP), such as the Valve Replacement project, El Camino Real Pipeline Replacement project, and the Rehabilitation of the Ultra-Violet Disinfection System.
5. Actual Non-operating Revenues – Water Funds were greater than Budget YTD for a favorable variance due to the timing of property tax revenues received from the County. Actual revenues are expected to align with Budget YTD as the year progresses.
6. Actual Non-operating Revenues – Debt Service Funds were greater than Budget YTD for a favorable variance due to the timing of benefit assessment funds received from the County. Actual revenues are expected to align with Budget YTD as the year progresses.

**Construction Work In Progress Report as of 11/30/2020**

Project Name	Budget	Appropriation to Date	Expenditures & Encumbrance	(Over) / Under
New and Remodeled Facilities	\$16,821,000	\$16,821,000	\$16,605,057	\$215,943
Replace El Camino Real PL	\$4,960,000	\$4,960,000	\$4,871,076	\$88,924
San Dieguito Desalination	\$42,837,000	\$3,962,000	\$3,419,915	\$542,086
Manchester Recyc PL Exten.	\$3,906,000	\$3,551,000	\$454,651	\$3,096,349
Rehab UV Disinfect. Sys.	\$3,420,000	\$3,420,000	\$3,156,076	\$263,924
Manchester Potable Pipeline	\$2,290,000	\$2,290,000	\$275,337	\$2,014,663
Replace Valves	\$9,121,000	\$1,250,000	\$1,014,059	\$235,941
Retrofit Pot to Recycled	\$740,000	\$740,000	(\$2,000)	\$742,000
Replace DCMWTP Membranes	\$8,336,000	\$725,000	\$556,136	\$168,864
Fixed Base AMI	\$3,278,000	\$673,733	\$249,599	\$424,134
Morning Sun PRS	\$640,000	\$640,000	\$530,178	\$109,822
Pipeline Replace. Assessment	\$590,000	\$590,000	\$587,707	\$2,293
DCMWTP Chem. Sys. Upgrade	\$525,000	\$525,000	\$298,633	\$226,367
Replace Pipelines	\$8,233,000	\$520,000	\$1,914	\$518,086
Replace Neighborhood 1 SPS	\$4,832,000	\$507,000	\$453,674	\$53,326
Lusardi Creek - Ext. 153	\$410,000	\$410,000	-	\$410,000
Storage Pond - Landscape	\$380,000	\$380,000	\$355,844	\$24,156
Golem PS Replacement	\$365,000	\$365,000	\$307,606	\$57,394
Lone Jack PRS	\$328,000	\$328,000	\$108,014	\$219,986
DCMWTP Valve Actuator	\$320,000	\$320,000	\$25,062	\$294,938
DCMWTP Analyzer Replace.	\$727,000	\$305,000	\$173,899	\$131,101
Lusardi Canyon CP	\$294,000	\$294,000	\$288,561	\$5,439
Replace 4S Clarifier Drives	\$271,000	\$271,000	\$103,119	\$167,881
Steel Mains Protection	\$3,120,000	\$260,000	\$64,165	\$195,835
Replace Potable Meters	\$4,042,000	\$260,000	\$78,981	\$181,019
Retrofit Pot. Service to Recyc	\$1,267,000	\$239,000	\$4,888	\$234,112
Network Security	\$1,126,000	\$220,000	\$153,516	\$66,484
Replace Headworks Manual Sys	\$3,160,000	\$212,000	\$29,405	\$182,595
Network User Enhancements	\$200,000	\$200,000	-	\$200,000
WW Biological Process Optimiz	\$196,000	\$196,000	\$173,526	\$22,474
Rancho La Cima/Aliso Canyon PL	\$165,000	\$165,000	\$62,474	\$102,526
Replace WW Pumps/ Motors/Equip	\$1,799,000	\$156,000	\$10,822	\$145,178
RSFe Rd PL Cond Assess	\$155,000	\$155,000	(\$519)	\$155,519
Pot & Recycled Master Plan	\$524,000	\$115,000	-	\$115,000
DCMWTP PH Control System	\$737,000	\$88,000	\$77,992	\$10,008
Phone System - Admin Bldg.	\$79,000	\$79,000	\$54,539	\$24,461
Replace Pot. Pumps and Motors	\$1,026,000	\$78,000	-	\$78,000
Palms I and II Reservoirs	\$1,307,000	\$72,000	\$72,785	(\$785) #
Vault Upgrades	\$105,000	\$70,000	-	\$70,000
District-Wide Facility Securit	\$70,000	\$70,000	-	\$70,000
Village Park PRS	\$60,000	\$60,000	\$130	\$59,870
Gardendale PRS	\$60,000	\$60,000	\$130	\$59,870
Rehab Concrete Tanks	\$727,000	\$53,000	\$61,292	(\$8,292) *
Replace Meter Anodes	\$1,496,000	\$50,000	\$276	\$49,724
HQ Facilities Enhancements	\$45,000	\$45,000	\$29,373	\$15,627
DCMWTP Trains 9 & 10 Valves	\$45,000	\$45,000	\$32,820	\$12,180
Rancho Cielo Manhole Lining	\$539,000	\$45,000	\$26,800	\$18,200
Parking & Access Improvements	\$265,000	\$41,000	-	\$41,000
Residuals Handling Bldg Canopy	\$482,000	\$40,000	\$39,529	\$471
Phone System - DCMWTP	\$40,000	\$40,000	-	\$40,000
Lower Yard Improvements	\$37,000	\$37,000	\$36,972	\$28
4S Physical Security Upgrades	\$35,000	\$35,000	-	\$35,000
DCMWTP Paint Equipment	\$28,000	\$28,000	-	\$28,000
Replace EFRR Interpretive Roof	\$22,000	\$22,000	-	\$22,000
4S System Manhole Lining	\$189,000	\$16,000	-	\$16,000
Meter Replacement, Recycled	\$164,000	\$14,000	-	\$14,000
<b>Total:</b>	<b>\$136,936,000</b>	<b>\$47,113,733</b>	<b>\$34,844,011</b>	<b>\$12,269,722</b>

\* Project is complete

# Misc. work done within budget but over appropriation

# Memo

Date: February 10, 2021

To: Olivenhain Municipal Water District Board of Directors

From: Cindy Pecile, Engineering & Right of Way Coordinator

Via: Kimberly A. Thorner, General Manager

Subject: **CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 408 FOR 16710 CAMINITO DE LAS PALMAS (JAFARI) AND ORDER THE PERMIT BE RECORDED**

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## Purpose

The purpose of this agenda item is to consider approval of Private Encroachment Permit No. 408 which would allow OMWD to enter into an encroachment permit agreement with Syed Asad Jafari and Robena Shaheen Jafari, trustees of The Jafari Family Trust for the encroaching facilities to serve 16710 Caminito de Las Palmas in the County of San Diego. The facilities encroach upon OMWD's Easement No. 866. Approval would additionally authorize the General Manager to sign the Encroachment Permit on behalf of OMWD for recordation by the County of San Diego Recorder's Office.

## Recommendation

Staff recommends approval of Encroachment Permit No. 408 and authorization for the General Manager to sign the permit on behalf of OMWD. The proposed encroaching facilities have been reviewed and approved by OMWD staff.

### **Alternative**

The Board of Directors could direct staff to not allow encroachments to be placed within the easement area.

### **Background**

The encroaching facilities will be installed within OMWD's easement No. 866 along the south property line of 16710 Caminito de Las Palmas in Director Division 4 (Bruce-Lane).

The encroaching facilities consist of a concrete paver driveway and concrete paver parking spaces with concrete banding, chain link fencing with posts 8-foot on center, an existing concrete driveway with cold joints every 10 feet, irrigation lines, and landscape material as outlined in the permit.

### **Fiscal Impact**

There is no fiscal impact to OMWD in approving Encroachment Permit No. 408. All costs to prepare the permit and install the encroaching facilities have been or will be paid for by Syed and Robena Jafari. The Encroachment Permit Agreement stipulates that the permittee is responsible for all costs incurred to remove and rebuild the encroaching facilities should OMWD need access to their facilities within the easement. The permit also sets forth OMWD's limitations of liability for any damage to the encroaching facilities which may be caused by OMWD's use of the easement.

### **Discussion**

The encroaching facilities will be constructed in a manner that will not unduly affect OMWD's daily operations or maintenance of OMWD facilities located in the easement. Staff recommends approval and will be available to answer any questions. A copy of the Encroachment Permit is attached for review.

*Attachment(s):*

*Encroachment Permit No. 408*

*Location map*

**RECORDING REQUESTED BY &  
WHEN RECORDED RETURN TO:**

Olivenhain Municipal Water District  
1966 Olivenhain Road  
Encinitas, California, 92024-5699

(This space for recorder's use)  
A.P.N. No. 267-145-05-00

**OLIVENHAIN MUNICIPAL WATER DISTRICT  
PRIVATE ENCROACHMENT PERMIT NO. 408**

THIS ENCROACHMENT PERMIT No. 408 (hereinafter "Agreement") entered into by and between the OLIVENHAIN MUNICIPAL WATER DISTRICT organized and existing pursuant to the Municipal Water District Act of 1911, California Water Code §71000, et seq. (hereinafter "DISTRICT"), and THE JAFARI FAMILY TRUST (hereinafter "PERMITTEE").

**R-E-C-I-T-A-L-S**

1. The DISTRICT presently holds title to an easement as more particularly described in the DISTRICT's Document No. 866, recorded February 6, 1991 as Doc. No. 1991-0052732, Official Records, San Diego County, not attached hereto, but incorporated herein by reference.
2. PERMITTEE desires to encroach upon this easement.
3. PERMITTEE is the owner of property described in Exhibit "A" attached hereto.
4. The parties agree that PERMITTEE shall be entitled to encroach upon this easement only to the extent and in the manner specified in this Agreement. No other encroachments shall be allowed without the express prior written consent of the DISTRICT.

## **C-O-V-E-N-A-N-T-S**

1. **Permission to Encroach on Easement:** PERMITTEE is hereby granted permission to encroach upon the easement referred to above in the manner specified in Exhibit “B” subject to all conditions specified in Exhibit “B” and subject to all terms of this Agreement.

2. **Limitations of Rights Granted to PERMITTEE:** Rights being granted to PERMITTEE in accordance with this Agreement shall extend only to such rights as the DISTRICT may grant to PERMITTEE in accordance with the terms of the easement presently held by DISTRICT. PERMITTEE shall be solely responsible for verifying that the rights being granted by DISTRICT may be granted to PERMITTEE in accordance with the terms of the DISTRICT’s easement.

3. **Construction of Encroachment:** PERMITTEE shall be solely responsible for all fees, costs, and expenses of whatever type or nature associated with construction of the encroachment. The DISTRICT shall be notified at least forty-eight (48) hours prior to commencement of construction of the encroachment and shall be permitted to inspect and approve all encroachment construction. All encroachment construction shall be carried out as specified by the DISTRICT, in its sole discretion.

3.1. PERMITTEE shall pay all costs of the DISTRICT’s, including, but not limited to, the costs of inspection, administration, legal fees, and engineering relating to the construction and exercise of permission granted to PERMITTEE by this Agreement.

4. **Maintenance of Encroachment Facilities and Area:** PERMITTEE shall maintain the encroachment facilities and encroachment area at all times in a safe, sanitary, and good condition at PERMITTEE’s sole cost and expense. PERMITTEE shall promptly perform all maintenance and repair of the facilities and encroachment area requested by the DISTRICT from time to time, in its sole discretion.

5. **Protection of DISTRICT Facilities in Encroachment Area:** All facilities of the DISTRICT in the encroachment area shall be protected by PERMITTEE as directed by the DISTRICT from time to time, in its sole discretion.

6. **Payment for all Damages and Expenses Caused by Encroachment:** PERMITTEE shall pay for all damages, of whatever type or nature, which may occur to the DISTRICT’S easement or

facilities within the easement as a result of construction, maintenance, use, repair, removal, or relocation of PERMITTEE's facilities.

6.1. PERMITTEE shall also pay for all fees and costs incurred by the DISTRICT to remove, demolish, or relocate PERMITTEE's facilities in order to repair, maintain, replace, relocate, or remove DISTRICT's facilities in the easement or to install new facilities in the easement as the DISTRICT may determine in its sole discretion.

6.2. Should the DISTRICT determine that PERMITTEE's facilities must be relocated, as the DISTRICT may determine in its sole discretion, PERMITTEE shall pay all fees and costs to remove and relocate these facilities.

6.3. All such payments shall be made within thirty (30) consecutive days following receipt of a written demand from the DISTRICT. The written demand shall specify the amount due and the type of losses or expenses incurred. Any amounts not received by the DISTRICT within this thirty (30) consecutive day period shall earn interest at the maximum rate authorized by California law.

7. **Indemnity:** PERMITTEE hereby agrees to hold harmless, defend and indemnify the DISTRICT and its agents, servants, employees, consultants, and officers from any and all claims, actions, liability, losses, costs, damage, or expense of whatever type or nature to any persons, entities, or property caused by, or claimed to be caused, in whole or in part, by the construction, maintenance, repair, replacement or use of the encroachment facilities or encroachment areas except claims caused by the sole active negligence or intentional misconduct of the DISTRICT or its agents or employees. This indemnity shall include all DISTRICT's attorney's fees, expert fees and costs, and court costs if the DISTRICT is named as a party in any litigation related to the encroachment.

8. **DISTRICT not Liable for Damage to Encroachment or Encroachment Area:** The DISTRICT shall not be liable for any damages whatsoever to the encroachment facilities or encroachment area related in any way to the DISTRICT's continued use of the easement or as a result of the DISTRICT's construction, use, repair, replacement, or relocation of any DISTRICT facilities within the easement.

9. **Other Uses Forbidden:** PERMITTEE is limited to the specific encroachment area and facilities granted by this Agreement. No other encroachment is permitted without the express prior written consent of the DISTRICT.

10. **Prior Rights:** This Agreement shall not alter, modify, or terminate, in any way, any of the prior rights of DISTRICT to use of the easement in accordance with its terms. PERMITTEE shall not be considered as acquiring any permanent interest of any kind or nature in the easement which is inconsistent with the rights of the DISTRICT.

11. **General Conditions:** The encroachment shall be subject to each of the following general conditions (where applicable):

11.1. A minimum vertical clearance of four (4) feet shall be maintained between the DISTRICT's facilities and the approved encroachment facilities.

11.2. A minimum horizontal clearance cover of fifteen (15) feet shall be maintained between the DISTRICT's facilities and the approved encroachment facilities.

11.3. The existing ground level over the DISTRICT's facilities shall not be changed without the prior written consent of the DISTRICT.

11.4. No blasting shall be permitted without the prior inspection and approval of the DISTRICT.

11.5. Heavy equipment is not permitted on the easement without DISTRICT notification and approval.

12. **Termination:** Violation of any of the terms of this Agreement by PERMITTEE shall constitute a material breach of this Agreement entitling the DISTRICT to unilaterally terminate this Agreement by written notice to PERMITTEE, in addition to all other relief afforded by applicable law. Upon receipt of notice of termination from the DISTRICT, PERMITTEE shall promptly remove all encroachment facilities and restore the encroachment area in the manner directed by the DISTRICT, in its sole discretion. All fees, costs, and expenses of removal and restoration shall be paid solely by PERMITTEE.



**13. Agreement as Covenant Running with Land and Binding on Successors:** The parties expressly agree that this Agreement shall be construed as a valid and binding equitable servitude and covenant running with the land which shall be binding upon the heirs, personal representatives, successors, assigns, or transferees of the parties hereto. The parties expressly waive the right to challenge the enforceability of this Agreement as a legal and binding equitable servitude and covenant running with the land in any subsequent arbitration or litigation between the parties or their successors.

**14. Attorney's Fees:** In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the prevailing party shall be entitled to all reasonable attorney fees and court costs in addition to such other relief as may be afforded by applicable law.

**15. Law Applied:** The validity, interpretation, construction, and performance of this Agreement shall be construed under the laws of the State of California and the applicable rules and regulations of the DISTRICT.

**16. Venue:** In the event of any arbitration or litigation to interpret or enforce the terms of this Agreement, venue shall lie only in the state or federal courts in or nearest to the North County Judicial District, County of San Diego, State of California.

**17. No Warranties:** There are no warranties or representations of any kind being made.

**18. Modification:** This Agreement shall not be altered in whole or in part except by a modification in writing executed by both parties to this Agreement.

**19. Meaning of "PERMITTEE":** The word PERMITTEE as used in this Agreement shall mean the PERMITTEE or any person or entity deriving any interest in this encroachment permit from PERMITTEE or its successors-in-interest.

**20. Attorney Representation:** The PERMITTEE acknowledges that this Agreement has been prepared by the Law Offices of Nossaman LLP, who represents only the DISTRICT. The PERMITTEE is hereby notified to seek the advice of independent counsel concerning this Agreement and its terms. PERMITTEE acknowledges that PERMITTEE has had the opportunity to do so prior to executing this Agreement.

21. **Effective Date:** The effective date of this permit is \_\_\_\_\_, 20 \_\_\_\_.

22. **Board of Director’s Approval:** This Agreement is executed by the DISTRICT pursuant to Board action of \_\_\_\_\_, 20 \_\_\_\_.

**“DISTRICT”**

OLIVENHAIN MUNICIPAL WATER DISTRICT

Dated: \_\_\_\_\_, 20\_\_\_\_

By: \_\_\_\_\_  
Kimberly A. Thorner  
General Manager

**“PERMITTEE”\***

THE JAFARI FAMILY TRUST

Dated: \_\_\_\_\_, 20\_\_\_\_

By: \_\_\_\_\_  
Syed Asad Jafari, Trustee

Dated: \_\_\_\_\_, 20\_\_\_\_

By: \_\_\_\_\_  
Robena Shaheen Jafari, Trustee

\*PERMITTEE’S SIGNATURE MUST BE NOTARIZED WITH NOTARY SEAL.

**EXHIBIT “A”**  
**Sheet 1 of 1**

**Legal Description**

PARCEL 3 OF PARCEL MAP NO. 16606 IN THE CITY OF ENCINITAS, COUNTY OF SAN DIEGO,  
STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO  
COUNTY, AUGUST 29, 1991 AS DOC NO. 91-445099

**EXHIBIT “B”**  
**Sheet 1 of 2**

1. **Encroachment Facilities:**

- a. Concrete paver driveway and additional parking spaces. Pavers to be set on a sand base with concrete banding
- b. Chain link fencing with posts at 8 feet on center
- c. Existing concrete driveway with cold joints every 10 feet
- d. Irrigation lines
- e. Landscape material per Item C – Special Conditions of Encroachment

2. **Encroachment Area:**

The encroachment facilities encroach upon DISTRICT Easement No. 866 as shown on Exhibit ‘B’ Sheet 2 of 2.

3. **Special Conditions of Encroachment:**

- A. No facilities other than those identified in this encroachment permit shall be placed within the DISTRICT’s easement without the DISTRICT’s prior written approval.
- B. The DISTRICT shall not be responsible for the replacement of encroaching facilities placed within the easement area should they be required to be removed for installation, construction, repair, relocation or maintenance of DISTRICT facilities or any other work undertaken at the sole discretion of the DISTRICT.
- C. No trees are permitted to be planted within the limits of the DISTRICT easement. Low bushes not exceeding 3-feet in height and groundcover are permitted within the limits of the easement.

30' OMWD  
EASEMENT No. 866



PL

RW

PAVED PORTION  
ARTESIAN ROAD

PROPOSED  
CONCRETE  
PAVER  
DRIVEWAY

PROPOSED  
CONCRETE  
PAVER ADD'L  
PARKING  
SPACES

PROPOSED  
CHAIN LINK  
FENCE W/  
POSTS 8' O.C.  
(TYP.)

PL & CENTERLINE  
ARTESIAN ROAD

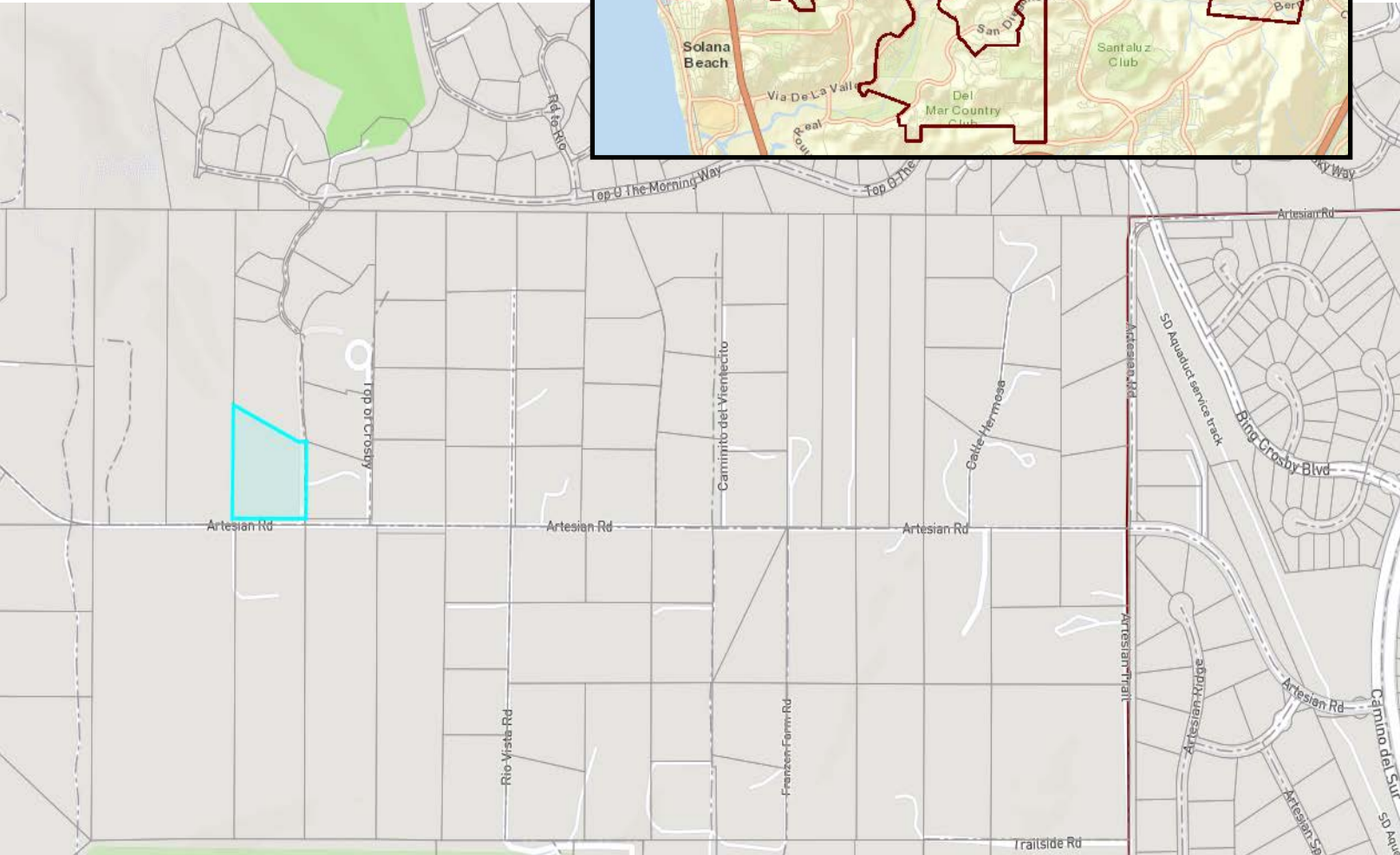
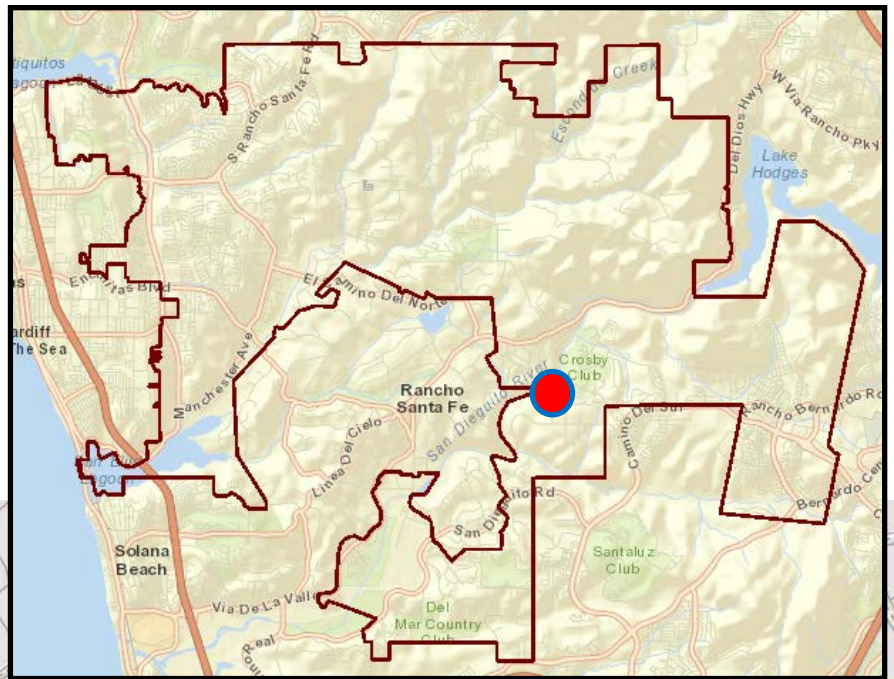
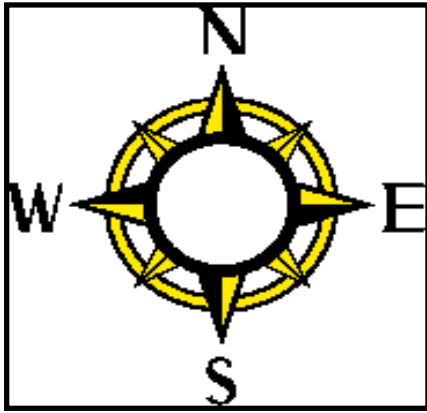
16710 CAMINITO  
DE LAS PALMAS

RW

EXIST.  
OMWD  
14" PVC  
RECYCLED  
WATER

EXIST.  
CONCRETE DRIVE

PL



**PRIVATE ENCROACHMENT PERMIT NO. 408**  
**16710 CAMINITO DE LAS PALMAS (JAFARI)**  
**DISTRICT PROJECT NO. W430045**

# Memo

Date: February 10, 2021  
To: Olivenhain Municipal Water District Board of Directors  
From: Jason P. Hubbard, Engineering Manager  
Via: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER ACCEPTANCE OF THE 4S RANCH WATER RECLAMATION FACILITY ULTRAVIOLET DISINFECTION SYSTEM REPLACEMENT PROJECT (STANEK CONSTRUCTORS, INC) INTO THE DISTRICT'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED**

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## Purpose

The purpose of this agenda item is to consider acceptance of the 4S Ranch Water Reclamation Facility (WRF) Ultraviolet Disinfection System Replacement project (WRF UV) constructed by Stanek Constructors, Inc. (Stanek) into the District's system and authorize the filing of a Notice of Completion with the San Diego County Recorder.

## Recommendation

Staff recommends acceptance of the WRF UV project into OMWD's system

## Alternative(s)

There are no alternatives to accepting the project into OMWD's system. The new system has been installed to OMWD's plans and specifications and construction is complete.

## **Background**

OMWD owns and operates the WRF, located in Director Division 4 (Bruce-Lane), which treats wastewater flows from the 4S Ranch and Rancho Cielo developments. These flows are treated and disinfected for use as tertiary treated recycled water throughout the Southeastern portion of OMWD. Disinfection at the facility is accomplished through the use of low-pressure UV light. The existing UV disinfection system, made by Trojan Technologies, was installed around 2000 at the time the plant was expanded from 0.25 MGD to 2.0 MGD. In early 2015, OMWD received a letter from Trojan indicating that the current system (Trojan UV 3000) was being phased out and would no longer be supported. After a public bid process, the Board awarded the construction contract to Stanek at its March 2019 meeting. Construction for the project began in May 2019.

## **Fiscal Impact**

There were five (5) construction change orders for the project resulting in a net increase of \$145,508.04 which represents 6.3% of the construction contract and an increase of 340 calendar days due to changes from the original scope of work as outlined in the table below. Staff negotiated with the project designer, Carollo Engineers, Inc. (Carollo) for items contained in the change orders attributed to professional errors and omissions. Of the \$145,508.04 in total change orders, \$46,000 has been credited back by Carollo to OMWD.



	Brief Description	Amount (\$)	Contract Calendar Days
	Original contract price	\$2,295,000	270
CO#1	Contract extension delays in material procurement and regulatory testing	\$0	126
CO#2	Additional work due to different field conditions not represented on the plans and the deletion of several contract items determined to not be required	\$(8,222.42)	0
CO#3	Purchase of two (2) Hach Total Chlorine Analyzers due to a specification conflict	\$17,352	22
CO#4	Delays and additional work needed for the Temporary Chlorine Contact Facility to comply with DDW Title 22 requirements	\$75,000	176
CO#5	Additional work to address several field conditions that were found during construction to be different than shown on the plans	\$61,375	16
	Total	\$2,440,504.58	610

### Discussion

The new system has been installed to OMWD's plans and specifications and construction is complete. The system completed a 44-day operational process period ending February 9, 2021. The new UV system is fully operational and is now in service.

Staff is available to answer any questions you may have.

*Attachment(s):  
Notice of Completion;  
Project Location Map*

**RECORDING REQUESTED BY &  
WHEN RECORDED RETURN TO:**

Olivenhain Municipal Water District  
1966 Olivenhain Road  
Encinitas, California, 92024-5699

(This space for recorder's use)

**NOTICE OF COMPLETION**

NOTICE IS HEREBY GIVEN that the facilities for the 4S Water Reclamation Facility UV Disinfection Replacement Project located at 16595 Dove Canyon Road, San Diego, CA 92127, in the County of San Diego, State of California for which the OLIVENHAIN MUNICIPAL WATER DISTRICT ("Owner," in fee), headquartered at 1966 Olivenhain Road, Encinitas, CA 92024, contracted with STANEK CONSTRUCTORS, INC. ("Contractor"), located at 701 Palomar Airport Road, Suite 280, Carlsbad, CA 92011, have been completed in accordance with District specifications as of December 15, 2020. The facilities have been accepted by the Board of Directors of the OLIVENHAIN MUNICIPAL WATER DISTRICT on this 10th day of February, 2021.

In witness whereof this Notice of Completion has been executed under authority from the Board of Directors of said OLIVENHAIN MUNICIPAL WATER DISTRICT by Kimberly A. Thorner, General Manager.

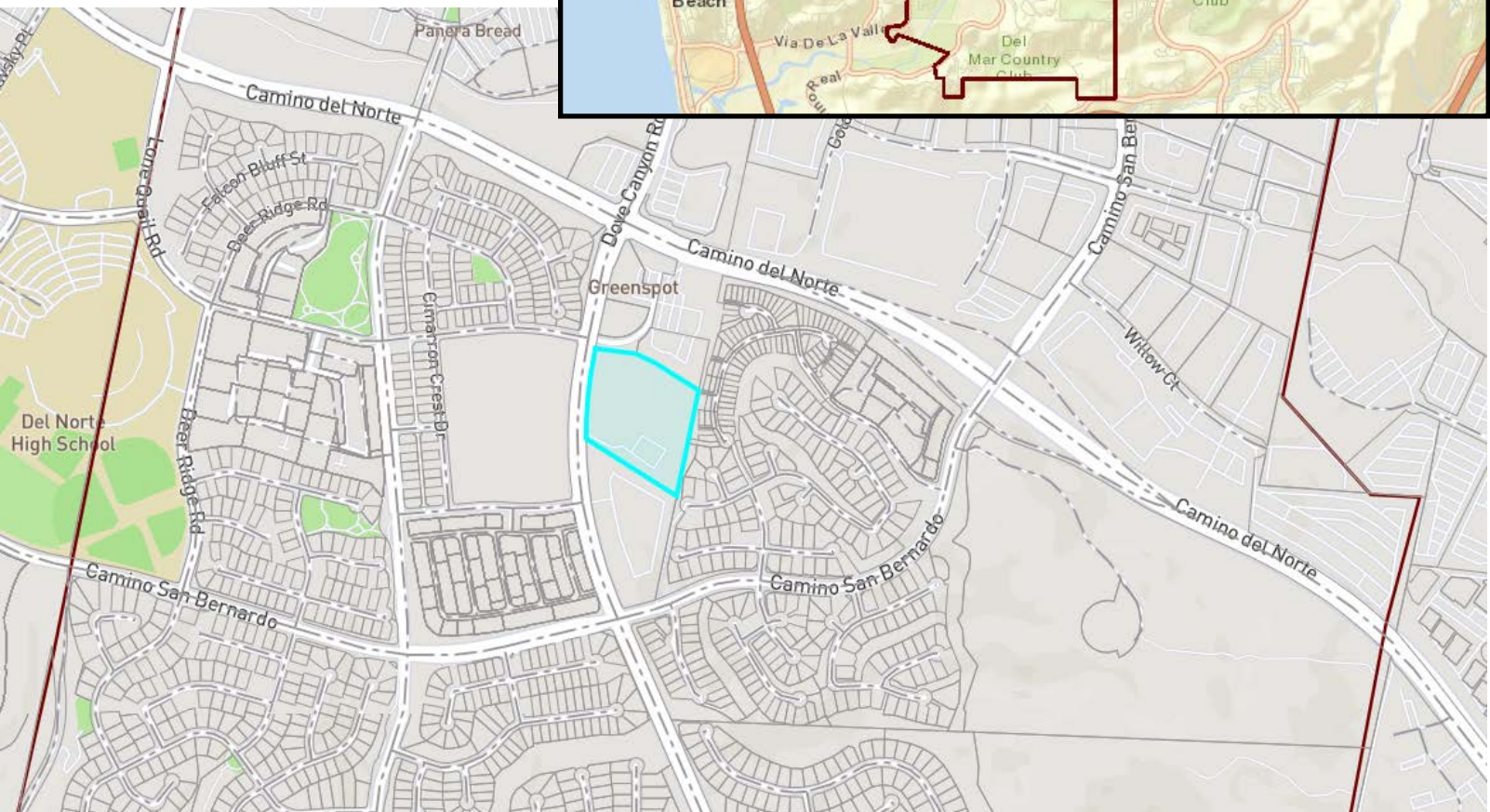
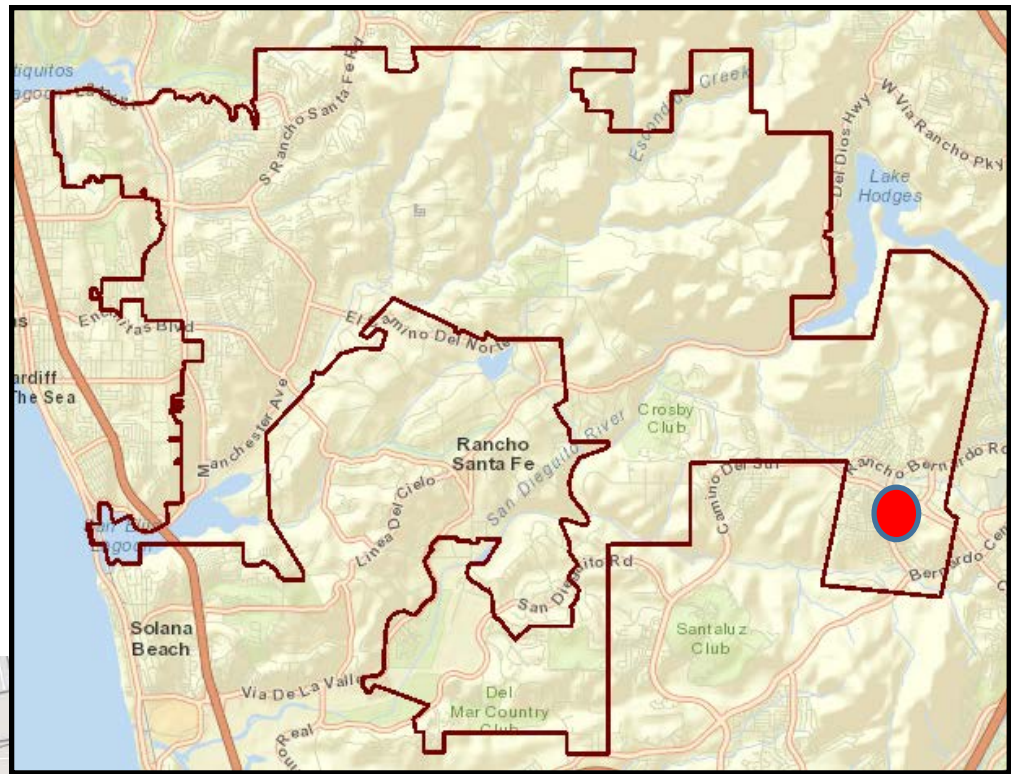
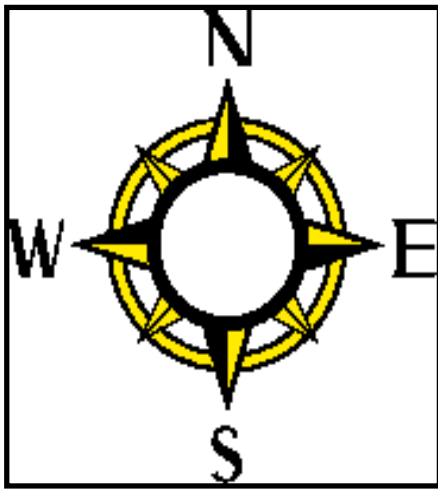
KIMBERLY A. THORNER, being first duly sworn, deposes and says that she is General Manager of the OLIVENHAIN MUNICIPAL WATER DISTRICT and is familiar with the facts stated in the foregoing Notice of Completion executed for and on behalf of said Agency, that she has read the foregoing Notice of Completion and knows the contents thereof and that the same are true.

OLIVENHAIN MUNICIPAL WATER DISTRICT

Date: \_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
Kimberly A. Thorner  
General Manager

District Project No. D700020 – 4S WRF UV Disinfection Replacement Project



**4S WATER RECLAMATION FACILITY UV DISINFECTION  
REPLACEMENT PROJECT  
DISTRICT PROJECT NO. D700020**

# Memo

pDate: February 10, 2021  
To: Olivenhain Municipal Water District Board of Directors  
From: Teresa L. Chase, Administrative Analyst  
Via: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER FINALIZING THE ANNUAL OBJECTIVES FOR CALENDAR YEAR 2021**

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## **Purpose**

The purpose of this agenda item is to finalize OMWD's annual objectives and stretch objectives for calendar year 2021.

## **Recommendation**

Staff recommends approval of the 2021 annual objectives and stretch objectives.

## **Alternative(s)**

- The board may choose to modify the 2021 annual or stretch objectives.
- The board may direct staff as otherwise deemed appropriate.

## **Background**

The board reviewed and provided comments on 62 annual objectives and 15 stretch objectives at the January 13 board meeting. The following objectives were added after incorporating board direction:

Goal: Operating Elfin Forest Recreational Reserve in the most cost-effective, safe, environmentally responsive, and service-oriented manner.

Objective: Report to board on the status of EFRR parking lot expansion efforts and the safety of ingress and egress at EFRR

Goal: Maintaining open communication and participation with the public through active conservation and educational programs as well as continually seeking customer input for informed decision-making.

Stretch objective: Engage and influence SDCWA to review education programs to include focus on water infrastructure

There are now 63 annual objectives and 16 stretch objectives for board consideration.

### **Fiscal Impact**

There are no costs directly associated with the approval of the annual objectives. Any costs necessary to complete the annual objectives will be addressed and included in the annual budget.

### **Discussion**

Pending board approval, the attached objectives will be included in the 2021 update to OMWD's Strategic Plan. Staff will provide an update on the status of each objective, as well as OMWD's "Tiger Team" cost savings program, on the Consent Calendar at the April and July board meetings. A final presentation on 2021 objectives and cost savings will be provided at the October 13 board meeting, with a final status report on 2021 objectives included on the January 2022 Consent Calendar.

*Attachments: Annual Objectives PowerPoint Presentation*

# 2021 Annual Objectives

February 10, 2021  
Board of Directors Meeting







# 2021 Annual Objectives

- A total of 63 objectives and 16 stretch objectives are proposed for calendar year 2021

### 1. Providing safe, reliable, high-quality drinking water to each customer in a cost-effective manner.

#### Objective

1. Complete Train 6 membrane replacement at David C. McCollom Water Treatment Plant and commence membrane replacement of one additional train depending on the priority needs of the trains
2. Commence construction of David C. McCollom Water Treatment Plant dedicated pH control system (chemical storage and feed systems equipment and controls)
3. Complete conversion to the use of 40% liquid ammonium sulfate at the Ammonia Feed Injection Facility to minimize costs and safety impacts
4. Commence Drone Inspection Pilot Program; report findings to Facilities Committee
5. Enhance use of Enterprise Asset Management system to achieve better understanding of maintenance management; report findings to Facilities Committee
6. Perform an internal audit of asset redundancy and equipment reliability based on previous independent reports; report findings to Facilities Committee
7. Outside of bird breeding season, complete maintenance of five impacted easements



## 1. Providing safe, reliable, high-quality drinking water to each customer in a cost-effective manner.

### Objective

#### Stretch Objectives:

- Complete maintenance of three additional impacted easements beyond Objective 7
- Revise the existing developer agreement to better protect OMWD regarding shutdowns, facility standby, facility locating, and authorized work hours; achieve General Counsel and board approval of revisions

## **2. Providing wastewater collection and treatment services in an environmentally responsible manner, and producing and supplying high-quality recycled water to irrigation customers in support of regional water conservation efforts.**

### **Objective**

8. Complete design and issue a request for proposals for the 4S Ranch Neighborhood 1 Sewer Pump Station Replacement Project.
9. Complete construction of the 4S Ranch Water Reclamation Facility Clarifier Drive Replacement Project
10. Complete design of 4S Ranch Water Reclamation Facility Headworks Screening System
11. Complete a minimum of five new recycled water connections/conversions
12. Commence implementation of inflow and infiltration study findings from the Rancho Cielo Collection System Study
13. Evaluate and implement new cross-connection software by which outside backflow testers will enter test results electronically
14. Evaluate and implement a Wet Weather Incentive Credit to incentivize the use of recycled water upon certain conditions as discussed with Regional Board

### Stretch Objective:

- Complete two additional recycled water connections/conversions beyond Objective 11



### 3. Operating Elfin Forest Recreational Reserve in the most cost-effective, safe, environmentally responsive, and service-oriented manner.

#### Objective

15. Continue education program for elementary schools in partnership with the Escondido Creek Conservancy, Nature Collective, and San Diego Zoo as COVID restrictions allow
16. Participate in I Love a Clean San Diego Creek to Bay Cleanup event if COVID restrictions allow
17. Utilize volunteer groups such as San Diego Mountain Bike Association and EFRR trail patrol for two trail maintenance/repair projects as COVID restrictions allow
18. Host fifteenth annual photo contest if COVID restrictions allow
19. Complete Native American dwelling structure and interpretive display
20. Monitor oak trees within EFRR for signs of Golden Spotted Oak Borer beetle damage, document findings, and report findings to EFRR Executive Committee
21. Host water conservation workshop at Elfin Forest Interpretive Center Honoring Susan J. Varty if COVID restrictions allow
22. Develop and implement improved system for documenting trail maintenance to better identify future labor and budgetary demands
23. Report to board on the status of EFRR parking lot expansion efforts and the safety of ingress and egress at EFRR

### **3. Operating Elfin Forest Recreational Reserve in the most cost-effective, safe, environmentally responsive, and service-oriented manner.**

#### **Objective**

##### Stretch Objectives:

- Cooperate with I Love a Clean San Diego on additional clean-up day if COVID restrictions allow
- Work with volunteer groups on two additional trail maintenance events if COVID restrictions allow

## 4. Pursuing alternative and renewable energy sources as a means of offsetting costs and energy charges, providing sustainability.

### Objective

- 24. Continue partnerships with energy providers and third-party consultants to optimize energy costs
- 25. Collect energy intensity data to determine total energy required to treat and convey potable and recycled water



### 5. Providing a safe, healthful, and rewarding work environment which encourages communication as well as values employee participation and personal achievement.

#### Objective

26. Negotiate a new Memorandum of Understanding with the employee associations (Bargaining Unit Members Association & District Employees Association), including potential salary review and range adjustments with a focus on employee retention
27. Prepare the staffing analysis succession planning document; present to the Personnel Committee and full board
28. Conduct training for managers and supervisors on emotional intelligence
29. Provide optional training for all staff on developing leadership skills
30. Create internal COVID task force to address employee COVID concerns with General Manager serving on task force

#### Stretch Objective:

- Resume progress towards new safety record by completing the year with no preventable lost-time injuries

### 6. Exceeding all federal, state, and local regulatory requirements for providing potable water, wastewater treatment, and recycled water.

#### Objective

31. Submit the Urban Water Management Plan 2020 Update to the Department of Water Resources
32. Revise Water Supply Shortage Ordinance to meet new state requirements
33. Create interdepartmental committee to provide greater oversight for stormwater issues at headquarters and 4S Ranch Water Reclamation Facility; conduct two meetings
34. Conduct pre-qualification of contractors for the Valve Replacement Project; enhance experience of in-house staff by completing replacement of 25 valves
35. Identify and raise 10 fire hydrants to grade
36. Analyze costs and benefits of performing a leak detection survey on potable and recycled distribution systems

#### Stretch Objectives:

- Complete replacement of 10 additional valves beyond Objective 33
- Develop a transition plan for resuming disconnections for non-payment in compliance with Senate Bill 998 (2018) upon discontinuation of the statewide moratorium



## 7. Minimizing all of OMWD's operational costs while maintaining a high level of customer service.

### Objective

- 37. Complete Phase VI of the Advanced Metering Infrastructure implementation project
- 38. Transition to multiple billing cycles to improve responsiveness to customers and more promptly provide consumption data
- 39. Continue to pursue local, state, federal, and private grant funding to offset costs
- 40. Continue COVID outreach campaign to keep customers informed of OMWD's response
- 41. Resume holding public meetings in boardroom once COVID restrictions allow

### Stretch Objective:

- Achieve one or more new grant awards



### 8. Maintaining open communication and participation with the public through active conservation and educational programs as well as continually seeking customer input for informed decision-making.

#### Objective

- 42. Complete design and commence installation of a water use efficiency demonstration garden at OMWD headquarters
- 43. Conduct comprehensive review of OMWD's website and implement updates to improve transparency and user experience, including development of an "owner/developer projects" webpage
- 44. Continue #whatisthatthing outreach campaign to improve customer awareness of water infrastructure
- 45. Conduct outreach to maximize customer awareness of the My Water Use portal and leak-detection devices
- 46. Update bill statements to improve graph readability
- 47. Host headquarters open house event if COVID allows
- 48. Continue to develop messaging to protect customers' interests and to ensure customer awareness of State Water Resources Control Board water use efficiency regulations and new legislative requirements
- 49. Partner with local businesses, vendors, and community organizations on a public service announcement and/or workshop

### 8. Maintaining open communication and participation with the public through active conservation and educational programs as well as continually seeking customer input for informed decision-making.

#### Objective

##### Stretch Objectives:

- Produce five or more new videos to convey messages to customers
- Enroll minimum of 1,500 customers in engagement portal
- Win award from CSDA, ACWA, or other local industry group
- Engage and influence SDCWA to review education programs to include focus on water infrastructure



### 9. Ensuring that financial plans, policies, and practices maintain the ability of OMWD to construct, operate, and maintain all approved facilities including replacement funds for future needs.

#### Objective

50. Conduct comprehensive review of purchasing guidelines in Article 6 to bring in line with industry standards
51. Streamline accounts payable by converting from manual checks to electronic fund transfers
52. Complete annual review of water rates and charges
53. Complete mid-term review of biannual budget and provide board with status update on two-year budget process
54. Complete sewer rate cost-of-service study in preparation for sewer rate hearing in March 2021 and implementation of new rates on July 1, 2021
55. Submit the fiscal year 2021 Comprehensive Annual Financial Report to Government Finance Officers Association for its annual financial reporting excellence award

#### Stretch Objective:

- Keep operations and maintenance budget increase to 3% or less for fiscal year 2022

## 10. Planning and constructing the Master Plan of Facilities to meet the long-term water storage, treatment, transmission, and distribution needs of OMWD.

### Objective

56. Complete construction of the El Camino Real Pipeline Replacement and Green Bike Lane Project
57. Substantially complete ( $\geq 75\%$ ) construction of the Manchester Avenue Potable Water Pipeline Replacement Project
58. Commence construction of the Lone Jack Pressure Reducing Station Replacement Project

### Stretch Objective:

- Commence design of the Rancho Santa Fe Unit A North Pipeline Replacement Project based on the 2020 Condition Assessment Report

## **11. Establishing programs and policies to develop alternative water supplies to serve existing and future customers.**

### **Objective**

59. Conduct workshop with the board regarding San Dieguito Valley Brackish Groundwater Desalination Project pump test results and next steps



### 12. Cultivating supportive and positive relationships with the federal, state, and local agencies which may impact OMWD's operations.

#### Objective

60. Conduct workshops with board to review OMWD's position on Delta Conveyance Project, Salton Sea issues, and updates on SDCWA's proposed Regional Conveyance System
61. Conduct informational workshop with board on Fallbrook and Rainbow LAFCO reorganization
62. Engage and influence State Water Resources Control Board regulations and water use efficiency legislation utilizing OMWD's advocate in Sacramento
63. Participate with Department of Water Resources' workgroup on Standards, Methodologies, and Performance Measures and influence statewide policy

#### Stretch Objective:

- Coordinate and participate in EFRR first responder scenario training with Rancho Santa Fe Fire Protection District

# Memo

Date: February 10, 2021

To: Olivenhain Municipal Water District Board of Directors

From: Kimberly Thorner, General Manager

Subject: **CONDISER ADOPTION OF A RESOLUTION OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT UPDATING THE DISTRICT'S REPRESENTATIVE AND RECONFIRMING THE DESIGNATION OF MICHAEL HOGAN OF THE SANTA FE IRRIGATION DISTRICT TO VOTE IN THE ABSENCE OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S REPRESENTATIVE TO THE SAN DIEGO COUNTY WATER AUTHORITY**

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## Purpose

The purpose of this resolution is to update the District's proxy resolution with the correct San Diego County Water Authority (SDCWA) representative, Kimberly Thorner. Should the representative be unable to attend an SDCWA board meeting, the District is also reconfirming the designation of Michael Hogan of the Santa Fe Irrigation District to vote in the absence of the Olivenhain Municipal Water District's representative.

## Recommendation

Staff recommends adopting the updated proxy resolution to include the District's current SDCWA representative, Kimberly Thorner, and to reconfirm Michael Hogan of Santa Fe Irrigation District (SFID) to vote on behalf of the Olivenhain Municipal Water District when our representative is absent from a meeting of the SDCWA. This is otherwise known as a proxy vote.

### **Alternative(s)**

- The board may choose not to adopt this resolution. However, this will leave the prior District's SDCWA representative in the resolution and would not reflect our current SDCWA representative.

### **Background**

At the November 18, 2021, the Board unanimously voted Kimberly Thorner as the District's SDCWA representative and on January 6, 2021, Kimberly Thorner was sworn in at SDCWA. Director Topolovac followed by Director Guerin were the District's former SDCWA representatives and had previously utilized Michael Hogan as the District's SDCWA proxy vote.

Effective April 2013, Michael Hogan of the Santa Fe Irrigation District was designated to vote in the absence of the Olivenhain Municipal Water District's representative. The designation of Michael Hogan as the District's proxy vote remains the same and is reconfirmed. The update of this new resolution updates the District's SDCWA representative as Kimberly Thorner.

### **Fiscal Impact**

There is no fiscal impact to adopting this resolution.

### **Discussion**

This request was made in order to update the District's current proxy resolution with the accurate SDCWA representative. Staff will be on hand to answer questions.

*Attachment: Resolution 2021-xx*



RESOLUTION NO. 2021-XX

A RESOLUTION OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT UPDATING THE  
DISTRICT'S REPRESENTATIVE AND RECONFIRMING THE DESIGNATION OF  
MICHAEL HOGAN OF THE SANTA FE IRRIGATION DISTRICT TO VOTE IN THE ABSENCE OF THE  
OLIVENHAIN MUNICIPAL WATER DISTRICT'S  
REPRESENTATIVE TO THE SAN DIEGO COUNTY WATER AUTHORITY

WHEREAS, Section 6(g) of the County Water Authority Act provides that a member agency's representative to the San Diego County Water Authority may designate another member of the Board of Directors of the San Diego County Water Authority to vote in the absence of such representative, provided the designee is confirmed by the governing body of the member agency; and

WHEREAS, Kimberly A. Thorner, the District's representative to the San Diego County Water Authority, wishes to keep the designation of Michael Hogan of the Santa Fe Irrigation District to vote in her absence; and

WHEREAS, the Olivenhain Municipal Water District desires to reconfirm the designation.

NOW, THEREFORE, BE IT RESOLVED by the Olivenhain Municipal Water District Board of Directors as follows:

Section 1. Reaffirming the designation of Michael Hogan of the Santa Fe Irrigation District to vote in the absence of the Olivenhain Municipal Water District's representative to the San Diego County Water Authority board of directors is hereby confirmed.

Section 2. The Secretary of the board is directed to file a certified copy of this Resolution with the Clerk of the Board of the San Diego County Water Authority.

PASSED, ADOPTED AND APPROVED by the Board of Directors of the Olivenhain Municipal Water District at a regular meeting held on February 10, 2021.

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Lawrence A. Watt, President  
Board of Directors  
Olivenhain Municipal Water District

ATTEST:

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Edmund K. Sprague, Secretary  
Board of Directors  
Olivenhain Municipal Water District

# Memo

Date: February 10, 2021  
To: Olivenhain Municipal Water District Board of Directors  
From: Rainy Selamat, Finance Manager  
Via: Kimberly Thorner, General Manager  
Subject: **CONSIDER ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT DESIGNATING DEPOSITORIES AND AUTHORIZING INVESTMENTS FOR THE MONEY OF THE DISTRICT AND DESIGNATING THE SIGNATORIES FOR THE MANAGEMENT OF THE DISTRICT DEPOSITS AND RESCINDING RESOLUTION 2019-01**

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## Purpose

The purpose of this item is to consider adoption of a resolution to reflect the 2021 Board roster of positions and to add Jared Graffam, Financial Analyst, to the list of authorized signers on the District's Business Checking (less than \$25,000.00) and Payroll accounts with California Bank and Trust.

The attached resolution was also updated to remove Robert M. Kephart from the District's list of authorized signatures and add Director Bruce-Lane to the authorized list of signers, and to include the new board roster of positions approved by the Board at the December 9, 2020 board meeting.

## Recommendation

It is recommended that the Board adopt the attached resolution and rescind Resolution 2019-01.

### **Alternative**

This is a housekeeping item. The Board may decide not to adopt the attached resolution as recommended by staff and instruct staff otherwise, however, the attached resolution matches the current Board roster and staffing at OMWD.

### **Background**

This resolution is updated regularly to reflect changes to the Board roster of positions.

Cathy Collier is going to retire in April 2021 after 25 years of service with the District as District Project Accountant. The Project Accountant core functions will be assigned to Jared Graffam and Leo Mendez. Adding Jared to the District's authorized California Bank and Trust's check signers list (for checks less than \$25,000.00 and payroll checks) would provide more flexibility for the Finance department since electronic payment transactions with California Bank and Trust will require two authorized individuals for approval. The District also requires two authorized persons for reviewing and approving cash disbursements.

### **Fiscal Impact**

Not Applicable.

### **Discussion**

The attached resolution was also updated to remove Robert M. Kephart from the District's list of authorized signatures and add Director Bruce-Lane to the authorized list of signers, and to include the new board roster of positions approved by the Board at the December 9, 2020 board meeting.

Staff is available to answer any questions.

RESOLUTION NO. 2021-xx

RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN  
MUNICIPAL WATER DISTRICT DESIGNATING DEPOSITORIES AND  
AUTHORIZING INVESTMENTS FOR THE MONEY OF THE DISTRICT  
AND DESIGNATING THE SIGNATORIES FOR THE MANAGEMENT OF  
THE DISTRICT DEPOSITS AND RESCINDING RESOLUTION 2019-01

WHEREAS, there is a Local Agency Investment Fund in the State Treasury, Government Code Section 16429.1 et. seq., which Fund is used as a depository for the District; and

WHEREAS, there is a Legacy Treasury Direct in the Department of the Treasury Bureau of the Public Debt, which is used as a depository for the District; and

WHEREAS, the District intends to deposit Funds in the California Asset Management Program (CAMP), and

WHEREAS, the District is authorized to deposit funds for safekeeping in State and National banks or State or Federal savings and loan associations under the conditions outlined in Government Code Section 53635.5 et. seq. (Deposit of Funds); and Government Code Section 61737.01 et. seq. (Deposit of Funds); and Government Code Section 61737.01 et. seq. (Alternate Depository of District Money); and the District desires to continue to utilize those facilities for the deposit of funds; and

WHEREAS, the District has from time to time authorized the deposit of funds in various banks and savings and loan associations and has consolidated those resolutions into a single resolution together with the authorization for signatories in the management of the District's accounts; and

WHEREAS, California Water Code Section 71361 provides that "The Treasurer, or such other person or persons as may be authorized by the Board, shall draw checks or warrants or electronic fund transfers to pay demands when such demands have been audited and approved in the manner prescribed by the Board"; and

WHEREAS, the District is authorized to make investments under the conditions outlined in Government Code Section 53601 et. seq. (Investment of Surplus); and

WHEREAS, the District desires to invest surplus funds in investments as permitted under Government Code Sections 53600, et seq.; and

WHEREAS, Section 71365 of the California Water Code provides for bonding the General Manager, Secretary, Treasurer and other employees or assistants as designated by the Board with premiums to be paid by the District and Section 71306 provides that the Board may require and fix the amount of all official bonds necessary for protection of the funds and property of the District.

RESOLUTION 2021-xx *continued*

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

SECTION 1: The following financial institutions are designated as depositories of the District funds:

CALIFORNIA BANK & TRUST	(Business Checking Account, Payroll Account, Loan, and Investments)
LINCOLN NATIONAL LIFE INS	(Deferred Compensation Plan Only)
CALIFORNIA PUBLIC EMPLOYEE RETIREMENT SYSTEM 457 PLAN	(Deferred Compensation Plan Only)
MUFG UNION BANK NA	(Investments and Bond Reserve & Service Funds)
U.S. BANK NA	(Investments and Bond Reserve & Service Funds)
UBS FINANCIAL SERVICES, INC	(Investments)
RAYMOND JAMES FINANCIAL, INC	(Investments)

SECTION 2: The persons authorized to sign documents relating to the management of any District funds listed in Section 1 are any one of the following persons:

PRESIDENT	LAWRENCE A. WATT
VICE PRESIDENT	KRISTIE BRUCE-LANE
TREASURER	CHRISTY GUERIN
SECRETARY	EDMUND K. SPRAGUE
DIRECTOR	ROBERT F. TOPOLOVAC
GENERAL MANAGER	KIMBERLY A. THORNER
ASSISTANT GENERAL MANAGER	JOSEPH RANDALL
FINANCE MANAGER	RAINY K. SELAMAT

SECTION 3: The State Treasury's Local Agency Investment Fund, the California Asset Management Program (CAMP), and JP Morgan US Government Money Market Fund are further designated as depositories of District funds.

RESOLUTION 2021-xx *continued*

Any transaction where District funds are transferred from one to another of the following accounts of the State Treasury Local Agency Investment Fund (LAIF), the California Asset Management Program (CAMP), MUFG Union Bank NA, U.S. Bank NA, Raymond James, UBS Financial Services, and California Bank & Trust or any institution holding bond reserves or providing bond services shall require authorization by telephone, facsimile, or letter by only one of the following persons:

PRESIDENT	LAWRENCE A. WATT
VICE PRESIDENT	KRISTIE BRUCE-LANE
TREASURER	CHRISTY GUERIN
SECRETARY	EDMUND K. SPRAGUE
DIRECTOR	ROBERT F. TOPOLOVAC
GENERAL MANAGER	KIMBERLY A. THORNER
ASSISTANT GENERAL MANAGER	JOSEPH RANDALL
FINANCE MANAGER	RAINY K. SELAMAT
FINANCIAL ANALYST	JARED GRAFFAM
ACCOUNTING SUPERVISOR	LEO MENDEZ

All such withdrawals shall be deposited into the District's Business Checking Account at California Bank & Trust. The Business Checking Account shall be used to pay accounts of the District.

SECTION 4: Any withdrawal from the District's Business Checking Account (more than \$25,000.00) shall require signatures of any two (2) of the following persons:

PRESIDENT	LAWRENCE A. WATT
VICE PRESIDENT	KRISTIE BRUCE-LANE
TREASURER	CHRISTY GUERIN
SECRETARY	EDMUND K. SPRAGUE
DIRECTOR	ROBERT F. TOPOLOVAC
GENERAL MANAGER	KIMBERLY A. THORNER
ASSISTANT GENERAL MANAGER	JOSEPH RANDALL
FINANCE MANAGER	RAINY K. SELAMAT

SECTION 5: Any withdrawal from the District's Business Checking Account (less than \$25,000.00) shall require signatures from any two (2) of the following persons:

RESOLUTION 2021-xx *continued*

PRESIDENT	LAWRENCE A. WATT
VICE PRESIDENT	KRISTIE BRUCE-LANE
TREASURER	CHRISTY GUERIN
SECRETARY	EDMUND K. SPRAGUE
DIRECTOR	ROBERT F. TOPOLOVAC
GENERAL MANAGER	KIMBERLY A. THORNER
ASSISTANT GENERAL MANAGER	JOSEPH RANDALL
FINANCE MANAGER	RAINY K. SELAMAT
FINANCIAL ANALYST	JARED GRAFFAM
ACCOUNTING SUPERVISOR	LEO MENDEZ

SECTION 6: Any withdrawal from the District's payroll checking account shall require signatures of any two (2) of the following persons:

PRESIDENT	LAWRENCE A. WATT
VICE PRESIDENT	KRISTIE BRUCE-LANE
TREASURER	CHRISTY GUERIN
SECRETARY	EDMUND K. SPRAGUE
DIRECTOR	ROBERT F. TOPOLOVAC
GENERAL MANAGER	KIMBERLY A. THORNER
ASSISTANT GENERAL MANAGER	JOSEPH RANDALL
FINANCE MANAGER	RAINY K. SELAMAT
ACCOUNTING SUPERVISOR	LEO MENDEZ

SECTION 7: The General Manager and Treasurer shall ensure that each depository is furnished with current signature certificates of the incumbents of the positions designated above in Sections 3, 4, 5 and 6 and that the signature authorizations are terminated when assignment to the foregoing positions are terminated.

SECTION 8: Any transaction with respect to District funds shall require action by the individuals assigned to the positions set forth in Sections 3, 4, 5, and 6 as follows:

8.1 Any transaction to reassign funds to different accounts maintained with any single depository or to transfer funds from a District account in one authorized depository to a District account in another authorized depository shall require action by one of the persons designated in Section 3 above.

RESOLUTION 2021-xx *continued*

8.2 Any transaction relating to the expenditure of District funds not covered by Sections 4,5, or 6 shall require signature by two of the persons designated in Section 2.

8.3 Any transaction to buy or sell securities held by the District shall require two signatures of any of the persons listed in Section 3.

SECTION 9: The District's investment policy, annually reviewed and approved by the Board of Directors, shall provide specific guidelines for the permitted investment of District Funds.

SECTION 10: Resolution 2019-01 of the District is hereby rescinded and superseded by the provisions of this Resolution.

SECTION 11: Each of the incumbents of the positions designated in Sections 3, 4, 5 and 6 shall be bonded in an amount not less than \$250,000 for the faithful performance of their duties with respect to the management of District Funds.

SECTION 12: The Secretary is hereby authorized and directed to furnish a certified copy of this Resolution to the District's depositories.

SECTION 13: Depositories, banks, and financial institutions are authorized to rely upon this resolution in handling financial transactions for the District.

SECTION 14: This Resolution shall become effective upon adoption.

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Directors of the Olivenhain Municipal Water District held on February 10, 2021.

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Lawrence A. Watt, President  
Board of Directors  
Olivenhain Municipal Water District

ATTEST:



RESOLUTION 2021-xx *continued*

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Edmund K. Sprague, Secretary  
Board of Directors  
Olivenhain Municipal Water District

# Memo

Date: February 10, 2021  
To: Olivenhain Municipal Water District Board of Directors  
From: Rainy K. Selamat, Finance Manager  
Jennifer Joslin, Human Resources Manager  
Via: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE DISTRICT'S  
ADMINISTRATIVE AND ETHICS CODE (Article 4 – Classified Positions)**

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## Purpose

The purpose of this item is to consider adoption of the attached ordinance amending Section 4.4 of the District's Administrative and Ethics Code for proposed changes to the Project Accountant II and Financial Analyst positions. These changes were discussed with the District's Personnel Committee (Director Guerin and Director Sprague) at its meeting on October 26, 2020 and the District's employee association groups at its HEART Committee meetings on January 13, 2021 and December 16, 2020.

## Recommendation

Staff is recommending the Board to consider adoption of the attached Ordinance.

## **Alternatives**

The Board may decide not to approve the staff-proposed changes and instruct Staff to do otherwise, or leave Section 4.4 of the District's Administrative Code "as is." These changes are proposed to enhance workflow and improve efficiency in the Finance Department.

## **Background**

The District Project Accountant II is retiring on April 2, 2021 after 25 years of service. It is the District's practice to review and evaluate any open positions for process improvements (Best Management Practice) and cost savings for the District, when possible. The proposed changes discussed below will allow the District to achieve these objectives.

## **Fiscal Impact**

No increase in headcount. It is anticipated that the Financial Analyst II position (pay grade 6) will be filled internally by a current Grade 5 employee. The Project Accountant II position (pay grade 5) is proposed to be eliminated and replaced with a Financial Analyst I position (pay grade 4) in the District's 2021 Organizational Chart. Staff has estimated a cost saving of approximately \$30,000 a year. If approved, there will be a 2-3 week overlap training period between the Financial Analysts I and II positions and the Project Accountant II position.

## **Discussion**

Combining the existing Financial Analyst and Project Accountant II job descriptions and create a new Financial Analyst II position

The Financial Analyst II position would serve as the lead Finance Analyst in monitoring the District's construction contracts, developers' projects, and Capital Improvement Program (CIP) budget. This position also is responsible for overseeing sewer billing, preparing financial analyses and projections, reviewing reconciliations and analysis of District's fund balances, maintaining the District's rate models, and be the mentor for Financial Analyst I position and other staff members. As the lead analyst, the Financial Analyst II position will work closely with the Accounting Supervisor who is in charge of day-to-day accounting operations (accounts receivable, accounts payable, payroll, inventory, purchasing, cash, and fixed assets).

Additionally, this proposed change allows for the growth and development of a future management position to retain talented and well-qualified staff and redundancy for the Finance department in those instances when the Accounting Supervisor is unavailable to respond.

The Financial Analyst II position is proposed to be compensated at pay grade 6, which is above the existing Financial Analyst position (grade 5) as a lead position. The proposed compensation is comparable to the District's other analyst position, Human Resources Analyst, which is also pay grade 6. A salary survey was also conducted in December by Human Resources which found that the Financial Analyst I is comparable to the labor market at a salary grade 4 and the Financial Analyst II was comparable as a grade 6 as proposed.

Adding a new Financial Analyst I position (grade 4).

The Financial Analyst I is proposed as a new position. Its main responsibilities include supporting the Finance Manager with Board presentations, preparing and administering the District's budget, implementing board-approved budget adjustments in Microsoft General Dynamics Great Plains (GP), preparing various reconciliations of District cash accounts for review by the Financial Analyst II, providing assistance in grants management, and assisting in the preparation of the District's annual Comprehensive Annual Financial Report (CAFR) and other annual reports, and performing various analytical duties to support the District's management, including updating the District's water and sewer rate models.

Both Financial Analysts I and II positions will report directly to the Finance Manager.

Approval and adoption of the attached ordinance by the Board would allow Human Resources to start recruiting for the Financial Analyst I position and get the position filled to coincide with the retirement of the Project Accountant II on April 2, 2021.

ORDINANCE NO. xxx

AN ORDINANCE OF THE BOARD OF DIRECTORS OF  
OLIVENHAIN MUNICIPAL WATER DISTRICT  
AMENDING THE DISTRICT'S ADMINISTRATIVE AND ETHICS CODE  
(Article 4 – Classified Positions)

BE IT ORDAINED by the Board of Directors of the Olivenhain Municipal Water District as follows:

SECTION 1: Article 4, Classified Positions, Section 4.4 of the District's Administrative and Ethics Code is hereby amended to read as follows:

Sec. 4.4. Salary Schedule and Job Classification

OLIVENHAIN MUNICIPAL WATER DISTRICT  
RANGES FROM ~~1/1/2021~~ 12/11/2021 THROUGH 6/19/2021  
(revised ~~12/9/2020~~ 2/10/2021)

NO.	JOB CLASSIFICATION	GRADE	RANGE	
	<u>EXEMPT CLASSIFICATION</u>		<u>BI-WEEKLY</u>	<u>SALARY</u>
			Actual Effective 1/1/21	
1	GENERAL MANAGER	N/A		10,276.64
1	ASSISTANT GENERAL MANAGER	19	6,392.40	8,949.37
1	ENGINEERING MANAGER	18	4,920.06	7,847.44
1	FINANCE MANAGER	18	4,920.06	7,847.44
1	OPERATIONS MANAGER	18	4,920.06	7,847.44
1	HUMAN RESOURCES MANAGER	17	4,565.87	7,299.13
1	CUSTOMER SERVICES MANAGER	17	4,565.87	7,299.13
0	NO INCUMBENT	16	4,248.70	6,787.09
0	NO INCUMBENT	15	3,839.41	5,754.09
1	WATER TREATMENT FACILITIES SUPERVISOR	14	3,573.04	5,354.28
1	INFORMATION TECHNOLOGY SUPERVISOR	14	3,573.04	5,354.28
1	CUSTOMER SERVICE AND PUBLIC AFFAIRS SUPERVISOR	13	3,321.78	4,980.18
1	SAFETY/RISK COMPLIANCE ADMINISTRATOR	13	3,321.78	4,980.18
1	ACCOUNTING SUPERVISOR	12	3,086.72	4,632.29
1	ENGINEERING SERVICES SUPERVISOR	12	3,086.72	4,632.29
2	OPERATIONS SUPERVISOR	12	3,086.72	4,632.29
1	FIELD SERVICES SUPERVISOR	12	3,086.72	4,632.29
1	ENGINEERING PROJECT ADMINISTRATOR	12	3,086.72	4,632.29
1	WATER RECLAMATION FACILITIES SUPERVISOR	12	3,086.72	4,632.29
1	SENIOR SYSTEMS ADMINISTRATOR	12	3,086.72	4,632.29
1	SYSTEMS ADMINISTRATOR	11	2,871.74	4,305.11
1	PARK SUPERVISOR	11	2,871.74	4,305.11

EXEMPT (current approved headcount)

21

NON-EXEMPT CLASSIFICATION

HOURLY WAGE

1	WATER TREATMENT PLANT OPERATOR LEVEL IV	6	36.43	51.00
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2	INSTRUMENT CONTROL TECHNICIAN II	6	36.43	51.00
1	WATER RECLAMATION OPERATOR LEVEL IV	6	36.43	51.00
2	PUMP/MOTOR TECHNICIAN II	6	36.43	51.00
1	HUMAN RESOURCES ANALYST	6	36.43	51.00
1	EXECUTIVE SECRETARY	6	36.43	51.00
1	FACILITIES COORDINATOR	6	36.43	51.00
1	SYSTEMS OPERATOR III	6	36.43	51.00
1	INSPECTOR III	6	36.43	51.00
1	FINANCIAL ANALYST II	<del>56</del>	<del>31.41</del> 36.43	<del>43.97</del> 51.00
1	INSPECTOR II	5	31.41	43.97
40	PROJECT ACCOUNTANT II (NO INCUMBENT- 4/2/21)	5	31.41	43.97
3	ADMINISTRATIVE ANALYST	5	31.41	43.97
2	SYSTEMS OPERATOR II	5	31.41	43.97
4	WATER TREATMENT PLANT OPERATOR LEVEL III	5	31.41	43.97
3	WATER RECLAMATION OPERATOR LEVEL III	5	31.41	43.97
0	BACKFLOW AND CROSS CONNECTION COORDINATOR II	5	31.41	43.97
1	INFORMATION TECHNOLOGY COORDINATOR	5	31.41	43.97
0	GENERAL LEDGER ACCOUNTANT II	5	31.41	43.97
1	FINANCIAL ANALYST I	4	27.31	38.21
0	PUMP/MOTOR TECHNICIAN I	4	27.31	38.21
1	CATHODIC PROTECTION TECHNICIAN	4	27.31	38.21
1	ENGINEERING AND RIGHT OF WAY COORDINATOR	4	27.31	38.21
2	FIELD SERVICES TECHNICIAN III	4	27.31	38.21
2	INSTRUMENT CONTROL TECHNICIAN I	4	27.31	38.21
1	INSPECTOR I	4	27.31	38.21
1	OPERATIONS COORDINATOR	4	27.31	38.21
1	RECORDS AND CONTRACTS COORDINATOR	4	27.31	38.21
1	SYSTEMS OPERATOR I	4	27.31	38.21
3*	UTILITY III (*1 FROZEN DUE TO COVID-19)	4	27.31	38.21
1	EQUIPMENT TECHNICIAN	4	27.31	38.21
0	WATER TREATMENT PLANT OPERATOR LEVEL II	4	27.31	38.21
1	WATER RECLAMATION OPERATOR LEVEL II	4	27.31	38.21
0	VALVE MAINTENANCE TECHNICIAN LEVEL II	4	27.31	38.21
2	BACKFLOW AND CROSS CONNECTION COORDINATOR I	4	27.31	38.21
3	ACCOUNTANT I	4	27.31	38.21
0	DEPARTMENT ASSISTANT II	3	23.97	33.55
1	CUSTOMER SERVICE REPRESENTATIVE II	3	23.97	33.55
1	FIELD SERVICES TECHNICIAN II	3	23.97	33.55
1	PARK RANGER II	3	23.97	33.55
1	PURCHASING/WAREHOUSE CLERK	3	23.97	33.55
2	VALVE MAINTENANCE TECHNICIAN LEVEL I	3	23.97	33.55
4	UTILITY II	3	23.97	33.55
0	WATER TREATMENT PLANT OPERATOR LEVEL I	3	23.97	33.55
0	WATER RECLAMATION OPERATOR LEVEL I	3	23.97	33.55
2	DEPARTMENT ASSISTANT I	2	21.22	29.67
2	CUSTOMER SERVICE REPRESENTATIVE I	2	21.22	29.67
4	FIELD SERVICES TECHNICIAN I	2	21.22	29.67
1	PARK RANGER I	2	21.22	29.67
4*	UTILITY I (*1 FROZEN DUE TO COVID-19)	2	21.22	29.67
0	UTILITY I - Limited term	2	21.22	29.67
0	NO INCUMBENT	1	18.92	26.48
70	NON-EXEMPT (current approved headcount)			
91	TOTAL EXEMPT AND NON-EXEMPT (current approved headcount)			
91	TOTAL APPROVED POSITIONS			

With approval of the General Manager, classifications may be flexibly staffed according to the “Grow Your Own” (GYO) program and department need. GYO does not add to the employee total headcount; it is an in-house promotional opportunity.

PASSED, ADOPTED AND APPROVED this 10th day of February 2021 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Lawrence A. Watt, President  
Board of Directors  
Olivenhain Municipal Water District

ATTEST:

---

Edmund K. Sprague, Secretary  
Board of Directors  
Olivenhain Municipal Water District

# Memo

Date: February 10, 2021  
To: Olivenhain Municipal Water District Board of Directors  
From: Jeff Anderson, Park Supervisor  
Via: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER UPDATE ON ELFIN FOREST RECREATIONAL RESERVE  
(INFORMATIONAL ITEM)**

---

## Purpose

The purpose of this agenda item is to provide an update to the board on Calendar Year 2020 activities at Elfin Forest Recreational Reserve, including the pandemic, docent program, education program, EFRR goals, projects, and Volunteer Trail Patrol.

## Recommendation

This is an informational item; no action is required.

## Alternative(s)

Not applicable; informational item only.



### **Background**

This is a general annual update to the board on the status of EFRR, its programs, projects and goals. Directors Bruce-Lane and Watt serve on the EFRR Executive Committee which oversees the implementation of EFRR's policies, programs, projects and annual objectives. This committee meets annually or as needed, and consists of representatives from both OMWD and the Escondido Creek Conservancy.

### **Fiscal Impact**

Not applicable; informational item only.

### **Discussion**

Staff will review the attached presentation with the board at the February 10 meeting.

*Attachments: Presentation—Update on Elfin Forest Recreational Reserve*



# **UPDATE ON ELFIN FOREST RECREATIONAL RESERVE**

---

**FEBRUARY 10, 2021**

# JANUARY - MARCH



- Emergency response training with RSF Fire and San Marcos Fire
- Large-scale improvements to Way Up Trail using powered wheelbarrow
- Hosted Keepin' It Rural 5K/10K (postponed from December)
- Heavy trail rehabilitation work on Ridgeline Maintenance Rd
- EFRR closed 3/22 due to COVID-19





# APRIL - JUNE



- Emergency repairs to Escondido Creek Trail due to heavy rain event
- Continued maintenance on Way Up Trail, Ridgeline Maintenance Rd, and Escondido Overlook
- Installed redesigned trailhead map board display panels
- Park-wide vegetation clearing along trails to create maximum clearance
- EFRR reopened 6/15



# JULY - SEPTEMBER



- Continued trail trimming to create maximum social distancing in EFRR
- Coordinated with Conservancy to create virtual learning program
- Responded to heat stroke patient and unsanctioned bike event at EFRR
- Received direction from Executive Committee to lay groundwork for locking late patrons' vehicles in parking lot instead of towing





# OCTOBER - DECEMBER



- Secured PSA with security company and began practice of locking late patrons' vehicles in parking lot
- Partnered with Escondido Creek Conservancy for chainsaw training
- Interpretive Center received new batteries for photovoltaic system
- Submitted grant application to County for overflow parking lot expansion project



# 2020 NUMBERS (2019 NUMBERS)



- ❖ Number of docents – 68 (67)
- ❖ Volunteer hours (docent + trail patrol) – 189 (589)
- ❖ Days Interpretive Center open – 46 (164)
- ❖ Interpretive Center visitors – 1,906 (3,112)
- ❖ Volunteer trail patrols – 29 (54)
- ❖ Fieldtrip students to EFRR – 1,227 (3,401)
- ❖ Visitors to EFRR – 122,950 (127,341)
- ❖ Days Closed – 102.5 (34)
- ❖ Special Event Permits – 7 (17)
- ❖ Incident Reports – 62 (82)
- ❖ Emergency Responses – 5 (6)



# COVID-19 IMPACTS



- ❖ EFRR closed March 22 – June 14 (85 days)
- ❖ Interpretive Center closed March 22 – December 31
- ❖ Rangers perform large-scale trail projects while EFRR is closed
- ❖ Rangers perform daily sanitation of bathrooms and drinking fountains when EFRR reopens
- ❖ Aggressive mask wearing signage installed after public shows poor social distancing practices at EFRR
- ❖ Creek cleanup events go virtual, photo contest canceled, 2020 Keepin' It Rural 5K/10K event cancelled
- ❖ All EFRR volunteer programs suspended indefinitely, but group meetings/trainings continued via Zoom
- ❖ Rangers minimize interface with public
- ❖ All trail widths maximized to promote social distancing



# TRAIL PROJECTS



- ❖ Installed 40+ yards of stabilized decomposed granite (DG) on Way Up Trail utilizing powered wheelbarrow prior to heavy rains
- ❖ Installed 20 yards of stabilized DG on steep sections of Ridgeline Maintenance Rd using backhoe
- ❖ Repaired Escondido Creek Trail after heavy April storm using stabilized DG
- ❖ Installed 10 yards of stabilized DG at Escondido Overlook
- ❖ Installed 20 yards of stabilized DG on Manzanita Trail utilizing powered wheelbarrow
- ❖ Trimmed vegetation on approximately 9 miles of trail to promote maximum social distancing for EFRR users



# EMERGENCY RESPONSE TRAINING



- ❖ Three days of EFRR awareness and patient scenario training with Rancho Santa Fe Fire, and San Marcos Fire





# 2020 STRATEGIC PLAN GOALS



## Develop and implement strategy to increase participation in Trail Patrol Program

- ❖ Refined two day 6-hour training workshop down to one day and 3.5-hours
- ❖ Reach out to all volunteers on their anniversary month to thank them for their participation and ask them for feedback
- ❖ Create “volunteer of the quarter” awards for Trail Patrol and Interpretive Center docents with the most volunteer hours each quarter

# 2020 STRATEGIC PLAN GOALS



**Conduct comprehensive survey of parks similar to EFRR regarding fee parking, parking enforcement, and citations**

- ❖ 15 facilities operated by 10 agencies/organizations were surveyed
- ❖ 14 facilities have a lockable staging area/parking lot
- ❖ 5 facilities have parking/use fees
- ❖ 9 facilities lock vehicles in if they do not exit park by closing time
- ❖ 8 of these facilities have mechanisms in place to release locked in vehicles
- ❖ 7 facilities have the ability to issue citations to vehicles left in park after closing time
- ❖ 2 facilities tow vehicles that are left in lot after closing time, but rarely exercise that option



# LOCK-IN PRACTICE



- ❖ Peer facility survey supported practice of locking late patrons' vehicles in parking lot
- ❖ EFRR Executive Committee directed staff to implement lock-in practice rather than continuing to tow vehicles
- ❖ Professional Services Agreement was secured with Knight Security
- ❖ Lock-in practice began on November 20, 2020
- ❖ 3 vehicles were locked in during remainder of 2020 without complaint or incident



# EFRR TRAIL COUNTER DATA



Trail counters installed December 31, 2016

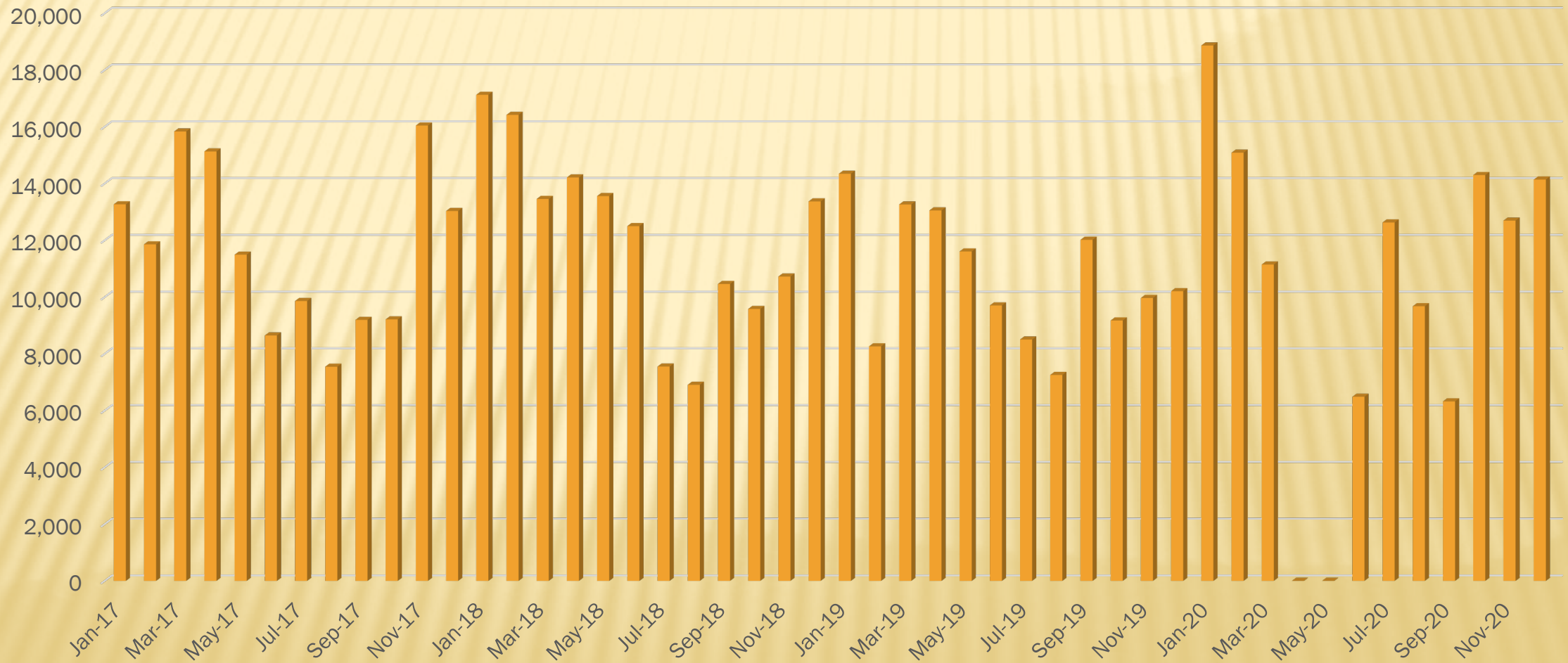




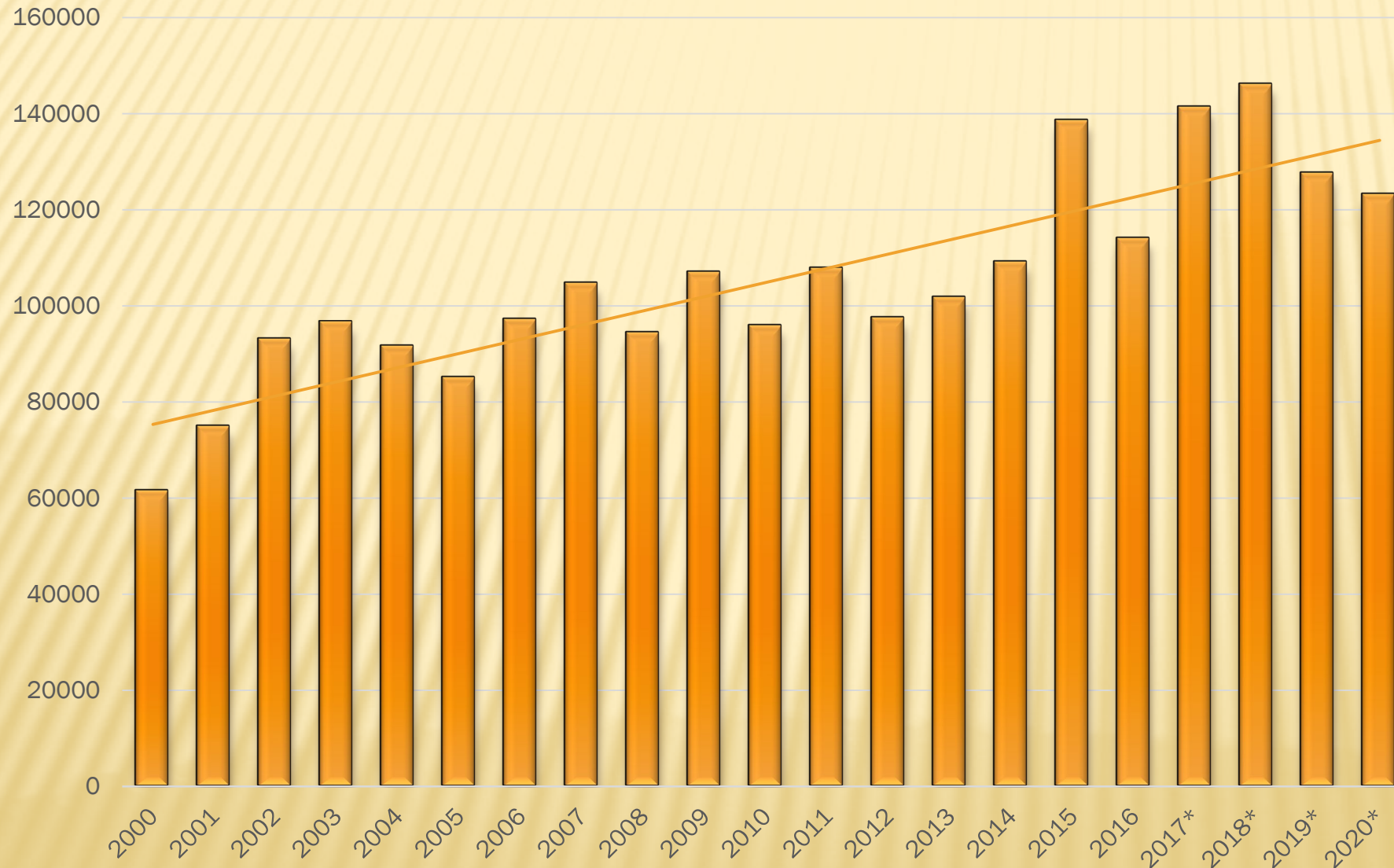
# EFRR TRAIL COUNTER DATA



Monthly Data 2017 - 2020



# ANNUAL EFRR VISITOR TREND



2000:	61,185
2001:	74,615
2002:	92,820
2003:	96,293
2004:	91,378
2005:	84,765
2006:	96,915
2007:	104,408
2008:	94,118
2009:	106,713
2010:	95,523
2011:	107,433
2012:	97,120
2013:	101,363
2014:	108,820
2015:	138,305
2016:	113,790
2017:	141,103*
2018:	145,852*
2019:	127,341*
2020:	122,950*

\*trail counter data used in replacement of vehicle count data with 2.5x multiplier



# QUESTIONS?





# Memo

Date: February 10, 2021  
To: Olivenhain Municipal Water District Board of Directors  
From: Rainy Selamat/Finance Manager  
Via: Kimberly Thorner, General Manager  
Subject: **CONSIDER PRESENTATION AND APPROVAL ON THE 2020 WASTEWATER RATE STUDY REPORT**

---

## Purpose

The purpose of this item is to present proposed wastewater (sewer) rates for 2021 (fiscal year 2022) and proposed sewer revenue adjustments for the next four fiscal years, 2023-2026 included in the attached 2020 Wastewater Rate Study Report (Report.) for discussion. Following consideration and approval of the Board, the Report will be used to develop and draft the District's Wastewater (sewer) Proposition 218 notice for consideration at the March 2021 Board meeting. This item was discussed with the Finance Committee at its regular meeting on February 2, 2021.

## Recommendation

Staff is recommending the proposed wastewater rates and revenue adjustments as presented and contained in the Report (attached.)

## Alternatives

The Board could decide not to approve the proposed wastewater rates as recommended and instruct staff and/or Raftelis to bring back more options for discussion and consideration.

### **Background**

The District engaged Raftelis Financial Consultants, Inc. (Raftelis) to conduct a Wastewater (Sewer) Rate Study in June 2020. The District last increased its wastewater rates in July 2019. The District did not increase its wastewater rates and charges in 2020.

The District's 2020 Wastewater (Sewer) Cost of Service Study included the preparation of the District's ten-year financial plan, cost of service analysis, and five-year implementation of wastewater rates. A draft copy of the 2020 Wastewater Rate Study Report (Report) is attached for the Board's review and consideration. Future wastewater rates and charges (Fiscal Years 2022-2026) contained in the Report will be used to draft the District's Sewer Proposition 218 Notice and rate hearing process.

### **Fiscal Impact**

The District did not implement a 3% wastewater rate increase on July 1, 2020 as planned due to the Board's concern on the financial impacts to customers due to COVID-19. Raftelis recommended in the Report that the District implement a 2% revenue adjustment commencing July 1, 2021 and a 3% revenue adjustment each year for a four-year period commencing July 1, 2022.

Raftelis also recommended that the District issues \$5 million in debt to pay for future wastewater replacement projects, included in the ten-year wastewater capital spending plan, to avoid rate spikes and to comply with the Board's wastewater reserves policy.

### **Discussion**

The objectives of the 2020 Wastewater Cost of Service Study are:

1. Develop financial plans for the District's wastewater (sewer) operations to recover projected and capital costs over the next 5 years.
2. Conduct a cost-service analysis to develop fair and equitable 5-year wastewater (sewer) rates which conforms to Proposition 218 requirements based on the analysis and methodology contained in the Report.

Raftelis' cost of service analysis and proposed rate adjustments included in the attached Report are summarized in the attached presentation.

Raftelis consultant and staff will be available during the meeting for discussion.

Attachments: Wastewater Rate Presentation

A copy of 2020 Wastewater Rate Study Report

# Olivenhain

## Municipal Water District

---

### Wastewater Rates Workshop

OMWD Board Meeting— Feb 10,2021



# AGENDA

- Study objectives
- Overview of financial planning
- Review proposed 5-year financial plan
- Cost of service allocation
- Review rate structure
- Customer impacts
- Questions & Discussion

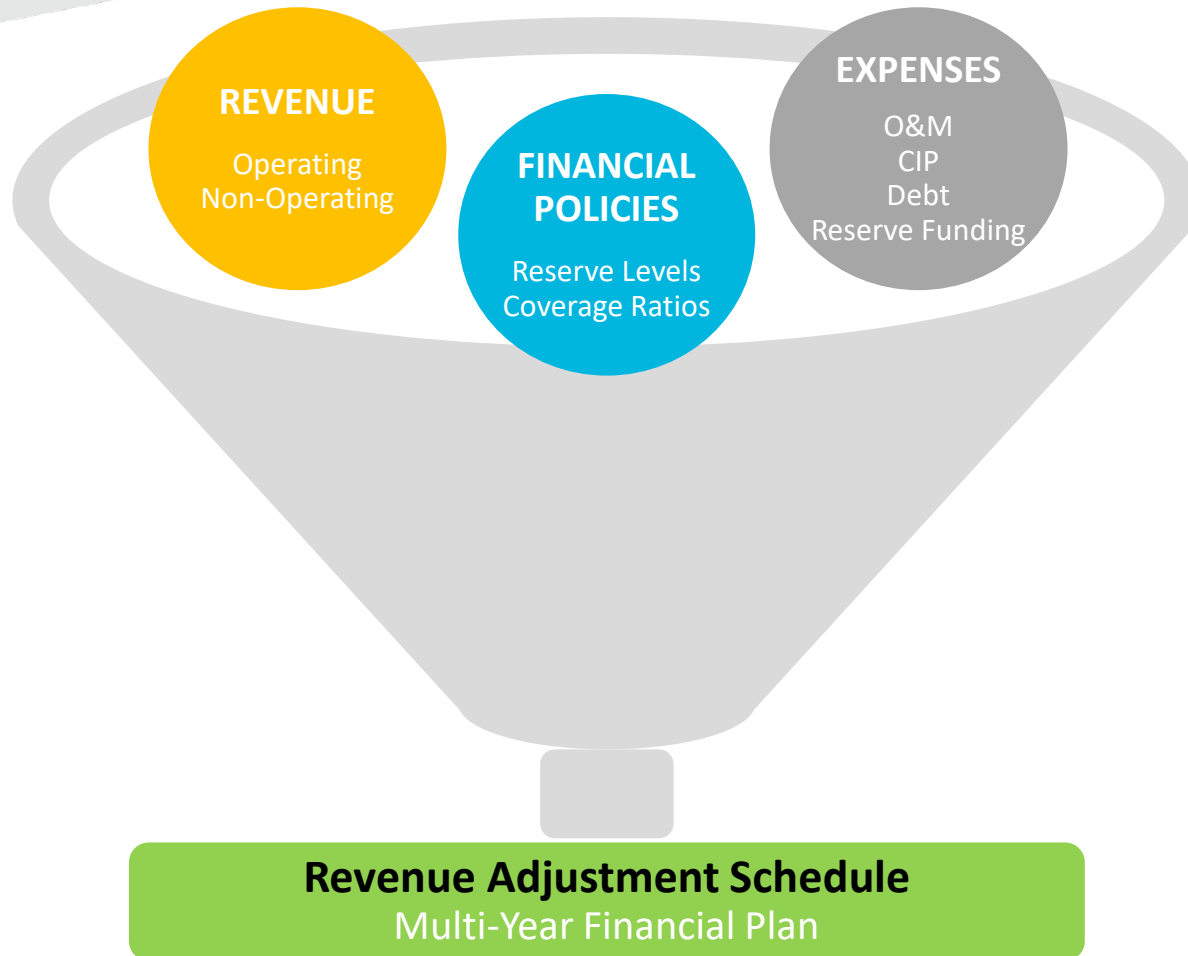


# STUDY OBJECTIVES

- Recover projected operating and capital costs in the next 5 years
- Finalize 5-year wastewater financial plan
  - › Proposed revenue adjustments
- Design wastewater rates to ensure customers pay in proportion to service received



# OVERVIEW OF FINANCIAL PLAN





# FINANCIAL PLAN ASSUMPTIONS

- Cost escalation:
  - › General cost inflation: 2% increase per year
  - › Salaries and Benefits: based on OMWD's Labor MOU
  - › Utilities and Capital: 3% per year
  - › Other: 1% increase per year
- Investment: 0.5% increasing to 1% in 2 years
- Account growth:
  - › Less than 1% SFR only
  - › Estimate build-out in 2030
- Terms of future revenue bond debt:
  - › 30-year term
  - › 4% interest rate
  - › Issuance costs of 1.5% of total issue

# CURRENT RESERVE POLICIES

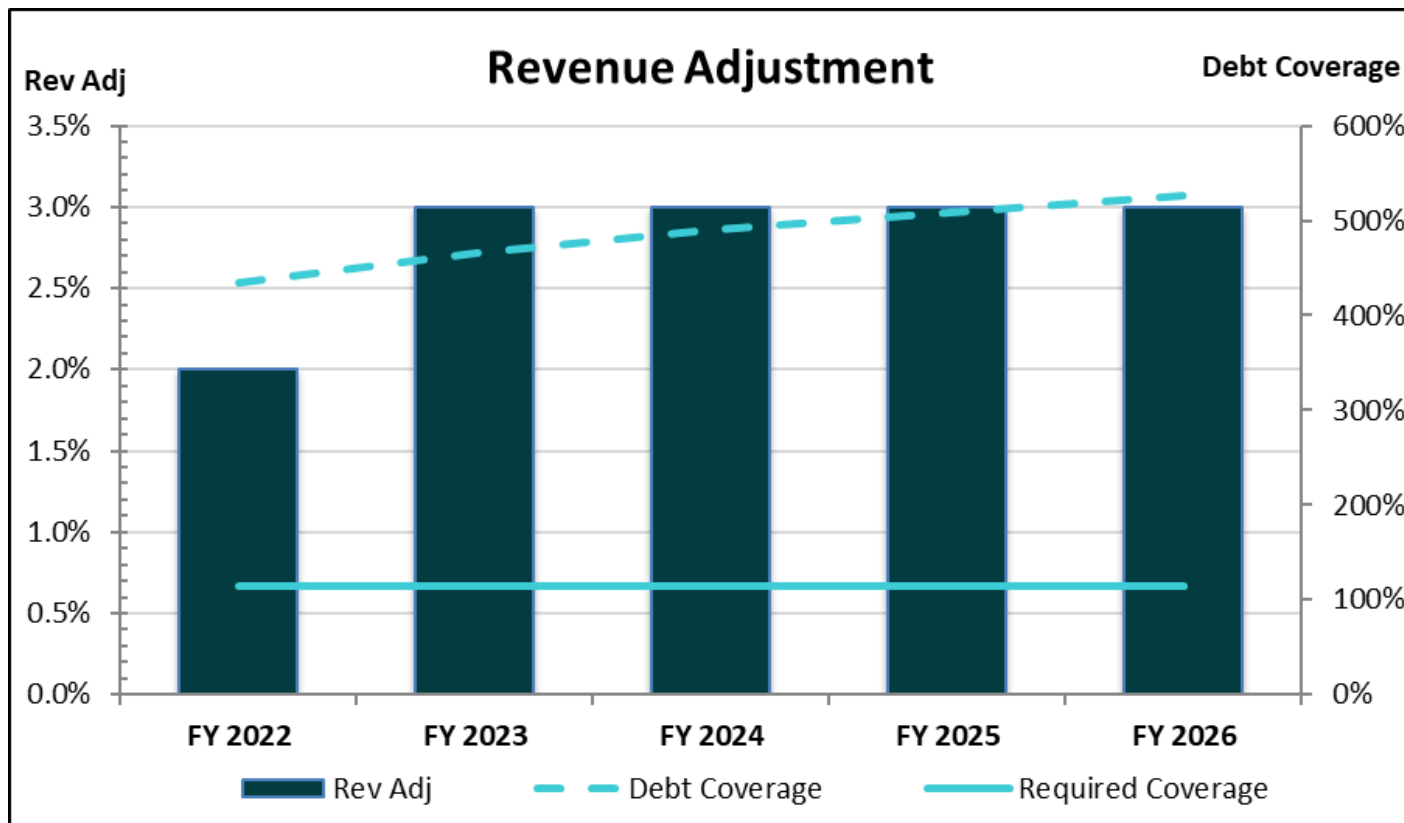
- Operating Fund Target:
  - › Min: 180 days of annual O&M
  - › Max: 365 days of annual O&M
- Capital and Equipment Fund Target:
  - › Min: 2 year of average planned CIP over 10 years
  - › Max: 5 years of average planned CIP over 10 years
- Rate Stabilization Fund Target:
  - › Min: 25% of annual O&M
  - › Max: 100% of annual O&M
- Total Min target for FY 21 is \$6.7 million
- Total Max target for FY 21 is \$17.1 million

# PROPOSED FINANCIAL PLAN

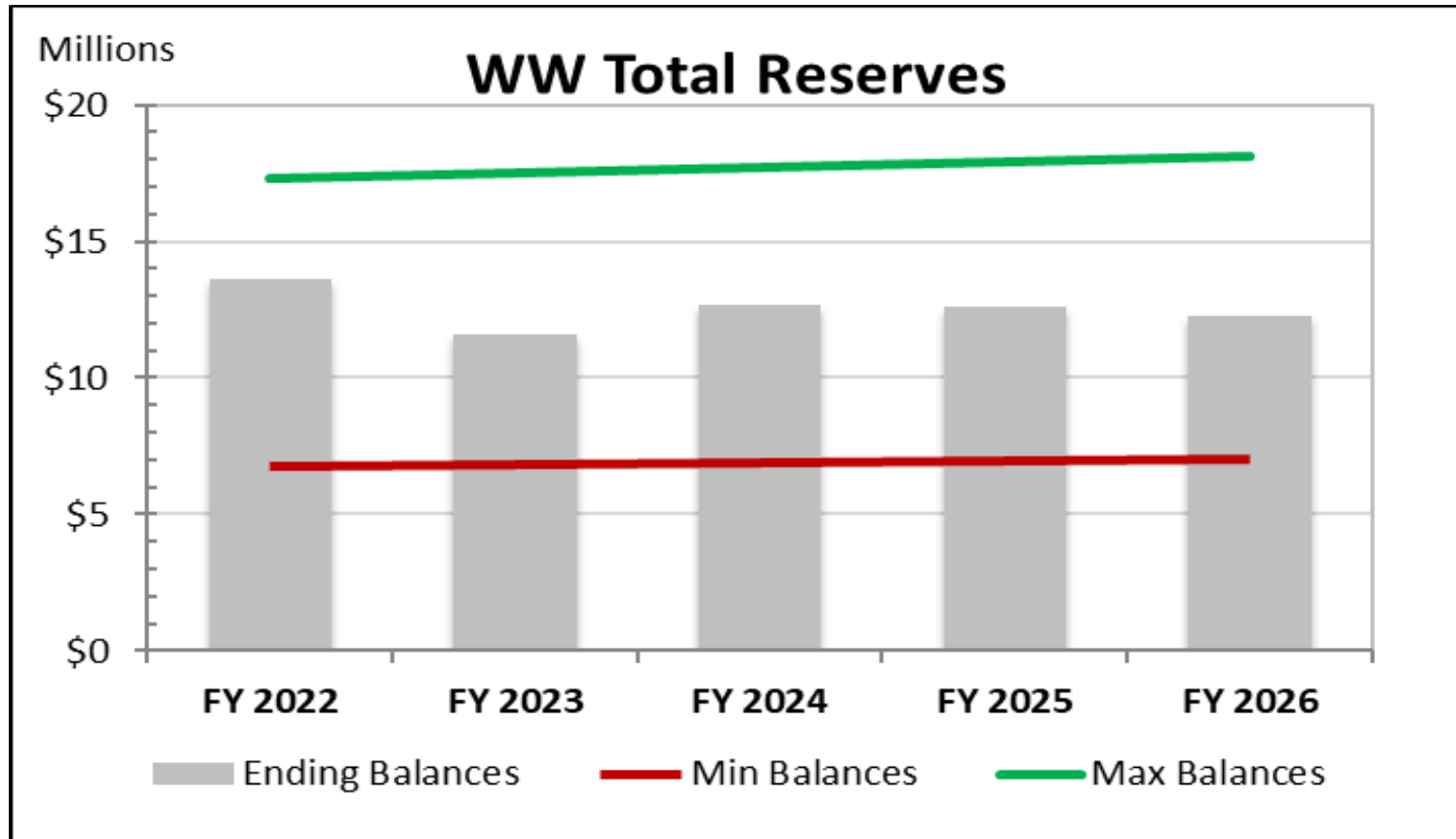
Fiscal Year	Effective Date	Revenue Adjustment	Debt Issue
FY 2022	July 1, 2021	2%	\$5,000,000
FY 2023	July 1, 2022	3%	NA
FY 2024	July 1, 2023	3%	NA
FY 2025	July 1, 2024	3%	NA
FY 2026	July 1, 2025	3%	NA



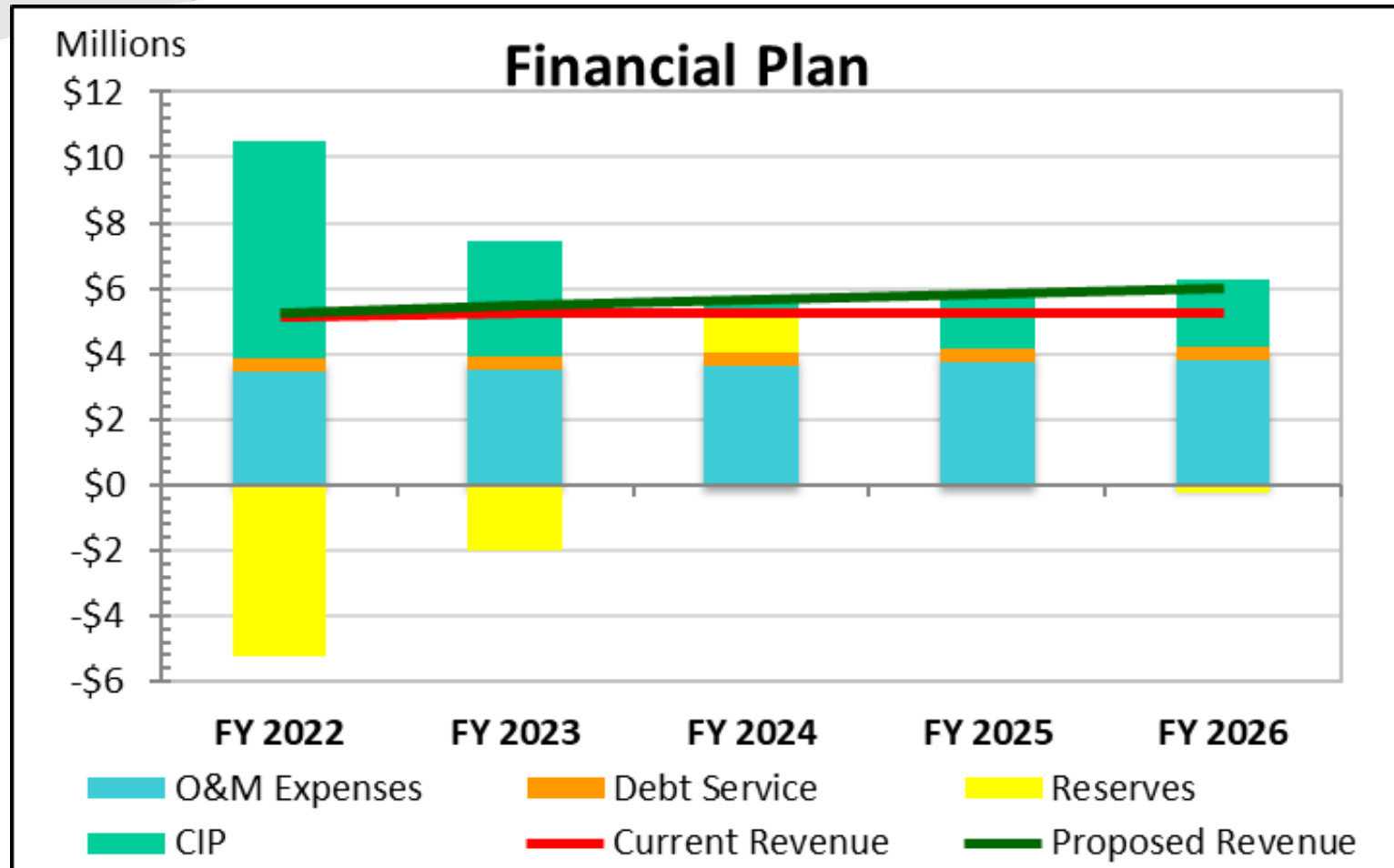
# PROPOSED REVENUE ADJUSTMENTS



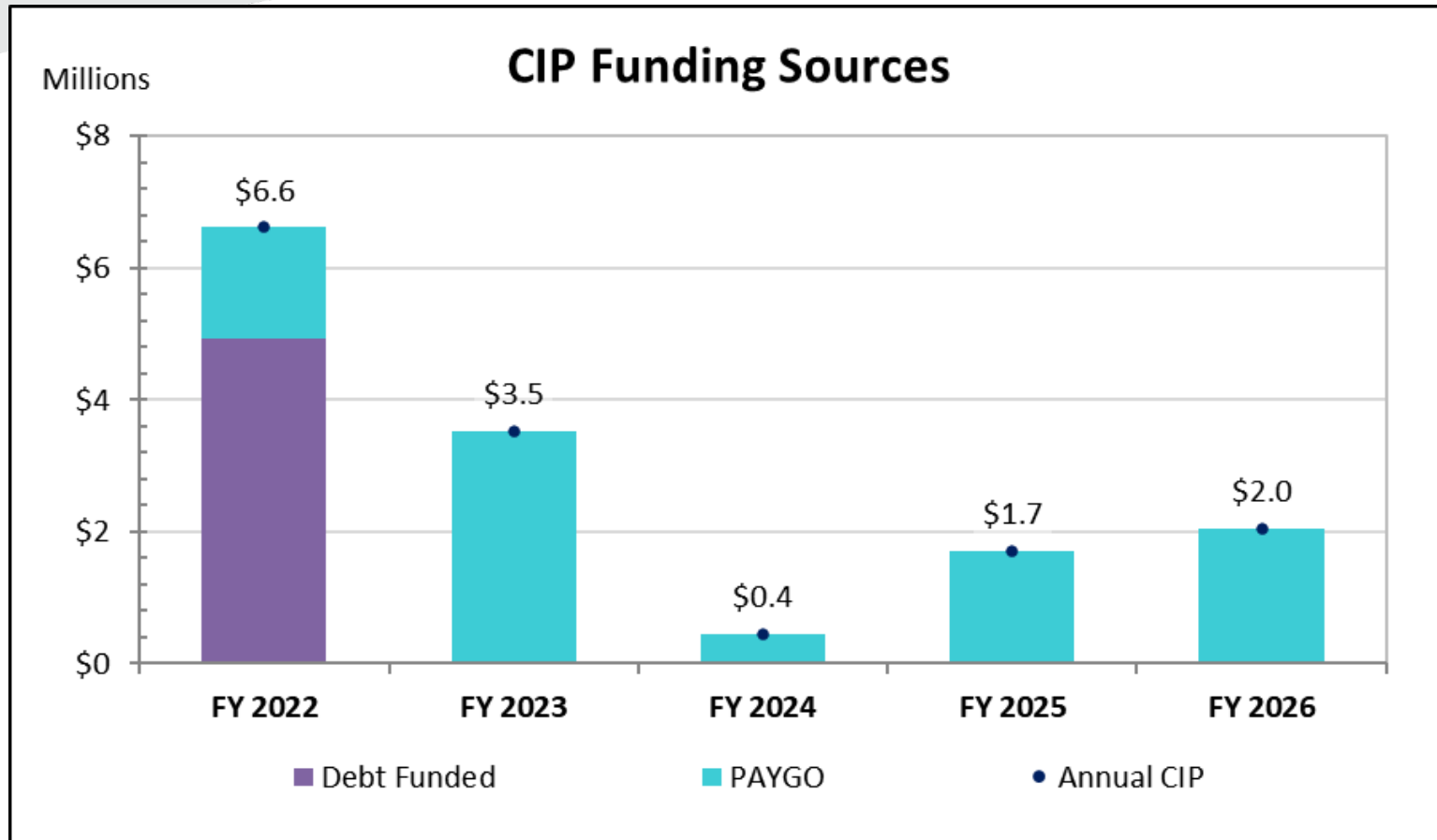
# PROJECTED FUNDS BALANCE



# PROPOSED FINANCIAL PLAN



# CAPITAL FINANCING



# COST OF SERVICE METHODOLOGY

- Kept consistent cost of service allocation methodology from 2014 rate study
- Updated operating and capital costs and asset values
- Retained current customer classifications, but revised EDU definition for multi-family to reflect wastewater flow





# COST OF SERVICE ALLOCATIONS

- Costs are functionalized
  - › Collection  
Treatment
  - › General
- Functional costs are allocated to
  - › Wastewater flow
  - › Biochemical oxygen demand
  - › Suspended solids
  - › Customer equivalent dwelling units (EDU)

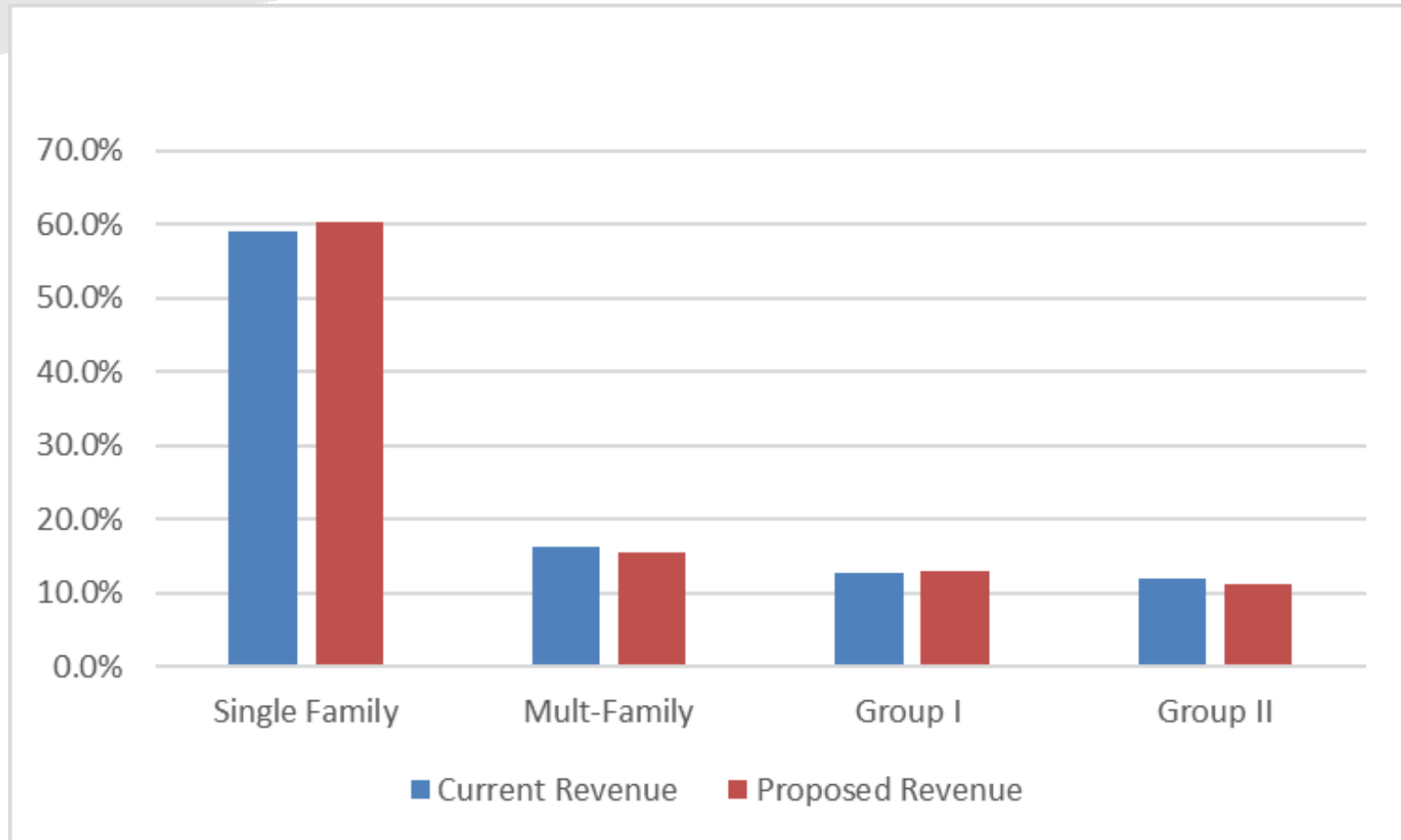


# CUSTOMER CLASSES

- Customers are divided into
  - › Single family
  - › Multi-family
  - › Group I includes offices, retail stores, schools, etc.
  - › Group II includes shopping centers, strip malls, medical offices, restaurants, manufacturing
  - › Group III customers merged into Group II



# COST OF SERVICE RESULTS



# RATE STRUCTURE DESIGN

- Multi-family dwelling unit EDU reduced to 0.79 EDU from current 1.0 EDU based on multifamily wastewater flow
- Recover 25% of rate revenue on the fixed charges compared to current 26%
- Two rate options:
  - › Option 1: Volumetric rates different for individual classes
  - › Option 2: Volumetric rates same for single family , multi family and Group I customers for simplicity and ease of administration



# WASTEWATER RATES FOR FY 2022



Line No.	Customer Class	System Access Charge (\$ / Year)	System Access Charge (\$ / EDU)	System Access Charge (\$ / dwelling unit)	Option 1: Commodity Rate (\$/hcf)	Option 2: Commodity Rate (\$/hcf)
1	<b>Single Family Residential</b>					
2	4S, SL		<b>\$186.17</b>	<b>\$186.17</b>	<b>\$6.84</b>	<b>\$6.81</b>
3	RC		<b>\$186.17</b>	<b>\$186.17</b>	<b>\$6.84</b>	<b>\$6.81</b>
4	<b>Other</b>					
5	Multi-Family		<b>\$186.17</b>	<b>\$147.32</b>	<b>\$6.84</b>	<b>\$6.81</b>
6	Commercial - Group I	<b>\$186.17</b>	<b>\$186.17</b>		<b>\$6.55</b>	<b>\$6.81</b>
7	Commercial - Group II	<b>\$186.17</b>	<b>\$186.17</b>		<b>\$9.43</b>	<b>\$9.43</b>

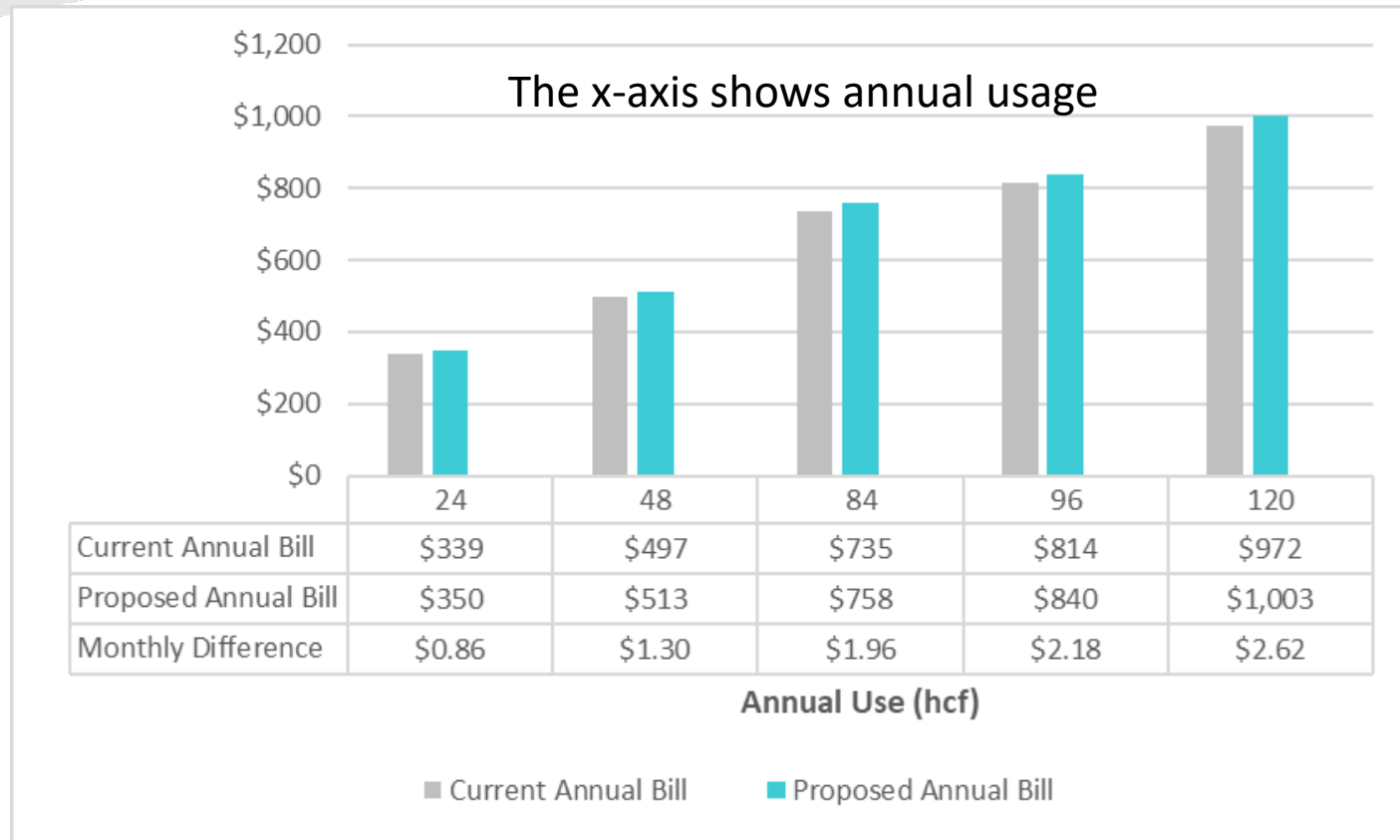


# FIVE YEAR RATES

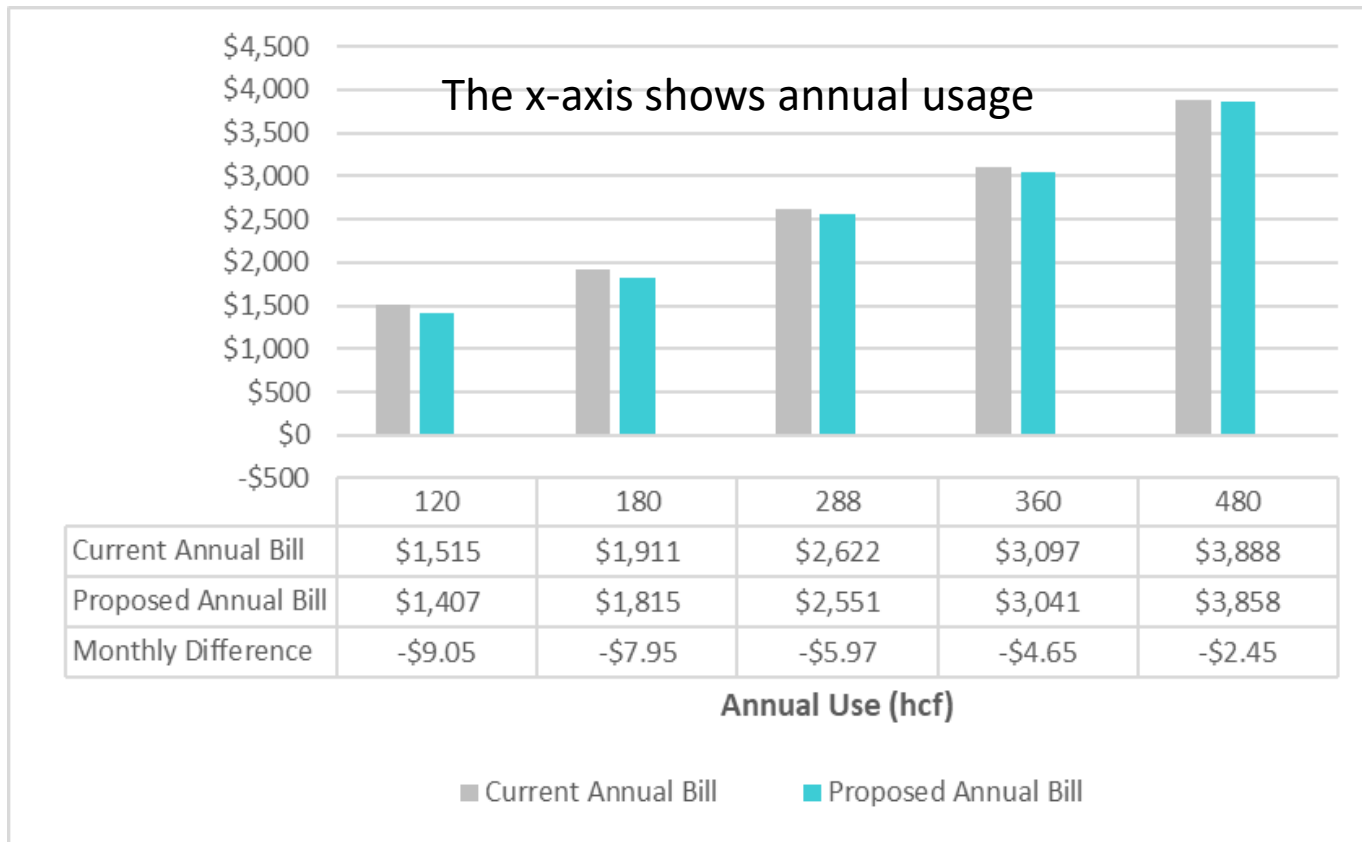
Customer Class	Current	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>Single Family Residential</b>						
4S, SL	\$181.09	\$186.17	\$191.76	\$197.52	\$203.45	\$209.56
RC	\$181.09	\$186.17	\$191.76	\$197.52	\$203.45	\$209.56
<b>Other</b>						
Multi-Family	\$181.09	\$147.33	\$151.75	\$156.31	\$161.00	\$165.83
Commercial - Group I	\$181.09	\$186.17	\$191.76	\$197.52	\$203.45	\$209.56
Commercial - Group II	\$181.09	\$186.17	\$191.76	\$197.52	\$203.45	\$209.56

Customer Class	Current	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>Single Family Residential</b>						
4S, SL	\$6.59	\$6.81	\$7.02	\$7.24	\$7.46	\$7.69
RC	\$6.59	\$6.81	\$7.02	\$7.24	\$7.46	\$7.69
<b>Other</b>						
Multi-Family	\$6.59	\$6.81	\$7.02	\$7.24	\$7.46	\$7.69
Commercial - Group I	\$6.59	\$6.81	\$7.02	\$7.24	\$7.46	\$7.69
Commercial - Group II	\$10.16	\$9.43	\$9.72	\$10.02	\$10.33	\$10.64

# SINGLE FAMILY CUSTOMER IMPACTS

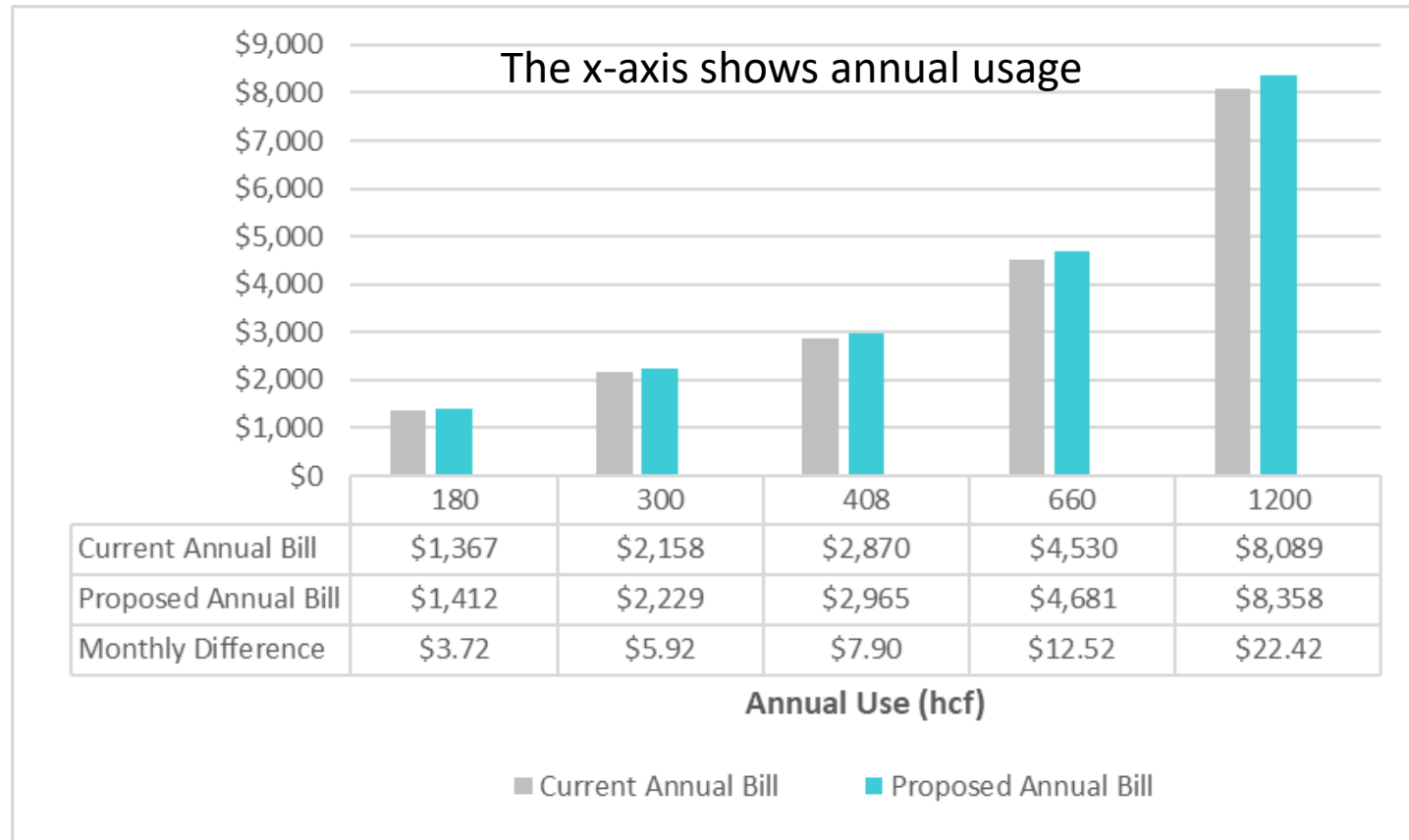


# MULTI-FAMILY CUSTOMER IMPACTS

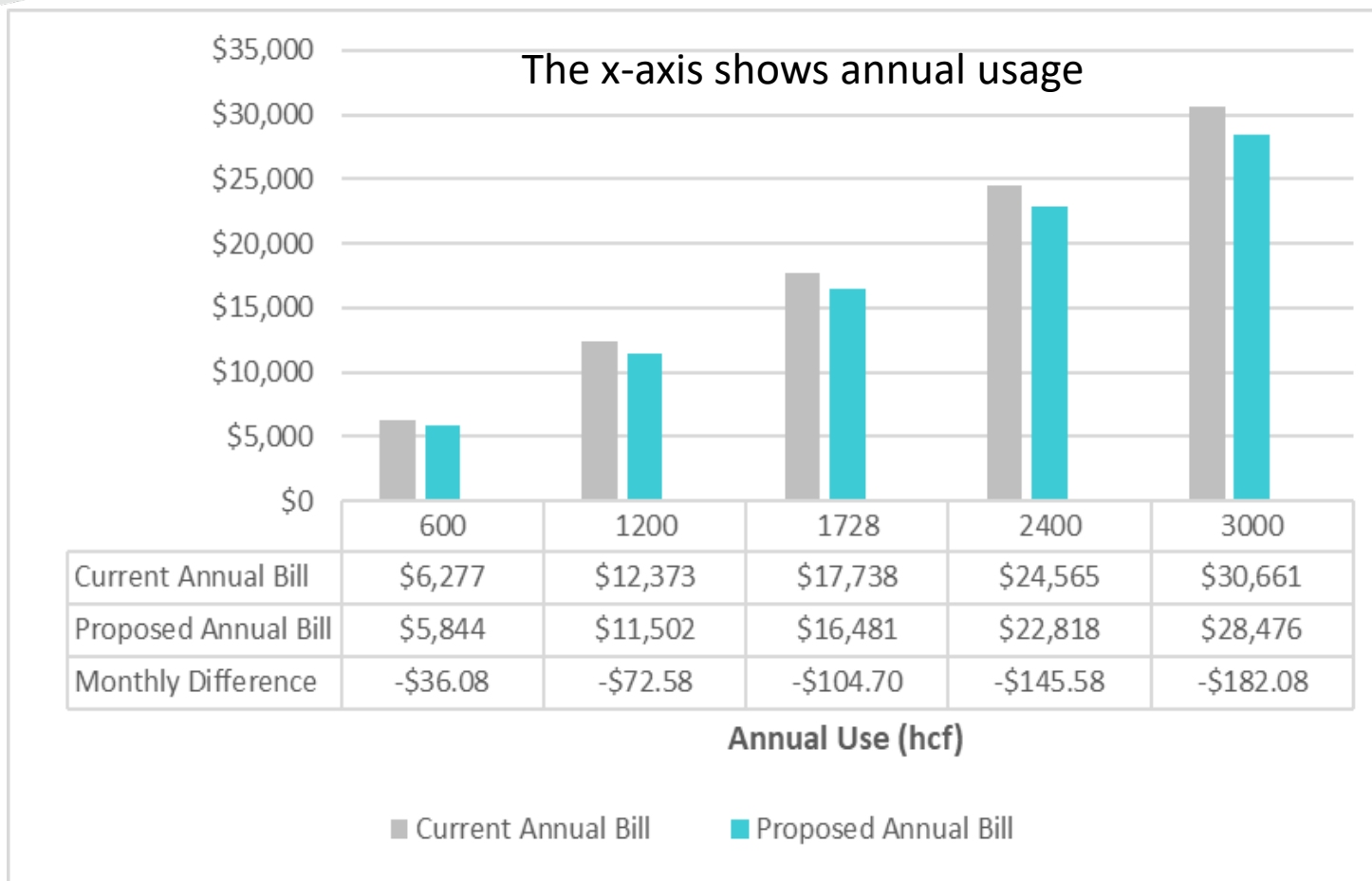




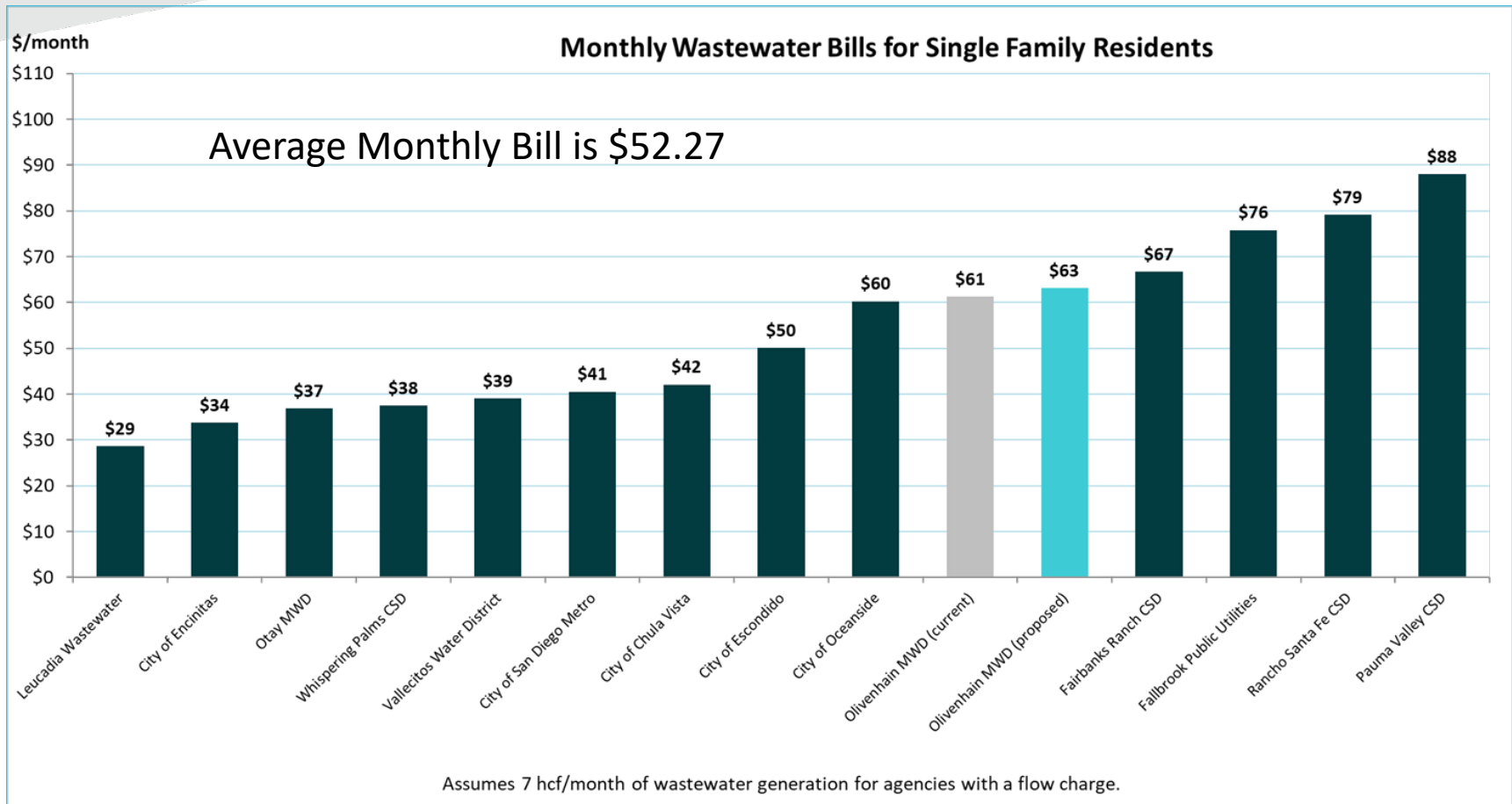
# GROUP I CUSTOMER IMPACTS



# GROUP II CUSTOMER IMPACTS



# Sewer Bill Comparison



# NEXT STEPS

- Finalize wastewater rates
  - › Board direction on preferred rate option
- Issue Proposition 218 notices
- Conduct Proposition 218 hearing



# Actions and Timeline:

- Board's consideration and approval on the Draft Wastewater Rate Study Report
- If approved, the Report will be used by Staff to draft OMWD Prop218 Wastewater (Sewer) Rate Hearing Notice
- DRAFT Notice will be brought to the Board for consideration at the March 17<sup>th</sup> Board meeting for mailing to OMWD's sewer customers on March 29, 2021.



# Questions & Discussion



# Thank you!

Contact:

Sudhir Pardiwala – P: 626.583.1894 / E: [spardiwala@raftelis.com](mailto:spardiwala@raftelis.com)

Arisha Ashraf – P: 909.231.4645 / E: [aashraf@raftelis.com](mailto:aashraf@raftelis.com)



# **Olivenhain**

## **MUNICIPAL WATER DISTRICT**

### **Wastewater Rate Study Report**

January 8, 2021





January 8, 2021

Ms. Kimberly A. Thorner  
General Manager  
Olivenhain Municipal Water District  
1966 Olivenhain Road  
Encinitas, CA 92024

Subject: Wastewater Rate Study Report

Dear Ms. Thorner:

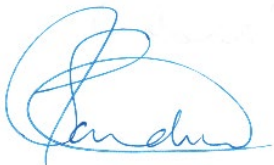
Raftelis is pleased to provide this 2020 Wastewater Rate Study Report (Report) to the Olivenhain Municipal Water District (District).

The major objectives of the study include the following:

- Develop a financial plan for the District Wastewater (WW) utility to ensure financial sufficiency, meet operation and maintenance (O&M) costs, and help ensure sufficient funding for capital refurbishment and replacement needs;
- Conduct a cost-of-service (COS) analysis;
- Develop fair and equitable 5-year WW rates which conform to Proposition 218 requirements based on the analysis and methodology set out in this Report

This Report summarizes our key findings and recommendations. It has been a pleasure working with you and we appreciate your help and the support provided by Ms. Rainy Selamat and Mr. Jared Graffam during the course of the study.

Sincerely,  
**RAFTELIS FINANCIAL CONSULTANTS, INC.**



**Sudhir Pardiwala, PE**  
Executive Vice President



**Arisha Ashraf, PhD**  
Lead Consultant

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## Abbreviations

<b>Terms</b>	<b>Descriptions</b>
<b>4S</b>	4S Ranch (Sanitation District)
<b>4SWRF</b>	4S Water Reclamation Facility
<b>AF</b>	Acre foot / Acre feet
<b>AWWA</b>	American Water Works Association
<b>BOD</b>	Biochemical oxygen demand
<b>COS</b>	Cost of Service
<b>CIP</b>	Capital Improvement Plan
<b>EDU</b>	Equivalent dwelling unit
<b>FY</b>	Fiscal Year ending (July 1 – June 30)
<b>GPCD</b>	Gallons per capita per day
<b>GPM</b>	Gallons per minute
<b>HCF</b>	Hundred cubic feet = 100 cubic feet = 748 gallons
<b>Manual of Practice No. 27</b>	Water Environment Federation’s (WEF) Financing and Charges for Wastewater Systems (Manual of Practice No. 27)
<b>MFR</b>	Multi-family residential
<b>MGD</b>	Million gallons per day
<b>O&amp;M</b>	Operations and maintenance
<b>PAYGO</b>	Literally “pay as you go” to refer to capital funded through rate revenues
<b>RC</b>	Rancho Cielo (Sanitation District)
<b>R&amp;R</b>	Refurbishment and Replacement
<b>SCADA</b>	Supervisory control and data acquisition (system)
<b>SFR</b>	Single-family residential
<b>SL</b>	Santa Luz
<b>TSS</b>	Total suspended solids
<b>WEF</b>	Water Environment Federation
<b>WW</b>	Wastewater

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# 1. Executive Summary

## 1.1. Background of the Study

In June 2020, Olivenhain Municipal Water District (District) engaged Raftelis Financial Consultants (Raftelis) to conduct a Wastewater Rate Study (Study). The District last increased wastewater rates in July 2019. This Study included the preparation of a ten-year financial plan, cost of service analysis, and five-year implementation of wastewater rates.

This Report summarizes the key findings and recommendations of the Study. For purposes of the analysis set out in this Report, the terms “Rate(s)” and “Charge(s)” may be used interchangeably. Additionally, the terms “wastewater” and “sewer” may be used interchangeably.

The District’s Wastewater System is an interconnected system comprised of two sub-districts with a wide variety of commercial, industrial, and residential uses:

- Rancho Cielo Sanitation District – This includes the Rancho Cielo Estates development and adjacent areas. It is located just east of the covenant area of Rancho Santa Fe and north of Del Dios Highway. The District provides sewer service to approximately 310 single family homes in the Cielo Sanitation District.
- 4S Ranch Sanitation District – This area consists of the 4S Ranch master planned community and other minor surrounding areas in the City of San Diego. It is located just west of Rancho Bernardo. The District provides sewer service to approximately 3,680 single family homes in the 4S Ranch Sanitation District and 1,540 multi-family and non-residential accounts. Santa Luz Housing Development and Black Mountain East Clusters were annexed to the 4S Ranch Sanitation District for sewer service only. Both are outside District boundaries.

The District’s wastewater service area spans approximately 4,000 acres. Wastewater is collected through approximately 65 miles of gravity sewers and 13 miles of force mains, and ultimately pumped to the 4S Ranch Water Reclamation Facility (4SWRF). There are 14 sewer lift stations monitored by the District’s supervisory control and data acquisition (SCADA) system.

The District is expecting to annex the Avion Development (also called Debevoise) in the near future. This development will consist of about 84 single family homes with their own collection system and discharge into the treatment plant through District mains. Since this annexation has not taken place the resultant impacts have not been factored into the rates.

## 1.2. Objectives of the Study

The major objectives of the study include the following:

- Develop financial plans for the Wastewater (WW) utility to ensure financial sufficiency, meet operation and maintenance (O&M) costs, ensure sufficient funding for capital replacement and refurbishment (R&R) needs, and provide for the financial health of the enterprises;
- Conduct a cost-of-service (COS) analysis;

- Develop fair and equitable 5-year WW rates which conform with Proposition 218 requirements based on the analysis and methodology set out in this Report.

## 1.3. Legal Requirements and Rate Setting Methodology

### 1.3.1. LEGAL REQUIREMENTS

In November 1996, California voters approved Proposition 218, which amended the California Constitution by adding Articles XIII C and Article XIII D. Article XIII D placed certain limitations on the use of revenue collected from property-related fees and charges and on the amount of the fee or charge that may be imposed on each parcel by governmental agencies. Additionally, it established procedural requirements for imposing new, or increasing existing, property-related fees and charges.

The substantive requirements in Article XIII D place limitations on (1) the use of the revenue collected from property-related fees and charges and (2) the allocation of costs recovered by such fees or charges to ensure that they are proportionate to the cost of providing the service(s) attributable to each parcel.

### 1.3.2. RATE SETTING METHODOLOGY

The wastewater rates were prepared using the principles established by the Water Environment Federation's (WEF) *Financing and Charges for Wastewater Systems* (Manual of Practice No. 27) which establishes commonly accepted professional standards for wastewater cost of service (COS) studies. The WEF Manual's general principles and the objectives of the Report are described below.

The first step in ratemaking is to determine the adequate funding of a utility. This is referred to as the "revenue requirement" analysis. This analysis considers the utility's short-term and long-term service requirements and objectives over a given planning horizon, including capital facilities and system operations and maintenance, to determine the adequacy of a utility's existing rates to recover its costs. A number of factors may affect these projections, including the number of customers served, water-use trends, nonrecurring sales, conservation, inflation, interest rates, capital finance needs, and other changes in operating and economic conditions.

After determining a utility's revenue requirement, the next step is a cost of service (COS) analysis. Utilizing a public agency's approved expense and revenue budgets and capital improvement plans, the rate analyst first functionalizes a utility's costs and assets among major operating functions (collection, treatment, etc.). After cost functionalization, the rate analyst allocates the "functionalized costs" to cost causation components. For wastewater these cost components include wastewater flow, strength, and general admin costs. Wastewater strength is further defined as the Biochemical Oxygen Demand (BOD) and Total Suspended Solid (TSS) loads contributed by each class. The analyst further distributes these cost causation components to each customer class (e.g., single-family residential, multi-family residential and commercial) by determining the loadings of flow and strength of each class.

Once the cost of service analysis is complete, the rate analyst designs rates to collect the cost to serve each customer class calculated as part of the cost of service analysis.

## 1.4. Wastewater Utility Financial Plan

Raftelis has projected the operating and capital expenses over the planning period and is recommending a revenue increase of two percent for FY 2022, starting July 1, 2021, followed by annual increases of three percent for the

next four years. The two percent increase is an increase in total revenue requirement from rates. The rate increases for different customer classes will be different based on the cost of service analysis.

The proposed financial plan is shown graphically in **Figure 1-1** with the columns representing the operating expense, debt, and capital expenses. The red line shows the revenues with no revenue adjustments and the green line shows the revenues with the proposed revenue adjustments. **Figure 1-2** shows graphically the financing plan for the capital improvement plan CIP). The large capital expenditure in FY 2022 is partially funded by a debt issue of \$5 million.

Figure 1-1: Wastewater Utility Proposed Financial Plan

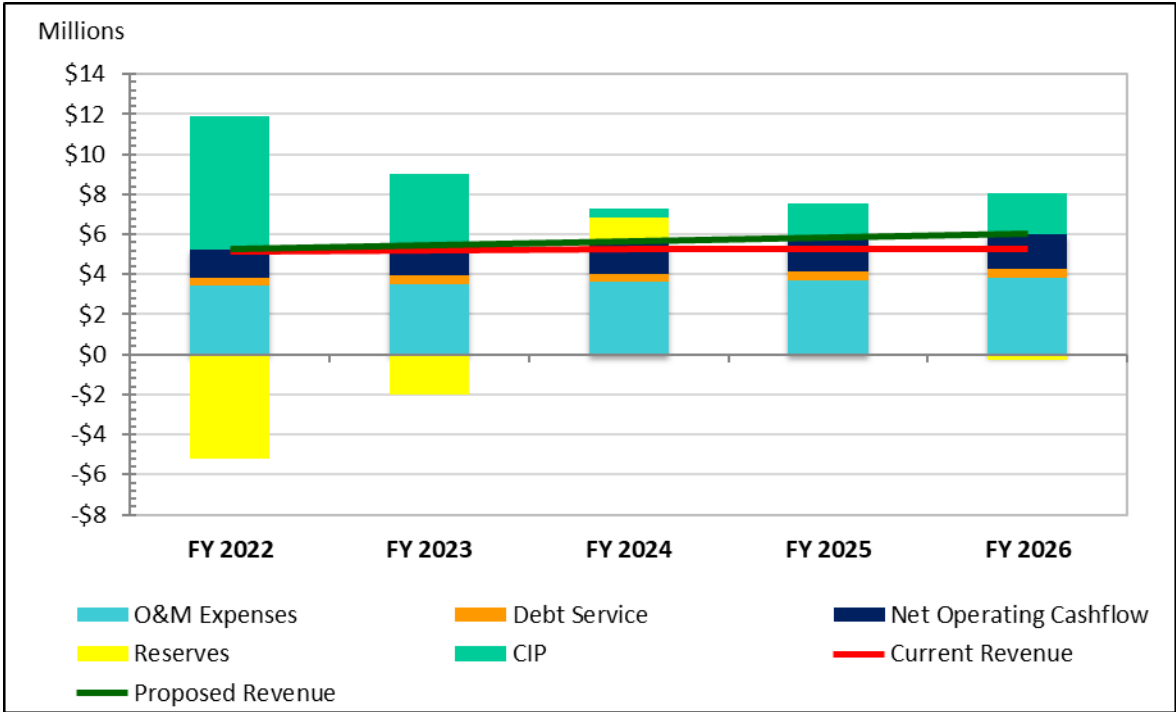
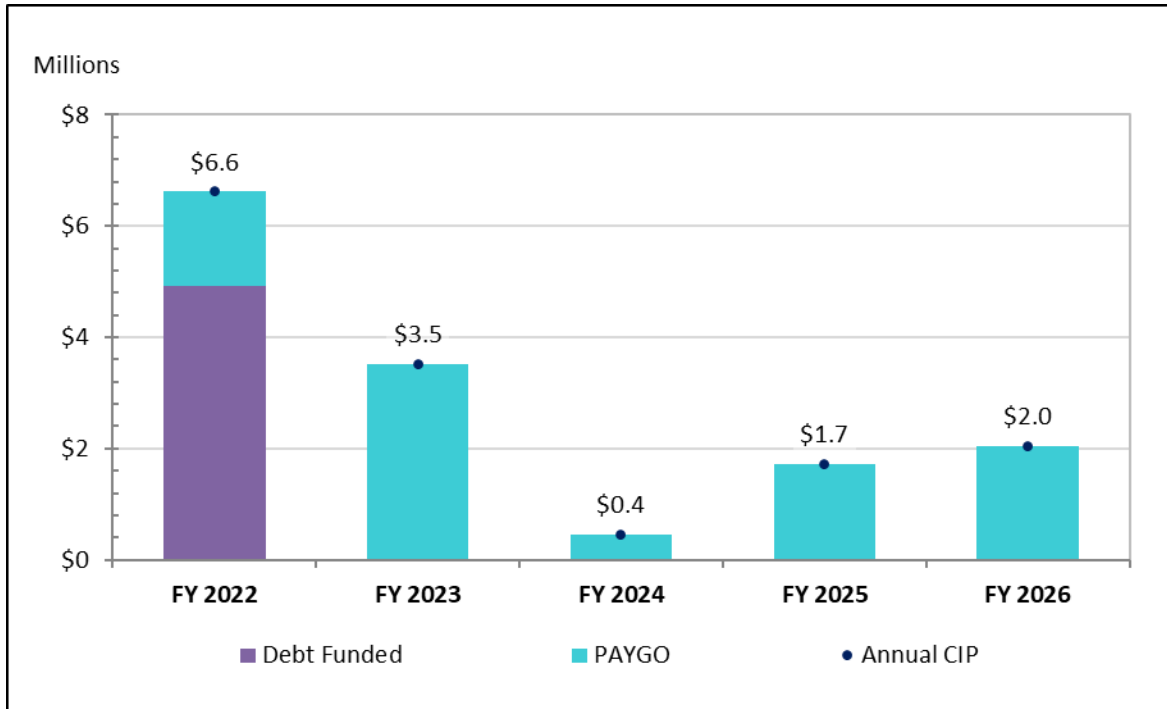


Figure 1-2: Capital Funding Sources



## 1.5. Proposed Wastewater Rates

The proposed rates across five years are presented for the annual system service charge in **Table 1-1** and the volumetric rate (\$/hcf) in **Table 1-2**. One Multi-Family Residential (MFR) dwelling unit was revised to be equivalent to 0.79 EDU. This was estimated as the ratio of Single Family Residential (SFR) to MFR flow per EDU using FY 2020 billing data. The annual fixed charge for MFR customers is adjusted to 79 percent of the SFR fixed charge to account for their lower sewer flow.

$$\text{FY 2022 MFR Fixed Charge} = \$186.17 \times 0.79^1 = \$147.33$$

Table 1-1: Five-Year Proposed Annual Fixed Charges

Customer Class	Current	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>Single Family Residential</b>						
4S, SL	\$181.09	\$186.17	\$191.76	\$197.52	\$203.45	\$209.56
RC	\$181.09	\$186.17	\$191.76	\$197.52	\$203.45	\$209.56
<b>Other</b>						
Multi-Family	\$181.09	\$147.33	\$151.75	\$156.31	\$161.00	\$165.83
Commercial - Group I	\$181.09	\$186.17	\$191.76	\$197.52	\$203.45	\$209.56
Commercial - Group II	\$181.09	\$186.17	\$191.76	\$197.52	\$203.45	\$209.56

<sup>1</sup> Note the exact value differs slightly due to rounding.

**Table 1-2: Five-Year Proposed Volumetric Rates (\$/hcf)**

Customer Class	Current	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>Single Family Residential</b>						
4S, SL	\$6.59	\$6.81	\$7.02	\$7.24	\$7.46	\$7.69
RC	\$6.59	\$6.81	\$7.02	\$7.24	\$7.46	\$7.69
<b>Other</b>						
Multi-Family	\$6.59	\$6.81	\$7.02	\$7.24	\$7.46	\$7.69
Commercial - Group I	\$6.59	\$6.81	\$7.02	\$7.24	\$7.46	\$7.69
Commercial - Group II	\$10.16	\$9.43	\$9.72	\$10.02	\$10.33	\$10.64

## 2. Assumptions

This section summarizes the principal assumptions in this Study. Unless otherwise stated herein, these assumptions are used consistently in the Study.

### 2.1. Inflation

To develop a multi-year plan, we make projections of expenses and non-rate revenues. The Study Period spans Fiscal Years (FY) 2021 to FY 2030. The inflationary assumptions to make projection for future years are based on input from District staff and/or long-term averages. The inflationary assumptions are presented in **Table 2-1**. Note that the Study incorporates the District's FY 2021 budget and projections for future years are based on these inflationary factors.

- General inflation is based on the change in the annual Consumer Price Index for all Urban Consumers for the San Diego-Carlsbad Region.
- Increases in certain wastewater Operations and Maintenance costs were supplied by the District based on discussions with District staff. Salaries, Benefits, and Utilities are projected to be higher than General inflation factor
- The District is using 4% inflation adjustment for future wastewater CIP Projects.
- The reserve interest rate is assumed net of the District's projected investment income based on current market conditions.

**Table 2-1: Inflationary Assumptions**

Category	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
General	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Salaries	4.5%	4.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Benefits	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
CIP Projects*	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Other Capital	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Utilities	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Reserve Interest Rate	0.3%	0.5%	0.8%	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%	1.5%

### 2.2. Account and EDU Growth Assumptions

Table 2-2 shows account growth assumptions developed in cooperation with District staff. SFR customer accounts are expected to increase, particularly in the Rancho Cielo service area. No increase in MFR or commercial customers is expected. Commercial Group I customers include office buildings, small retail stores, schools, etc. Commercial Group II customers represent shopping centers, strip malls, medical office buildings and/or restaurants, and large buildings that may have manufacturing facilities.<sup>2</sup>

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<sup>2</sup> Note that Commercial III customers have been merged with Commercial II. These are large buildings that may have manufacturing facilities.



**Table 2-2: Account Growth Assumptions**

Customer Class	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Single Family Residential</b>										
4S, SL	1.0%	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RC	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Other</b>										
Multi-Family	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial - Group I	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial - Group II	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 2-3 shows the projected Equivalent Dwelling Units (EDUs) reflecting the growth assumptions in **Table 2-2**. The EDU definition for MFR has been revised in this study based on the actual flow ratio between MFR and SFR wastewater (sewer) customers. One MFR dwelling unit is equivalent to 0.79 EDU.

**Table 2-3: Projected Wastewater EDUs**

Customer Class	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Single Family Residential</b>										
4S, SL	3,687	3,724	3,761	3,761	3,761	3,761	3,761	3,761	3,761	3,761
RC	326	336	343	350	357	364	371	378	386	394
<b>Other</b>										
Multi-Family	1,203	1,203	1,203	1,203	1,203	1,203	1,203	1,203	1,203	1,203
Commercial - Group I	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310
Commercial - Group II	400	400	400	400	400	400	400	400	400	400
<b>Total EDUs</b>	<b>6,926</b>	<b>6,973</b>	<b>7,017</b>	<b>7,024</b>	<b>7,031</b>	<b>7,038</b>	<b>7,045</b>	<b>7,052</b>	<b>7,060</b>	<b>7,068</b>

**Table 2-4** shows the projected wastewater flow expressed in hundred cubic feet (hcf). Flow is a function of the return factor as shown in **Table 2-4** and account growth factors in **Table 2-2**. The return factor represents the amount of water use returned to 4SWRF. The Study assumes that the return factor will not change for any customer class throughout the Study Period. SFR flows increase due to the growth in those accounts, as reflected in **Table 2-3**.

Note that the SFR class flow is based on *annualized lowest winter water use* from the previous fiscal year. SFR properties tend to have a substantial portion of outdoor water use, which does not flow back into the sewer system as wastewater. Wastewater flow equal to lowest month winter water use is a reasonable estimate of indoor water use as outdoor watering is limited in winter months. Other customer classes (e.g., MFR and Commercial) tend to have less outdoor water use. Thus, their flow is based on *actual* water use from the previous year.

**Table 2-4: Projected Wastewater Flow (hcf)**

Customer Class	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Return Factor (all classes)</b>	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Single Family Residential (lowest winter use)</b>										
4S, SL	310,668	313,775	316,913	316,913	316,913	316,913	316,913	316,913	316,913	316,913
Single Family - RC	30,012	30,912	31,530	32,161	32,804	33,460	34,129	34,812	35,508	36,218
<b>Other (actual use)</b>										
Multi-Family	92,092	92,092	92,092	92,092	92,092	92,092	92,092	92,092	92,092	92,092
Commercial - Group I	61,729	61,729	61,729	61,729	61,729	61,729	61,729	61,729	61,729	61,729
Commercial - Group II	53,435	53,435	53,435	53,435	53,435	53,435	53,435	53,435	53,435	53,435
<b>Total Annual Flow (hcf)</b>	<b>547,936</b>	<b>551,943</b>	<b>555,699</b>	<b>556,330</b>	<b>556,973</b>	<b>557,629</b>	<b>558,298</b>	<b>558,981</b>	<b>559,677</b>	<b>560,387</b>

## 2.3. Reserve Assumptions

### 2.3.1. RESERVE POLICY BACKGROUND

A reserve policy is a written document that provides a basis for a public agency's financial reserves. The Board has adopted a Reserve Policy for the District, which was used to develop the financial plan. Wastewater reserves enable the District to meet working capital requirements, address revenue shortfalls due to economic recessions, and provide funds in case of an asset failure and/or natural disaster. Reserve policies provide guidelines for sound financial management with an overall long-range perspective to maintain financial solvency. Reserves also set aside funds for capital asset replacement as they age (and need to be replaced) and for new capital projects. Adhering to a sustainable reserve policy enhances financial management transparency and achieves or maintains favorable credit rating(s) for future District debt issues.

The appropriate amount of reserves and reserve types are determined by a variety of factors, such as the size of the operating budget, the amount of debt, the type of rate structure, frequency of customer billing and risk of natural disaster. While reserves vary by agency, most reserves tend to fall into the following categories: operating, rate stabilization, capital, and emergency. These are each further discussed below.

#### Operating Reserve

The purpose of an operating reserve is to provide working capital to support the operation, maintenance, and administration. The District's wastewater service charges are collected through the County Tax Collector's office at the same time that property tax bills are paid by wastewater (sewer) customers (the majority of which are collected on December 15 and April 15.) Due to the timing of these receipts for sewer services, the operating reserve supports the District's cash flow needs during normal operations and ensures that operations can continue should there be significant events that impact cash flows. As it is unlikely for a utility to precisely predict the revenues and revenue requirements for each billing period, a reserve set aside to hedge the risk of monthly negative cash positions is part of prudent financial planning and fiscal management.

#### Rate Stabilization

Rate stabilization reserves are used to minimize the need for abrupt rate increases that may be needed during times of decreased wastewater flow, economic recessions, or emergencies. The rate stabilization reserve would be used to offset the District's fixed costs. A rate stabilization reserve acts as a buffer to protect customers from experiencing large rate increases.

#### Capital Reserve

Capital reserves fund the replacement and renewal of a utility's infrastructure. Because utilities are highly capital-intensive enterprises, it is important to accurately estimate long-term capital costs and develop a reserve to fund the

eventual replacement of the system and new capital projects. Capital reserves vary the most (amongst all reserve targets) by agency. There are three accepted industry standard methods used to establish capital reserves:

- » One to five times the average capital expense over 5 to 10 years;
- » Given percentage of asset value, normally valued at replacement cost, of two to five percent; and
- » Asset depreciation normally calculated using replacement cost.

### Emergency

An emergency reserve seeks to minimize disruptions in service during a natural disaster or asset/facility failure. An emergency reserve decreases risk by setting aside adequate funds to rebuild/replace an essential facility or pipeline after failure/disaster. Normally, a local public agency performs a critical asset analysis as the basis for the target level of emergency reserve. The District does not currently have an emergency reserve – however the rate stabilization fund has a dual purpose as an emergency fund.

## 2.3.2. CURRENT RESERVES

The District's current reserve policy follows:

- » **Operating Reserve:** A minimum of 180 days of annual wastewater (sewer) operations and maintenance expenditures approved by the Board. The maximum shall not exceed 365 days of annual sewer operations and maintenance expenditures approved by the Board in District's budget. In FY 2021, the minimum and maximum targets were \$1.7 million and \$3.4 million, respectively.
- » **Rate Stabilization:** The rate stabilization reserve minimum is 25% of annual wastewater (sewer) operating and maintenance expenditures approved by the Board and the maximum is 100 percent of annual Board approved operating budget. The minimum and maximum target for FY 2021 were \$0.9 million and \$3.4 million, respectively.
- » **Capital Reserve:** The capital reserve minimum is two years' average of planned capital expenditures of the approved 10-year Wastewater (sewer) Capital Spending Plan. The maximum shall not exceed five years' average of the approved (ten-year) capital improvement plan. In FY 2021 the minimum and maximum targets were \$4.1 and \$10.2 million, respectively.

Table 2-5 lists the District's FY 2021 audited beginning fund balances for the Operating, Rate Stabilization, and Capital reserves as well as the minimum and maximum targets. Total reserves balance is between the total minimum and maximum targets.

**Table 2-5: FY 2021 Beginning Fund Balances<sup>1</sup>**

Reserve	FY 2021	Min Target	Max Target
Operating <sup>2</sup>	\$1,413,450	\$1,714,870	\$3,429,740
Rate Stabilization	\$2,586,000	\$857,435	\$3,429,740
Capital	\$10,547,319	\$4,097,000	\$10,242,500
<b>Total Beginning Balance</b>	<b>\$14,546,769</b>	<b>\$6,669,305</b>	<b>\$17,101,980</b>

1 As of 7/1/2020 (audited)

2 Due to timing of County sewer service receipts, beginning operating reserve balance was below reserve target minimum.

## 2.4. Data Sources

The District provided the following data to aid in preparing this report:

- » Revenues and expenses for FY 2020 (actuals) and FY 2021 budgeted, FY 2022 budgeted
- » Ten-year Wastewater Capital Improvement Plan
- » Debt service payment schedules
- » Estimated beginning and ending balances for FY 2021

- » Wastewater billing data (with identifying information removed) for FY 2020
- » Customer growth projections
- » Wastewater asset information
- » Total plant influent flow, BOD, and TSS
- » Sewer debt and reserve policies

# 3. Financial Plan

As the first step in the rate study process, Raftelis reviewed the District’s revenue requirements. Raftelis analyzed the District’s wastewater (WW) annual operating revenues, operation and maintenance (O&M) expenses, transfers between funds, and reserve requirements. This Section of the Report discusses projected revenues, O&M expenses, other reserve funding and revenue adjustments to ensure the Wastewater Utility’s fiscal solvency.

## 3.1. Revenues from Current Wastewater Rates

The total annual SFR customer charge is the sum of the annual system access charge assessed per equivalent dwelling unit (EDU) plus a commodity charge assessed per hundred cubic feet (hcf). The current FY 2021 wastewater charges and rates are presented in **Table 3-1**.

The annual system access charge is a uniform flat charge across all customer classes. The commodity charge is based on an SFR customer’s annualized minimum prior year winter water use with a maximum (or cap) use of 10 hcf.<sup>3</sup> For example, a customer with a minimum winter water use of 7 hcf would be charged the following:

$$\text{Total Annual SFR Bill} = \text{Annual System Access Charge} + (7 \text{ hcf} \times \text{Flow Charge per hcf} \times 12 \text{ months}) = \$734.65$$

An SFR using more than 10 hcf will only be assessed the flow charge at 10 hcf monthly (or 120 hcf annually). For example, a customer with a minimum winter water use of 25 hcf would be charged the following:

$$\text{Total Annual SFR Bill} = \text{Annual System Access Charge} + (10 \text{ hcf} \times \text{Flow Charge per hcf} \times 12 \text{ months}) = \$971.89$$

**Table 3-1: FY 2021 (Current) Wastewater Charges and Rates**

Customer Class	Annual System Access Charge	Commodity Rate
<b>Single Family Residential</b>	<i>per EDU</i>	<i>\$/hcf</i>
4S, SL	\$181.09	\$6.59
RC	\$181.09	\$6.59
<b>Other</b>	<i>per EDU</i>	<i>\$/hcf</i>
Multi-Family	\$181.09	\$6.59
Commercial - Group I	\$181.09	\$6.59
Commercial - Group II	\$181.09	\$10.16

Non-SFR customers are charged similarly except the commodity portion of their charge is based on their actual water use. Additionally, non-SFR customers do not have a water use cap.

Raftelis calculated projected revenue under existing rates by multiplying the number of EDUs for each user class by the existing annual system access charge and added to that the revenue from the commodity rate which is the wastewater use for each class multiplied by the commodity rates shown in **Table 3-1**. The resulting revenue under existing rates is shown in line 3 of **Table 3-4**.

<sup>3</sup> For the purposes of determining the sewer use, the District defines winter months as December, January, February, and March of the prior fiscal year.

## 3.2. Operation and Maintenance Expenses

Using the District's FY 2022 Operation and Maintenance (O&M) budgeted values, future expenses were projected by using the inflation factors in **Table 2-1**. **Table 3-2** summarizes budgeted and projected O&M expenses.

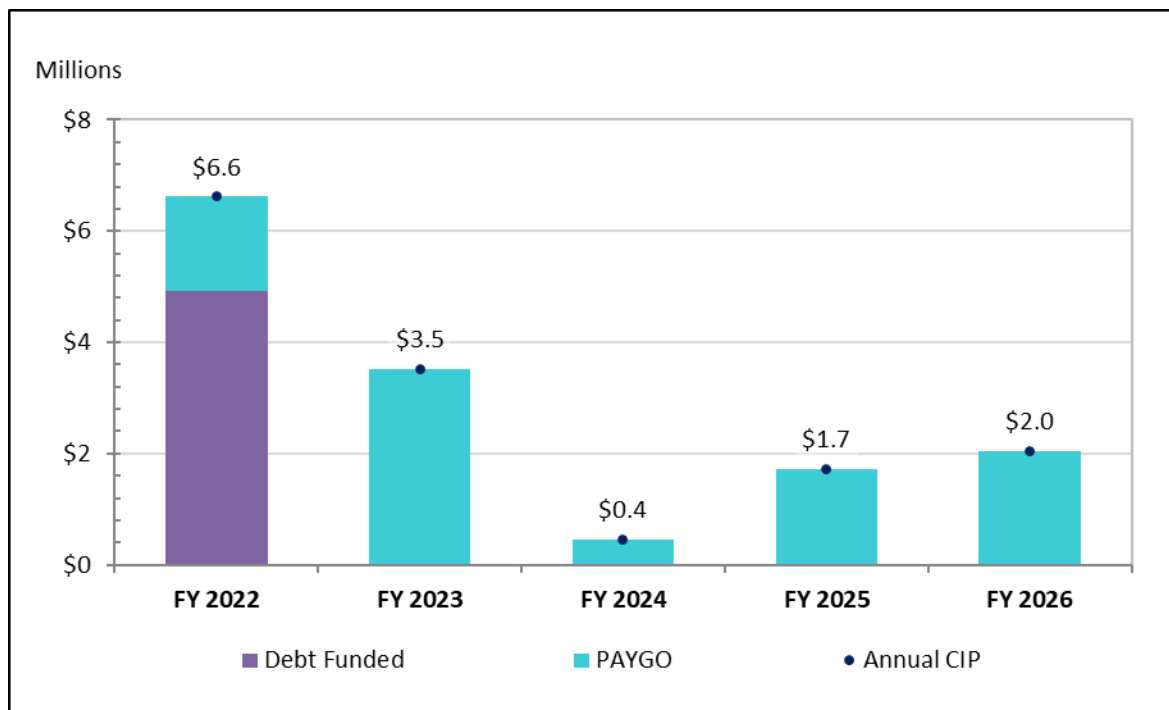
**Table 3-2: Projected O&M Expenses**

Budget Item	FY 2021 <i>Budgeted</i>	FY 2022 <i>Budgeted</i>	FY 2023 <i>Projected</i>	FY 2024 <i>Projected</i>	FY 2025 <i>Projected</i>	FY 2026 <i>Projected</i>	FY 2027 <i>Projected</i>	FY 2028 <i>Projected</i>	FY 2029 <i>Projected</i>	FY 2030 <i>Projected</i>
Personnel	\$1,279,000	\$1,350,000	\$1,390,500	\$1,432,215	\$1,475,181	\$1,519,437	\$1,565,020	\$1,611,971	\$1,660,330	\$1,710,140
Operations	\$1,494,000	\$1,521,000	\$1,560,327	\$1,597,615	\$1,635,843	\$1,675,038	\$1,715,225	\$1,756,433	\$1,798,687	\$1,842,017
Other	\$542,000	\$558,740	\$575,997	\$593,788	\$612,127	\$631,033	\$650,524	\$670,616	\$691,328	\$712,680
<b>Total O&amp;M</b>	<b>\$3,315,000</b>	<b>\$3,429,740</b>	<b>\$3,526,825</b>	<b>\$3,623,618</b>	<b>\$3,723,152</b>	<b>\$3,825,508</b>	<b>\$3,930,769</b>	<b>\$4,039,019</b>	<b>\$4,150,345</b>	<b>\$4,264,837</b>

## 3.3. Projected Capital Replacement Projects

The District plans to execute approximately \$20.5 million for the WW capital improvement plan (CIP) during the Study Period, as shown in **Figure 3-1**. This is an average of \$2.0 million in annual CIP costs inflated across the Study Period. The District assumes a 4% annual inflation adjustment for its future wastewater CIP projects. The purple bar represents CIP that will be funded by debt. The light blue bars in Figure 3-1 below represent future wastewater CIP projects funded by sewer revenue and reserves (PAYGO).

**Figure 3-1: Projected Replacement CIP and Funding Sources**



### 3.4. Existing and Proposed Debt

The Wastewater Fund has been allocated 20% of the debt service payment for the District's 2018 Bond Issue. The debt service amounts to just over \$129,000 per year each year until FY 2028.

The District plans to issue \$5 million in new debt in FY 2022 to fund critical capital projects and reduce the impact on rates.

### 3.5. Proposed Financial Plan

The District did not implement approved rate increases for FY 2020; the District's WW utility needs revenue adjustments to cover O&M expenses, to fund capital improvement projects and meet target reserves. The proposed sewer revenue adjustments for the next five years are shown in **Table 3-3**. Per Raftelis recommendation, the District will implement a two percent revenue adjustment for FY 2022 and 3% thereafter. It is also recommended that the District issue \$5 million in debt in FY 2022.

**Table 3-3: Proposed Five-Year Revenue Adjustments**

Fiscal Year	Effective Date	Revenue Adjustment
FY 2022	July 1, 2021	2%
FY 2023	July 1, 2022	3%
FY 2024	July 1, 2023	3%
FY 2025	July 1, 2024	3%
FY 2026	July 1, 2025	3%

**Table 3-4** shows the operating fund cash flow under the proposed WW revenue adjustments shown in **Table 3-3**. As shown in **Table 3-4** by the net cashflow (line 22), with the proposed revenue adjustment, revenues are sufficient to meet O&M expenses and debt service.

The District has significant capital expenses in FY 2022 and FY 2023 that will be funded through wastewater service charges, cash available in capital reserves, and a new debt issue. The District will exceed its debt coverage target as shown by the projected debt service coverage ratios in **Table 3-4** under the proposed five-year revenue adjustments in **Table 3-3**.



**Table 3-4: Proposed Wastewater Financial Plan**

Line No.	Description	FY 2021 <i>Budgeted</i>	FY 2022 <i>Budgeted</i>	FY 2023 <i>Projected</i>	FY 2024 <i>Projected</i>	FY 2025 <i>Projected</i>	FY 2026 <i>Projected</i>	FY 2027 <i>Projected</i>	FY 2028 <i>Projected</i>	FY 2029 <i>Projected</i>	FY 2030 <i>Projected</i>
1	<b>REVENUES</b>										
2	<b>Operating Revenues</b>										
3	Revenues from Current Rates	\$5,055,858	\$5,090,808	\$5,123,528	\$5,128,954	\$5,134,459	\$5,140,049	\$5,145,726	\$5,151,494	\$5,157,530	\$5,163,657
4	Proposed Revenue Adjustments	\$0	\$101,816	\$259,251	\$421,179	\$588,314	\$760,825	\$761,665	\$762,519	\$763,412	\$764,319
5	<b>Total Operating Revenues</b>	<b>\$5,055,858</b>	<b>\$5,192,624</b>	<b>\$5,382,778</b>	<b>\$5,550,133</b>	<b>\$5,722,773</b>	<b>\$5,900,874</b>	<b>\$5,907,391</b>	<b>\$5,914,013</b>	<b>\$5,920,942</b>	<b>\$5,927,977</b>
6	<b>Non-Operating Revenues</b>										
7	Interest Income	\$35,604	\$56,537	\$94,084	\$120,521	\$125,630	\$123,559	\$121,982	\$187,130	\$195,436	\$208,166
8	<b>Total Non-Operating Revenues</b>	<b>\$35,604</b>	<b>\$56,537</b>	<b>\$94,084</b>	<b>\$120,521</b>	<b>\$125,630</b>	<b>\$123,559</b>	<b>\$121,982</b>	<b>\$187,130</b>	<b>\$195,436</b>	<b>\$208,166</b>
9	<b>TOTAL REVENUES</b>	<b>\$5,091,462</b>	<b>\$5,249,161</b>	<b>\$5,476,863</b>	<b>\$5,670,654</b>	<b>\$5,848,403</b>	<b>\$6,024,433</b>	<b>\$6,029,373</b>	<b>\$6,101,143</b>	<b>\$6,116,378</b>	<b>\$6,136,142</b>
10											
11	<b>EXPENSES</b>										
12	<b>Operating Expenses</b>										
13	Personnel	\$1,279,000	\$1,350,000	\$1,390,500	\$1,432,215	\$1,475,181	\$1,519,437	\$1,565,020	\$1,611,971	\$1,660,330	\$1,710,140
14	Operations	\$1,494,000	\$1,521,000	\$1,560,327	\$1,597,615	\$1,635,843	\$1,675,038	\$1,715,225	\$1,756,433	\$1,798,687	\$1,842,017
15	Other	\$542,000	\$558,740	\$575,997	\$593,788	\$612,127	\$631,033	\$650,524	\$670,616	\$691,328	\$712,680
16	<b>Subtotal Operating Expenses</b>	<b>\$3,315,000</b>	<b>\$3,429,740</b>	<b>\$3,526,825</b>	<b>\$3,623,618</b>	<b>\$3,723,152</b>	<b>\$3,825,508</b>	<b>\$3,930,769</b>	<b>\$4,039,019</b>	<b>\$4,150,345</b>	<b>\$4,264,837</b>
17	<b>Debt Service</b>										
18	Series 2018 Bond Issue	\$129,174	\$129,037	\$129,207	\$129,071	\$129,037	\$129,096	\$129,045	\$129,081	\$0	\$0
	New Debt Service	\$0	\$289,150	\$289,150	\$289,150	\$289,150	\$289,150	\$289,150	\$289,150	\$289,150	\$289,150
19	<b>Subtotal Debt Service</b>	<b>\$129,174</b>	<b>\$418,188</b>	<b>\$418,357</b>	<b>\$418,222</b>	<b>\$418,187</b>	<b>\$418,247</b>	<b>\$418,195</b>	<b>\$418,232</b>	<b>\$289,150</b>	<b>\$289,150</b>
20	<b>TOTAL EXPENSES</b>	<b>\$3,444,174</b>	<b>\$3,847,928</b>	<b>\$3,945,182</b>	<b>\$4,041,840</b>	<b>\$4,141,339</b>	<b>\$4,243,755</b>	<b>\$4,348,964</b>	<b>\$4,457,250</b>	<b>\$4,439,495</b>	<b>\$4,553,987</b>
21											
22	<b>NET CASHFLOW</b>	<b>\$1,647,288</b>	<b>\$1,401,233</b>	<b>\$1,531,681</b>	<b>\$1,628,815</b>	<b>\$1,707,064</b>	<b>\$1,780,678</b>	<b>\$1,680,410</b>	<b>\$1,643,893</b>	<b>\$1,676,883</b>	<b>\$1,582,155</b>
23											
24	<i>Debt Service Coverage Ratio</i>	<i>1375%</i>	<i>435%</i>	<i>466%</i>	<i>489%</i>	<i>508%</i>	<i>526%</i>	<i>502%</i>	<i>493%</i>	<i>680%</i>	<i>647%</i>
25	<i>Target Debt Service Coverage Ratio</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>

Projected reserve balances are shown below in **Table 3-5** and fall between the minimum and maximum targets for the five-year period of proposed rates (FY 2022 to FY 2026), as shown in **Figure 3-3**.

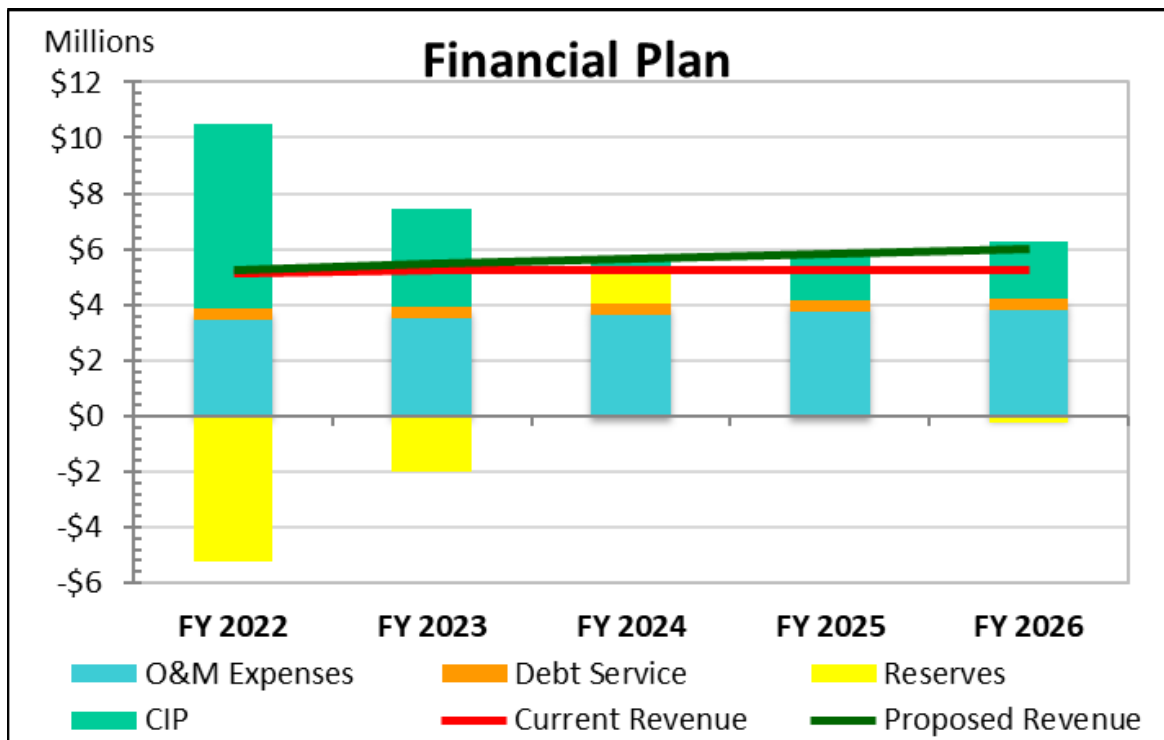
Table 3-5: Projected Ending Reserve Balances

Reserve	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Operating <sup>1</sup>	\$3,810,738	\$2,347,222	\$3,495,975	\$3,022,333	\$3,373,564	\$3,319,032	\$3,558,807	\$3,624,167	\$3,746,731	\$3,732,813
Rate Stabilization	\$2,586,000	\$2,586,000	\$2,586,000	\$2,586,000	\$2,586,000	\$2,586,000	\$2,586,000	\$2,586,000	\$2,586,000	\$2,586,000
Capital	\$7,575,319	\$8,691,068	\$5,476,996	\$7,057,453	\$6,626,286	\$6,344,496	\$6,124,130	\$6,658,664	\$7,051,983	\$8,260,055
<b>Total Ending Balance</b>	<b>\$13,972,057</b>	<b>\$13,624,290</b>	<b>\$11,558,971</b>	<b>\$12,665,786</b>	<b>\$12,585,850</b>	<b>\$12,249,528</b>	<b>\$12,268,938</b>	<b>\$12,868,830</b>	<b>\$13,384,713</b>	<b>\$14,578,868</b>

<sup>1</sup> Does not include PAYGO transfer to Capital reserve for FY 2021.

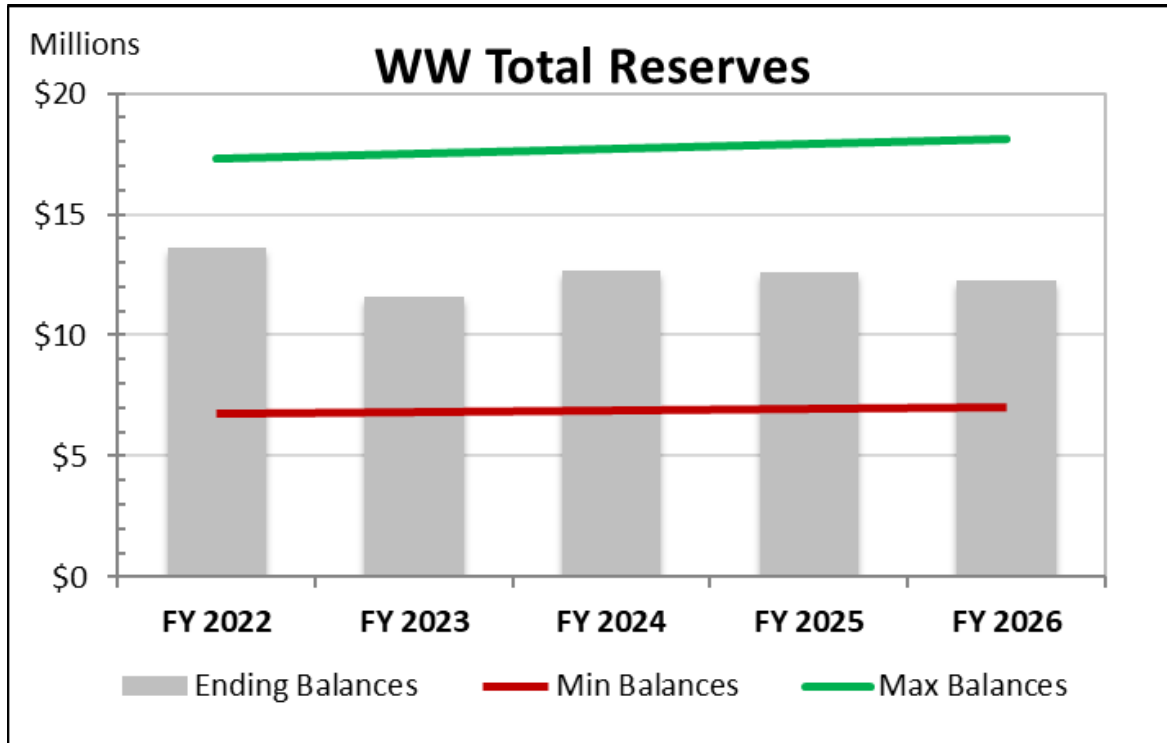
**Figure 3-2** shows the District's five -year financial plan, with the operating expenses including debt service and the capital expenses shown as stacked bars and the revenues under current and proposed rates shown by the lines. The proposed rate revenue (dark green line) is adequate to cover operating expenses (turquoise bar) and debt service (orange bar). However, when capital expenses are included the reserves have to be drawn down. This is represented by the yellow bars under the x-axis.

**Figure 3-2: Proposed Wastewater Financial Plan**



**Figure 3-3** shows the total ending reserve balances (including operating reserve, rate stabilization reserve, and capital reserve) under the proposed WW revenue adjustments. The ending balances for each reserve are shown in **Table 3-5**. With the proposed adjustments and debt issue, the total reserve falls between the minimum and maximum target balances for the five-year period during which these changes are proposed.

Figure 3-3: Projected WW Fund Ending Balances



# 4. Cost of Service Analysis

This Section discusses the allocation of O&M expenses and capital costs to wastewater functions, cost causation components, and subsequently the determination of unit costs and rate calculation by customer class. The proposed WW utility cost of service was developed consistent with guidelines detailed in the Water Environment Federation (WEF) Manual of Practice No. 27, *Financing and Charges for Wastewater Systems*, 2018.

A summary of the COS analysis Raftelis performed is as follows:

1. First, Raftelis used residential and non-residential wastewater strengths consistent with industry standards. Strengths are defined as the concentration of biochemical oxygen demand (BOD<sup>4</sup>) and total suspended solids (TSS)<sup>5</sup> in milligrams per liter (mg/L) in wastewater.
2. Next Raftelis incorporated the estimated flows from each customer class. These were obtained from District provided water use data.
3. The District functionalized the O&M and capital costs into functions: Collection, Treatment, Disposal, Billing and Customer Service and General (Administration).
4. Raftelis allocated O&M costs in each function (from step 3) to cost causation components: Flow, BOD, TSS, Administrative and General. This was subsequently used to allocate the total revenue requirement to each cost causation component.
5. Raftelis calculated unit cost causation component rates by dividing the total cost allocated to each cost causation component in step 4 by the total flow and strength loadings (in pounds of BOD or SS) and equivalent dwelling units (EDU) of the customers.
6. Lastly, Raftelis calculated the cost by customer class by multiplying the unit cost components in step 5 by the flow and strength loading and EDUs from each class.

## 4.1. Flow and Strength Loadings

The class strengths are shown in **Table 4-1**. The strengths are representative of typical strengths from each class based on industry standards and the strengths used in the prior rate study. To simplify rates and minimize impacts, customers are grouped into three classes based on their strength: residential, low strength commercial and medium-high strength commercial. Residential and Commercial Group I customers, which include office buildings, small retail stores, schools, etc., have the lowest strength since their sewage is typical household wastewater. Commercial Group II customers represent shopping centers, strip malls, medical office buildings, supermarkets and/or restaurants which typically have a higher strength sewage due to the BOD associated with food wastes. Group II also includes one industrial customer previously classified as Group III.

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<sup>4</sup> BOD is a measure of oxygen utilization by the microorganisms in wastewater. The more waste matter in a wastewater stream the higher the BOD which in turn incurs higher treatment costs since the wastewater treatment plant must oxygenate the wastewater.

<sup>5</sup> TSS is a measure of the dry-weight of suspended particles in wastewater that have not been dissolved. Filtration processes during treatment remove TSS. As with BOD, the treatment costs increase as the solid matter increases.

**Table 4-1: Customer Class Strength Classifications**

Customer Class	BOD (mg/L)	TSS (mg/L)
<b>Single Family Residential</b>		
4S, SL	275	275
RC	275	275
<b>Other</b>		
Multi-Family	275	275
Commercial - Group I	225	225
Commercial - Group II	725	725

Raftelis determined the wastewater flow, BOD and TSS plant loadings generated by each customer class as shown in **Table 4-2**. The flow is based on lowest winter water usage for SFR customers and strengths shown in **Table 4-1**. The flow, loadings, and EDUs from each class were used to develop unit costs to distribute the total revenue requirement to each customer class so that each customer class is assigned costs proportionally to its customer characteristics.

**Table 4-2: FY 2020 Flow and Strength Loadings**

Customer Class	FY 2020 Flow (MG / yr) (1)	BOD (lbs / yr) (2)	TSS (lbs / yr) (3)	FY 2020 Flow (hcf / yr) (4)	BOD (mg / L) (5)	TSS (mg / L) (6)
<b>Single Family Residential</b>						
4S, SL	205.7	472,147	472,147	275,040	275	275
RC	19.8	45,464	45,464	26,484	275	275
<b>Total SFR</b>	<b>226</b>	<b>517,611</b>	<b>517,611</b>	<b>301,524</b>	<b>275</b>	<b>275</b>
<b>Other</b>						
Multi-Family	66.8	153,348	153,348	89,330	275	275
Commercial - Group I	51.3	96,305	96,305	68,567	225	225
Commercial - Group II	43.6	263,740	263,740	58,276	725	725
<b>Total Other</b>	<b>162</b>	<b>513,393</b>	<b>513,393</b>	<b>216,173</b>	<b>380</b>	<b>380</b>

## 4.2. Allocation of O&M and Capital to Cost Causation Components

In the Cost of Service analysis, our goal is to allocate the District revenue requirement to each cost causation component. To do so we first functionalize and then allocate each line item in the District's O&M costs. The actual costs for FY 2020 are used to define costs for the different functions. The total expenses (shown in line 9, column 5 of **Table 4-3**) are allocated to each cost causation component as shown in **Table 4-3**. The allocation for each O&M functional cost is determined by multiplying the total in column 5 by the respective percentages for each cost causation component shown in lines 1 through 3. The resulting allocation (line 10) is calculated by dividing the total amount allocated to each cost causation component by the total O&M budget in line 9, column 5. Line 10 shows the resulting percentage allocation of O&M costs to each cost causation component and is used to allocate the FY 2022 costs.

Approximately 39% of O&M costs are allocated to flow and 9% each to BOD and SS and the remaining 42% to Customer/Capacity.<sup>6</sup> The resulting allocation in line 10 is used in a subsequent step in **Table 4-7**. Raftelis also calculated the percent distribution of each functionalized cost category (e.g., Collection, Treatment, and General), which will be used to allocate the FY 2022 Capital Revenue Requirement to each function as shown in the last column of **Table 4-3** lines 6 through 8.

**Table 4-3: O&M Allocation**

Line No	O&M Category	Flow	BOD	TSS	Customer / Capacity	TOTAL	
		(1)	(2)	(3)	(4)	(5)	
1	Collection	100%	0%	0%	0%	100%	
2	Treatment	50%	25%	25%	0%	100%	
3	General	0%	0%	0%	100%	100%	
4							
5	O&M Category	Flow	BOD	TSS	Customer / Capacity	TOTAL	Percent Total
6	Collection	\$610,032	\$0	\$0	\$0	\$610,032	20%
7	Treatment	\$576,693	\$288,346	\$288,346	\$0	\$1,153,386	38%
8	General	\$0	\$0	\$0	\$1,282,769	\$1,282,769	42%
9	<b>TOTAL</b>	<b>\$1,186,725</b>	<b>\$288,346</b>	<b>\$288,346</b>	<b>\$1,282,769</b>	<b>\$3,046,187</b>	<b>100%</b>
10	% Allocation	39%	9%	9%	42%	100%	

Similar to the District's O&M expenses, Raftelis functionalized District assets and allocated the functionalized asset value to the cost causation components. Raftelis used the replacement cost to value District assets.<sup>7</sup> **Table 4-4** shows the functionalization and allocation of assets to cost causation components. The allocation of assets is developed in the same manner as that of O&M costs in **Table 4-3**. According to industry standards, collection assets are allocated 100% to flow and treatment is allocated to flow, BOD and SS to reflect the cost of treating the strength component of sewage. Line 11 of **Table 4-4** shows the overall wastewater asset percentage allocation to the cost causation components.

The overall asset allocation, in line 11, is used in a subsequent step, in **Table 4-7**, to allocate capital related expenses to the cost causation components. Since capital expense projects can vary from year to year, it is standard industry practice to use the basis for asset allocation to allocate capital costs to preclude sharp changes to rates from year to year because over the long term all assets need to be replaced and using the total asset allocation serves the purpose of assigning capital costs to the appropriate cost causation centers. Raftelis allocated each functionalized category (e.g., Land, Treatment, Collection, and General) to cost causation components to allocate the FY 2022 Capital Revenue Requirement. Note that the capital costs in the "Land" category in **Table 4-4** are combined with the capital costs in the "General" category.

<sup>6</sup> Due to rounding, the percentages do not add up to exactly 100%.

<sup>7</sup> Replacement cost refers to the amount that the District would pay if they were to replace a given asset today. The 20-City Engineering News-Record Construction Cost Index is used to calculate replacement cost of capital assets.



**Table 4-4: Capital Allocation using Replacement Costs**

Line No	Asset Category	Flow	BOD	TSS	Customer / Capacity	TOTAL	
		(1)	(2)	(3)	(4)	(5)	
1	Land	0%	0%	0%	100%	100%	
2	Treatment	50%	25%	25%	0%	100%	
3	Collection	100%	0%	0%	0%	100%	
4	General	0%	0%	0%	100%	100%	
5	Asset Category	Flow	BOD	TSS	Customer / Capacity	TOTAL	Percent Total
6	Land	\$0	\$0	\$0	\$535,485	\$535,485	0.5%
7	Treatment	\$16,665,535	\$8,332,768	\$8,332,768	\$0	\$33,331,071	31.6%
8	Collection	\$63,719,006	\$0	\$0	\$0	\$63,719,006	60.4%
9	General	\$0	\$0	\$0	\$7,962,710	\$7,962,710	7.5%
10	<b>TOTAL</b>	<b>\$80,384,542</b>	<b>\$8,332,768</b>	<b>\$8,332,768</b>	<b>\$8,498,194</b>	<b>\$105,548,271</b>	<b>100%</b>
11	% Allocation	76%	8%	8%	8%	100%	

### 4.3. Revenue Requirement Determination

Next Raftelis determined the wastewater revenue requirement, which includes funds to cover yearly operating expenses, capital expenses and reserve funding. **Table 4-5** shows the determination of the rate revenue requirement. To determine the current revenue requirement, Raftelis added operating, debt service, and capital expenses as shown in line 5 column 3, subtracted other non-rate revenues as shown in line 9, and subtracted the annual cash balance (drawdown of the reserves, in this case) in line 13 to yield the net revenue requirement shown in line 15, column 3. This is the total amount of revenue to be recovered from rates. This is also known as the test year rate revenue requirement.

**Table 4-5: Revenue Requirement**

Line No	Description	Operating (1)	Capital (2)	Total (3)
1	<b>Revenue Requirement</b>			
2	O&M	\$3,429,740	\$0	\$3,429,740
3	Debt Service	\$0	\$418,188	\$418,188
4	Rate Funded Capital Projects	\$0	\$1,692,000	\$1,692,000
5	<b>Total Revenue Requirement</b>	<b>\$3,429,740</b>	<b>\$2,110,188</b>	<b>\$5,539,928</b>
6				
7	<b>Revenue Offsets</b>			
8	Interest Income	\$56,537	\$0	\$56,537
9	<b>Total Revenue Offsets</b>	<b>\$56,537</b>	<b>\$0</b>	<b>\$56,537</b>
10				
11	<b>Less Adjustments</b>			
12	Transfer from (to) Reserves	\$0	\$290,767	\$290,767
13	<b>Total Less Adjustments</b>	<b>\$0</b>	<b>\$290,767</b>	<b>\$290,767</b>
14				
15	<b>Rate Revenue Requirement</b>	<b>\$3,373,203</b>	<b>\$1,819,421</b>	<b>\$5,192,624</b>

## 4.4. Determine Units of Service

To develop unit costs by cost causation component, Raftelis first determined the units of service for each cost causation component. The units of service by cost causation component and by class are shown in **Table 4-6**. Line 10 shows the total units of service for each cost causation component in hcf, pounds per year for BOD<sup>8</sup> and TSS<sup>9</sup> or equivalent dwelling units (EDUs) respectively. The flows and loadings represent FY 2022 projections.

**Table 4-6: FY 2022 Units of Service Determination**

Line No.	Customer Class	FY 2022 Billed Sewer Use (hcf) (1)	BOD (lbs / yr) (2)	TSS (lbs / yr) (3)	EDUs (4)
1	<b>Single Family Residential</b>				
2	4S, SL	313,775	538,642	538,642	3,724
3	RC	30,912	53,065	53,065	336
4	<b>Total SFR</b>	<b>344,687</b>	<b>591,707</b>	<b>591,707</b>	<b>4,060</b>
5	<b>Other</b>				
6	Multi-Family	92,092	158,090	158,090	1,203
7	Commercial - Group I	61,729	86,700	86,700	1,310
8	Commercial - Group II	53,435	241,831	241,831	400
9	<b>Total Other</b>	<b>207,256</b>	<b>486,621</b>	<b>486,621</b>	<b>2,913</b>
10	<b>TOTAL</b>	<b>551,943</b>	<b>1,078,328</b>	<b>1,078,328</b>	<b>6,973</b>

## 4.5. Determine Unit Costs by Cost Component

In **Table 4-7**, each functional category (e.g., Collection, Treatment, and General) in O&M and Capital Revenue Requirements (**Table 4-5**, columns 1&2, line 15) is allocated to the cost causation components determined in **Table 4-3** and **Table 4-4**, respectively.

To cover the fixed costs of operations which are independent of the flows and loadings, a portion of the general Customer/Capacity costs are allocated to EDUs. Line 15 in **Table 4-7** makes an adjustment so that the District can maintain 25% fixed revenue collection similar to its prior rate structure. This provides the District with reasonable revenue stability in the case of drought and conservation and ensures that all customers share in the cost of the system. The resulting allocation of the revenue requirement to cost components is shown on line 16. To determine the unit cost (by cost causation component), Raftelis divided the revenue requirement for each cost causation component in line 16 by the units of service in line 18 (which were derived in **Table 4-6**, line 10) to yield the unit costs shown in line 20.

<sup>8</sup> For BOD: Yearly load in lbs = flow (hcf)\*748 gal/1,000,000\* strength (mg/L)\* 8.34

<sup>9</sup> For TSS: Same as BOD

8.34 is a conversion factor to convert MGD\*mg/L into lbs. per day

**Table 4-7: Determination of Units of Service by Cost Component**

Line No.	Description	Flow (1)	BOD (2)	TSS (3)	Customer / Capacity (4)	Total (5)
1	<b>Collection</b>					
2	Operating Expenses	\$675,521	\$0	\$0	\$0	\$675,521
3	Capital Expenses	\$1,098,376	\$0	\$0	\$0	\$1,098,376
4	<b>Subtotal Collection</b>	<b>\$1,773,897</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,773,897</b>
5	<b>Treatment</b>					
6	Operating Expenses	\$638,602	\$319,301	\$319,301	\$0	\$1,277,205
7	Capital Expenses	\$287,277	\$143,639	\$143,639	\$0	\$574,555
8	<b>Subtotal Treatment</b>	<b>\$925,880</b>	<b>\$462,940</b>	<b>\$462,940</b>	<b>\$0</b>	<b>\$1,851,759</b>
9	<b>General</b>					
10	Operating Expenses	\$0	\$0	\$0	\$1,420,478	\$1,420,478
11	Capital Expenses	\$0	\$0	\$0	\$146,490	\$146,490
12	<b>Subtotal General</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,566,968</b>	<b>\$1,566,968</b>
13						
14	<b>Total Operating &amp; Capital Costs</b>	<b>\$2,699,776</b>	<b>\$462,940</b>	<b>\$462,940</b>	<b>\$1,566,968</b>	<b>\$5,192,624</b>
15	Adjustments to Fixed Charges	\$200,166	\$34,323	\$34,323	(\$268,812)	\$0
16	<b>Adjusted Revenue Requirement</b>	<b>\$2,899,942</b>	<b>\$497,263</b>	<b>\$497,263</b>	<b>\$1,298,156</b>	<b>\$5,192,624</b>
17						
18	Unit of Service	551,943	1,078,328	1,078,328	6,973	
19	Units	<i>hcf</i>	<i>lbs/yr</i>	<i>lbs/yr</i>	<i>EDUs</i>	
20	<b>Unit Cost</b>	<b>\$5.25</b>	<b>\$0.46</b>	<b>\$0.46</b>	<b>\$186.17</b>	

## 4.6. Determine the Costs of Service

The final and ultimate step is to determine the cost of service for each customer class. Raftelis calculated the cost to serve each class by multiplying the unit costs in **Table 4-7** (line 20) by the respective units of service in **Table 4-6** (lines 2-8). The general calculation for the customer class cost of service is as follows:

$$\sum_{n=1}^4 \text{unit of service}_n \times \text{unit cost}_n$$

where  $n$  represents the four cost components (e.g., Flow, BOD, TSS, Customer/Capacity), the *unit of service* is from **Table 4-6**, and *unit cost* is from **Table 4-7**. For example, the total calculation for Commercial Group I is:

$$(61,729 \times \$5.25) + (86,700 \times \$0.46) + (86,700 \times \$0.46) + (1,310 \times \$186.17) = \$648,277$$

Because of rounding errors, the calculations shown above will not add exactly to \$648,277. Note that the total cost of service shown in line 8, column 5 equals the net revenue requirement shown in **Table 4-5** (line 15, column 3). This is the amount of revenue that needs to be collected from each class through a fixed and volumetric rate structure.

The results of the calculation of costs to each customer class are presented in **Table 4-8**

**Table 4-8: Cost of Service Derivation**

Line No.	Description	Flow (1)	BOD (2)	TSS (3)	Customer / Capacity (4)	Total (5)
1	<b>Single Family Residential</b>					
2	4S, SL	\$1,648,593	\$248,391	\$248,391	\$693,293	<b>\$2,838,667</b>
3	RC	\$162,414	\$24,471	\$24,471	\$62,553	<b>\$273,907</b>
4	<b>Other</b>					
5	Multi-Family	\$483,857	\$72,902	\$72,902	\$223,961	<b>\$853,622</b>
6	Commercial - Group I	\$324,328	\$39,981	\$39,981	\$243,881	<b>\$648,172</b>
7	Commercial - Group II	\$280,751	\$111,519	\$111,519	\$74,468	<b>\$578,256</b>
8	<b>TOTAL COST</b>	<b>\$2,899,942</b>	<b>\$497,263</b>	<b>\$497,263</b>	<b>\$1,298,156</b>	<b>\$5,192,624</b>

# 5. Wastewater Rates

Wastewater rates and charges are derived based on the cost to serve each class. The annual system access charge is calculated in **Table 4-7**. This is a uniform rate for all customer classes that is assessed annually.

**Table 5-1: Proposed FY 2022 Annual System Access Charge**

Line No.	Customer Class	System Access Charge (\$ / EDU)	System Access Charge (\$ / dwelling unit)
1	<b>Single Family Residential</b>		
2	4S, SL	<b>\$186.17</b>	<b>\$186.17</b>
3	RC	<b>\$186.17</b>	<b>\$186.17</b>
4	<b>Other</b>		
5	Multi-Family	<b>\$186.17</b>	<b>\$147.32</b>
6	Commercial - Group I	<b>\$186.17</b>	
7	Commercial - Group II	<b>\$186.17</b>	

For simplicity, ease of administration, and consistency with the current rate structure the District will continue charging the same commodity rate to SFR, MFR, and Group 1 Commercial customers. **Table 5-2** presents the calculation of the commodity rates for these customers. **Table 5-2** shows the sum of the commodity rate revenue requirement (line 7, column 1) for SFR, MFR, and Group I Commercial customers and sum of their water (wastewater) use (line 7, column 2). **Table 5-2** also presents Group II Commercial commodity rate revenue requirement and water use in line 8.

**Table 5-2: Commodity Rate Revenue Requirement and Water Use**

Line No.	Customer Class	Commodity Rate Revenue Requirement (1)	Water Use (hcf) (2)
1	<b>SFR</b>		
2	4S & SL	\$2,145,374	313,775
3	RC	\$211,355	30,912
4	<b>Other</b>		
5	Multi-Family	\$629,661	92,092
6	Commercial - Group I	\$404,290	61,729
7	<b>SUBTOTAL</b>	<b>\$3,390,680</b>	<b>498,508</b>
8	Commercial - Group II	<b>\$503,788</b>	<b>53,435</b>

**Table 5-3** consolidates the data in **Table 5-2** for all customer classes. The commodity rate (\$/hcf) in column 3 is calculated by dividing the commodity rate revenue requirement (column 1) by the water use (column 2).

**Table 5-3: Proposed FY 2022 Commodity Rate (\$/hcf)**

Customer Class	Commodity Rate Revenue Requirement (1)	Water Use (hcf) (2)	Commodity Rate (\$/hcf) (3)
SFR, Multi-Family, Com. Group I	\$3,390,680	498,508	<b>\$6.81</b>
Commercial - Group II	\$503,788	\$53,435	<b>\$9.43</b>

Note: The exact value of the final commodity rates may differ +/- \$0.01 due to rounding.

Based on the proposed revenue adjustments in **Table 3-3**, Raftelis calculated rates from FY 2022 to FY 2026 for the annual system access charge (**Table 5-4**) and commodity rates (**Table 5-5**).

**Table 5-4: Proposed Five-Year Annual System Access Charge**

Customer Class	Current	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>Single Family Residential</b>						
4S, SL	\$181.09	\$186.17	\$191.76	\$197.52	\$203.45	\$209.56
RC	\$181.09	\$186.17	\$191.76	\$197.52	\$203.45	\$209.56
<b>Other</b>						
Multi-Family	\$181.09	\$147.33	\$151.75	\$156.31	\$161.00	\$165.83
Commercial - Group I	\$181.09	\$186.17	\$191.76	\$197.52	\$203.45	\$209.56
Commercial - Group II	\$181.09	\$186.17	\$191.76	\$197.52	\$203.45	\$209.56

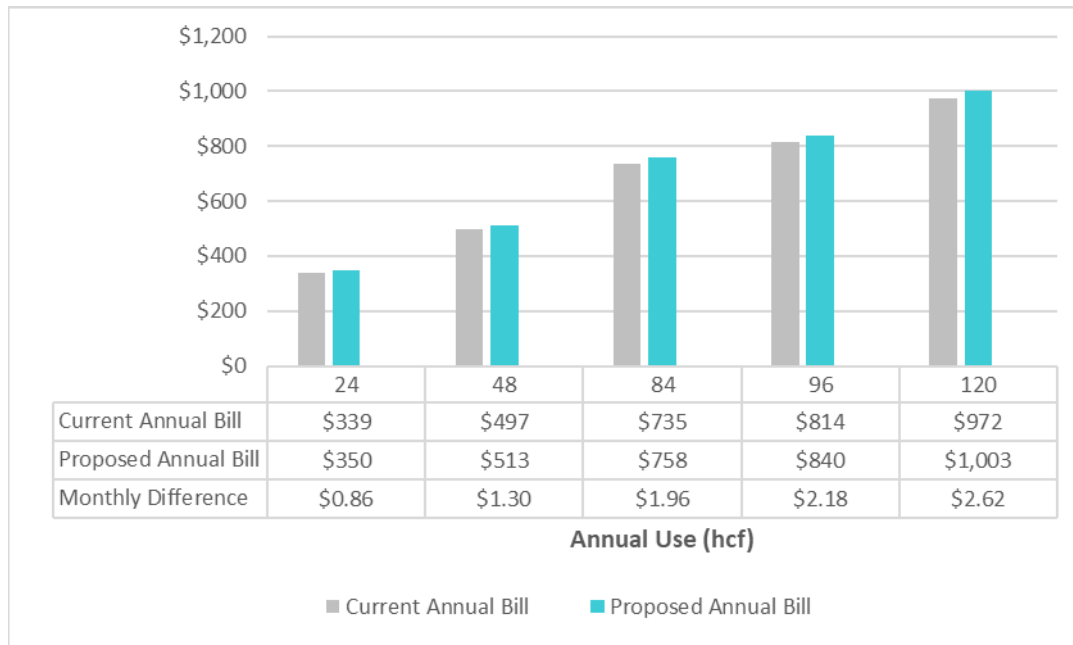
**Table 5-5: Proposed Five-Year Commodity Rates (\$/hcf)**

Customer Class	Current	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>Single Family Residential</b>						
4S, SL	\$6.59	\$6.81	\$7.02	\$7.24	\$7.46	\$7.69
RC	\$6.59	\$6.81	\$7.02	\$7.24	\$7.46	\$7.69
<b>Other</b>						
Multi-Family	\$6.59	\$6.81	\$7.02	\$7.24	\$7.46	\$7.69
Commercial - Group I	\$6.59	\$6.81	\$7.02	\$7.24	\$7.46	\$7.69
Commercial - Group II	\$10.16	\$9.43	\$9.72	\$10.02	\$10.33	\$10.64

## 6. Customer Bill Impact Analysis

Figure 6-1 shows the customer bill impacts for SFR customers assuming different water use points. SFR customers are billed based on their minimum winter monthly (prior year) usage up to a cap of 10 hcf per month (120 hcf annually). The average SFR winter monthly use is 7 hcf, which is annualized to 84 hcf.

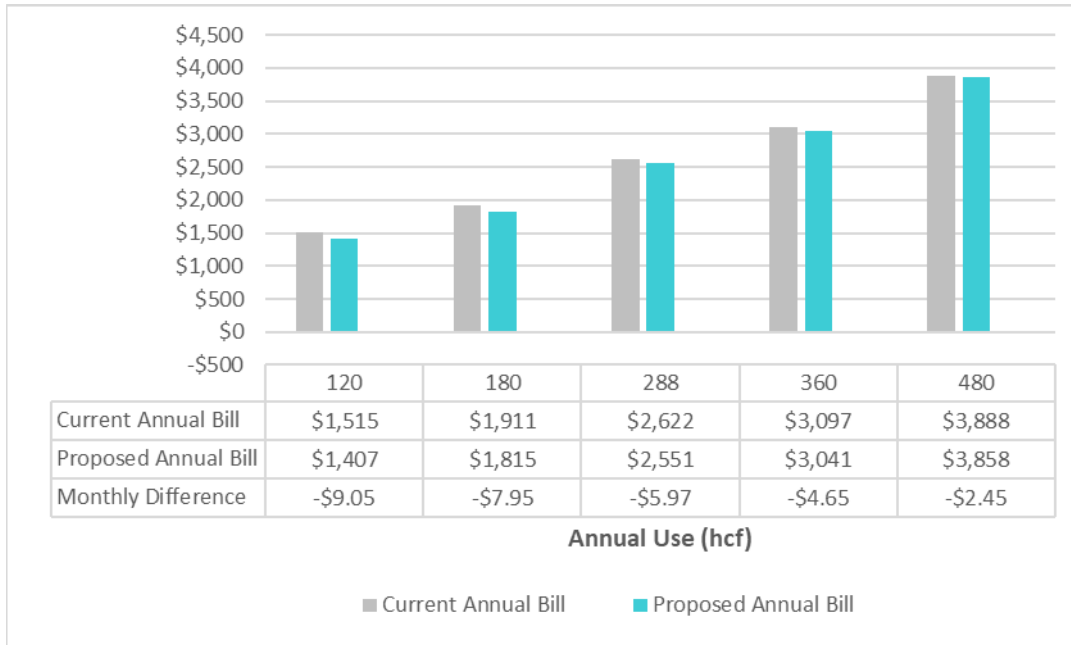
**Figure 6-1: SFR Annual Bill Impacts**



MFR customers are billed based on actual water use without a cap. Bill impacts are shown in **Figure 6-2** for a four unit MFR account. Similar to SFR customers, each dwelling unit is assessed the annual system access charge plus their share of water use for the dwelling unit complex. For example, assuming a condo with 4 dwelling units, the charge per dwelling unit would be \$147.33 plus  $\frac{1}{4}$  of the water use for the complex multiplied by the commodity rate of \$6.81/hcf. The average MFR monthly use is 6 hcf, annualized to 72 hcf and for a four-unit account the average annual use is 288 hcf.

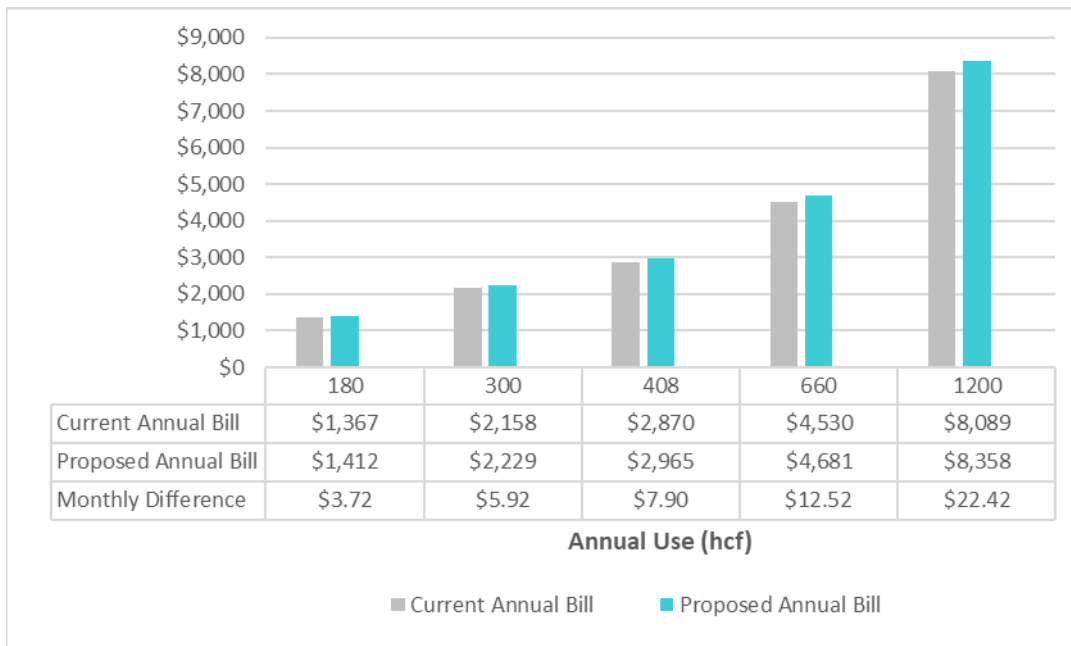


**Figure 6-2: MFR Annual Bill Impacts**

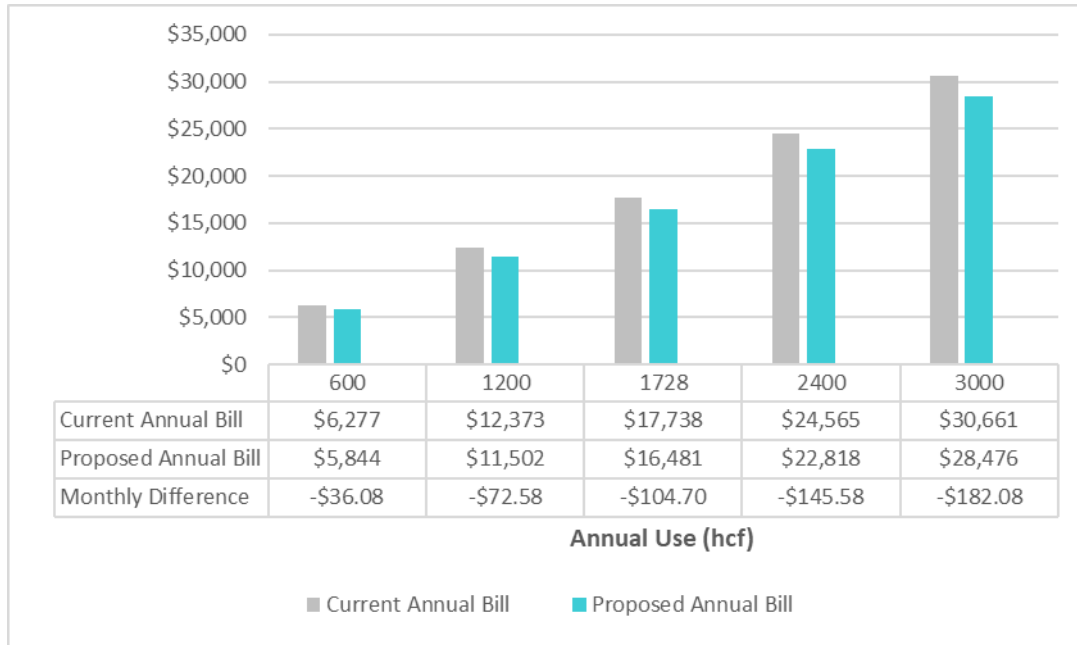


**Figure 6-3** shows the bill impacts for Group I Commercial customers. Each commercial account is assessed a charge which is the sum of the number of EDUs times the annual system access charge and *actual water use* multiplied by the commodity rate. The average Group I Commercial monthly use is 34 hcf, annualized to 408 hcf. Group II Commercial customers are charged in an analogous manner, with bill impacts illustrated in **Figure 6-4**. The average Group II Commercial monthly use is 144 hcf, annualized to 1,728 hcf.

**Figure 6-3: Commercial Group I Annual Bill Impacts**



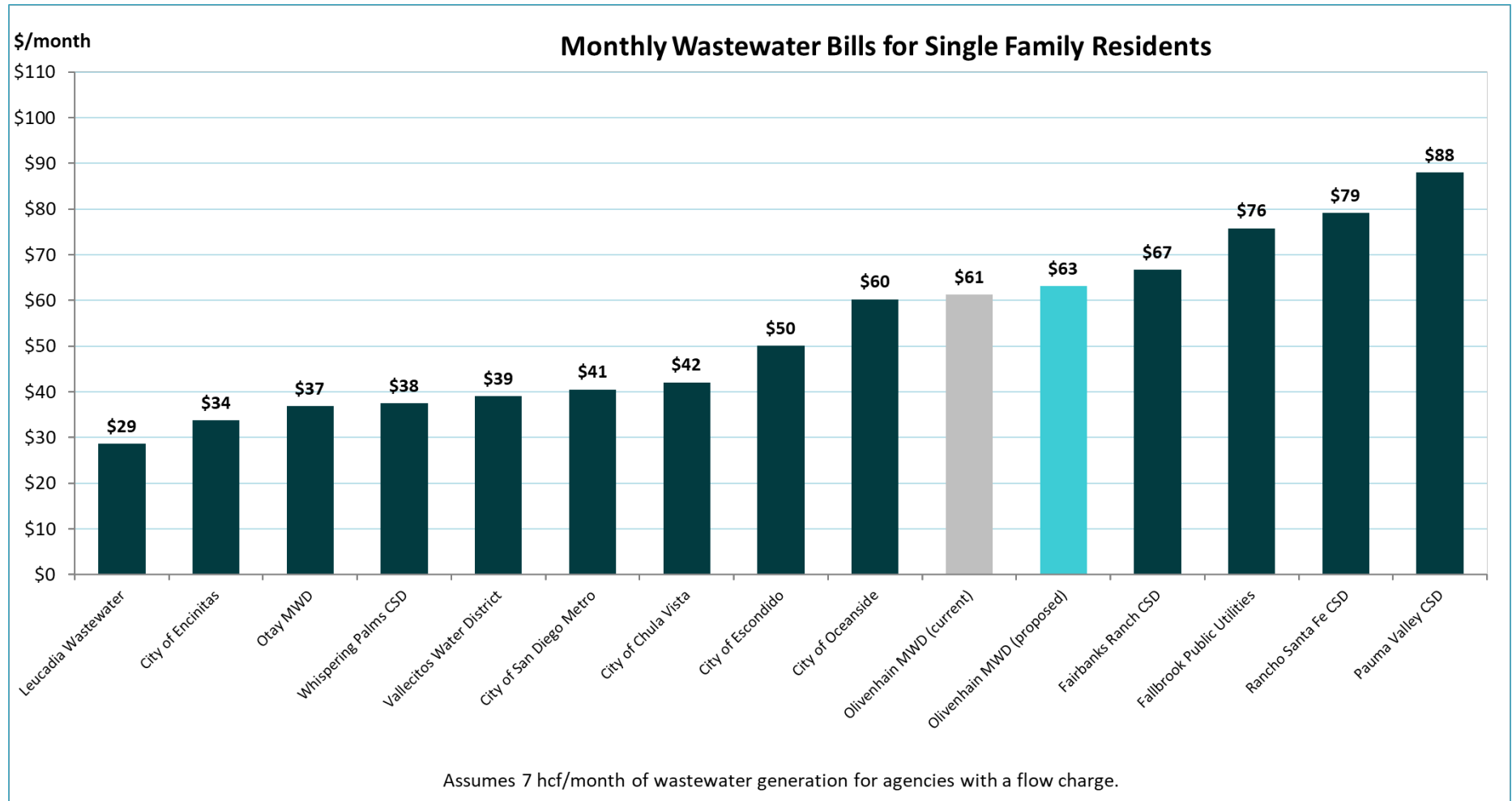
**Figure 6-4: Commercial Group II Annual Bill Impacts**



# 7. Rate Survey

Raftelis conducted a survey of surrounding agencies in San Diego County in November of 2020. The sewer service charges for SFR customers using 7 hcf per month are shown below. Care should be taken however, in drawing conclusions from such a comparison as some factors including geographic location, demand, customer constituency, level of treatment, level of grant funding, age of system, level of capital funding and debt, and rate-setting methodology can affect the cost of providing service.

Figure 7-1: Single-Family Residential Wastewater Bill Comparison



# Memo

Date: February 10, 2021  
To: Olivenhain Municipal Water District Board of Directors  
From: Jason P. Hubbard, Engineering Manager  
Via: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER APPROVAL OF AMENDMENT NO. 1 WITH INFRASTRUCTURE ENGINEERING CORPORATION (IEC) IN THE AMOUNT OF \$81,240 FOR ADDITIONAL SERVICES FOR THE 4S RANCH NEIGHBORHOOD 1 SEWER PUMP STATION REPLACEMENT PROJECT, APPROPRIATE \$50,000 TO THE PROJECT BUDGET, AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT**

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## Purpose

The purpose of this agenda item is to consider approval of Amendment No. 1 with Infrastructure Engineering Corporation (IEC) in the amount of \$81,240 for finalization of the design of the 4S Ranch Neighborhood 1 Sewer Pump Station Replacement Project and engineering support services during the bid and construction phases of the project, appropriate \$50,000 from the FY 2021/2022 project budget to the FY 2020/2021 project budget and authorization for the General Manager to sign on behalf of OMWD.

## Recommendation

Staff recommends approval of Amendment No. 1 with IEC in the amount of \$81,240 for finalizing the design and construction engineering services and the appropriation of the funds to cover this work and related staff time, and authorization for the General Manager to sign on behalf of OMWD.

## **Alternative(s)**

In lieu of approving Amendment No. 1 with IEC the Board of Directors could choose to deny approval or direct staff to modify IEC's Scope and Fee to reduce it to the current appropriation levels.

## **Background**

The Neighborhood 1 Sewer Pump Station (NBHD 1 SPS) is located at the south end of 4S Ranch Parkway, near the Sports Park and Stone Ranch Elementary School in Director Division 4 (Bruce-Lane). The facility was constructed in 2000 by 4S Kelwood and dedicated to OMWD in 2002 as a part of the 4S Ranch Water Reclamation Facility (4S WRF) expansion. The station collects tributary flows from customers in the south end of the 4S Ranch development, including Black Mountain Ranch East Clusters and Heritage Bluffs and pumps it to the 4S WRF. The pump station has two pumps consisting of one submersible pump in a wet well and a centrifuge pump located in an above-ground, previously unconditioned structure along with the electrical equipment.

In 2017, OMWD was experiencing pump maintenance issues and electrical component failures due the poor design and a highly corrosive environment of the NBHD 1 SPS. OMWD installed a space conditioning system to counteract electrical failures which has temporarily mitigated the majority of electrical issues. A Request for Proposals for the design of a replacement facility was released in 2017. Five proposals were received from Albert A. Webb Associates, Dudek, IEC, Lee & Ro, Inc., and PSOMAS. Interviews were conducted in accordance with the OMWD's Administrative and Ethics Code and the Board of Directors approved entering into a Professional Services Agreement with IEC in the amount of \$328,000 at the November 8, 2017 meeting.

The replacement project will construct a below grade dry well to house newer generation pumps, replace all electrical and instrumentation equipment, replace the generator and remove unneeded equipment to increase reliability and simplify operations and maintenance. The plans, specifications, and engineer's estimate were prepared and the NBHD 1 SPS Replacement project was placed out for bid in March 2019. OMWD canceled the request for bids as the 2019/2020 budget discussions determined the need to postpone the bid until the 2021/2022 fiscal year to allow for the bidding and construction of the El Camino Real Pipeline Replacement and Green Bike Lane project. In preparation for placing the project out to bid again, staff reviewed the original plans and have determined that select aspects and elements of the design should be revisited. In addition, staff determined that due to potential complexities

during construction, engineering support services during the construction phase on an as-needed basis should be retained.

### **Fiscal Impact**

Funds for this project are included in the 2020/2021-2021/2022 FY budget. Of the requested Amendment No.1 funds, over \$51,000 is allocated for as-needed engineering support services during the construction phase and will not be spent in the current 2020/2021 FY. However, due to prior expenditures, there are not enough funds appropriated this fiscal year to cover design revisions and related staff time. There is no increase in the project budget requested at this time.

Is this a Multi Fiscal Year Project? **Yes**

In which FY did this capital project first appear in the CIP budget? **2014**

Total Project Budget: **\$4,832,000**

Current Fiscal Year Appropriation: **\$507,000**

To Date Approved Appropriations: **\$507,000**

Target Project Completion Date: **February 2023**

Expenditures and Encumbrances as of (Jan. 22, 2021): **\$458,243**

Is this change order within the appropriation of this fiscal year? **No**

If this change order is outside of the appropriation, Source of Fund:  
**D700004 4S Nbhd 1 SPS 2021/2022 Budget**

### **Discussion**

The additional design issues IEC has been asked to address include a review of the existing and proposed pump station hydraulic conditions, revisit the surge tank operational functionality, inclusion of a poly drum odor scrubber, assist in updating the site APCD permit, stormwater pollution prevention upgrades, renovate the existing

pump building with a staff restroom, and identify and coordinate for a contractor staging area.

Of the requested Amendment No.1 funds, over \$51,000 is allocated for as-needed engineering support services during the construction phase which will include review of technical submittals and requests for information, design revisions, and preparation of record drawings. The majority of this work will not commence until winter 2022 when the project has been awarded to the lowest bid responsive and responsible contractor and construction has begun. The proposed appropriation includes funds for staff time through the 2020/2021 FY.

*Attachment(s):*  
*Amendment No. 1*  
*Location Map*



## EXHIBIT "B"

**Olivenhain Municipal Water District**  
**Request for Additional Work**  
**(Includes Authorization to Perform Additional Services and Inter-Task Transfers)**

Consultant name IEC Request # 1

Project name NBHD 1 SPS Replacement Date Required 2.10.2021

Project Task	Current Budget	Change	Revised Budget
Update Final Design P, S, & E	\$328,000.00	\$28,187.00	\$356,187.00
Bid Phase Services	\$0.00	\$1,285.00	\$1,285.00
Construction Phase Services	\$0.00	\$51,768.00	\$51,768.00
<b>Total Contract Change Amount</b>	\$328,000.00	\$81,240.00	\$409,240.00

Original Project Budget	\$328,000.00
Prior requests approved	\$0.00
This request	\$81,241.00
Revised Project Budget	\$409,241.00

Reason for requested change(s). please attach supporting documentation

Additional services for Design Finalization, Bid & Construction Phase engineering support services. See attached scope and fee dated 12.30.2020

Signature of consultant representative \_\_\_\_\_ Date \_\_\_\_\_  
e-mail \_\_\_\_\_

**Email the completed form to cbarrow@olivenhain.com or mail to 1966 Olivenhain Rd., Encinitas, CA. 92024**

**OMWD use only below this line**

Approved by \_\_\_\_\_ Date \_\_\_\_\_

D700004 \_\_\_\_\_ 17AGR080  
Workorder number(s) to charge \_\_\_\_\_ OMWD Record No.

**Original to General Manager**

☐

Copies to

Originating Dept. ☐

Consultant ☐

Project Acct ☐

December 31, 2020

Mr. George Briest, PE  
G. Briest Consulting, Inc.  
4379 Taos Drive  
San Diego, California 92117

**RE: Proposal for Design Finalization, Bid Phase, and Construction Phase Engineering Support Services for the Neighborhood 1 Sewer Pump Station Replacement Project**

Dear Mr. Briest:

Infrastructure Engineering Corporation (IEC) is pleased to provide this proposal for the above referenced project. The construction documents for the Neighborhood 1 Sewer Pump Station Replacement Project for the Olivenhain Municipal Water District (District) were previously prepared in early 2019. We understand that the District would like IEC to revisit select aspects of the design and provide engineering support services during the bid and construction phase of the project. Attached is our proposed scope of services (Exhibit A) along with a spreadsheet showing an itemized budget breakdown.

Our estimated budget for the services shown in Exhibit A is \$81,240. Please note that the level of effort for the construction phase services depends on several factors that are difficult to estimate in advance, such as the actual quality and quantity of contractor submittals, the number of RFI's, and meetings. For the purposes of this proposal, we made reasonable assumptions about the budget that will be required, including that the construction management firm hired by the District will provide responses to less technical submittals and RFIs. The services will be provided on a time and materials basis up to the maximum budget. We will monitor the level of expenditures relative to the estimated budget and coordinate closely with yourself and District staff.

We sincerely appreciate the opportunity to provide this proposal and assist the District with this project. Please contact me at (858) 583-6193 should you have any questions or need further information.

Sincerely,



Robert S. Weber, PE  
Senior Project Manager

## **Exhibit A: Scope of Services**

### **Design Update, Bid Phase, and Construction Phase Support Services for the Neighborhood 1 Sewer Pump Station Replacement Project**

#### **Scope of Services**

The following tasks are directed to IEC unless otherwise noted.

1. Virtual kickoff meeting with District to review scope, schedule, and confirm project objectives and data needs.
2. Site visit with District staff.
3. Prepare short form Technical Memorandum review of current and projected sewer flow data to the pump station and confirm pump sizing. Provide draft TM to District in Adobe pdf format for review and incorporate and finalize upon receipt of District comments.
4. Update the plans, specifications, and engineers opinion of probable construction cost (P,S,&E) and calculations to address the following:
  - a. Current applicable codes/regulations
  - b. Design comments from District (discussed below)
  - c. Design a restroom inside the existing pump room. This shall include architectural, HVAC, and plumbing design. The restroom shall be metal stud and drywall and have a drop ceiling.
  - d. Interdisciplinary quality control conflict check, following design revisions
5. Provide check set P,S,&E and calculation package to District and hold virtual design review meeting and incorporate comments from District.
6. Issue bid set for advertisement by virtual plan rooms and attend pre-bid meeting.
7. Addendum – Prepare one (1) addendum to address questions from contractors during the bid phase and any changes or supplemental information required to be part of the Contract Documents. Submit addendum one (1) week prior to the bid date of the project. Submit addendum electronically via e-mail (PDF).
8. Requests for Information – Provide responses to RFI's received from the District within five (5) working days. Submit responses electronically via e-mail (PDF). Up to ten (10) RFI's are included in the resource estimate.
9. Submittal Review – Review contractor submittals from District for conformance with the contract documents. Provide response noting exceptions and/or comments within ten (10) working days. Submit responses electronically via e-mail (PDF). Up to ten (10) submittals are included in the resource estimate. It is anticipated the submittals reviewed will include major mechanical and electrical equipment and structural shop drawings. Some submittals will require Contractor changes and re-review, and it is assumed a conforming submittal will be provided on the second submittal. If additional re-reviews are required, additional budget may be required.
10. Design Revisions – Prepare three (3) design revisions in event of changes during construction. Provide design revision drawings and specifications, as necessary. Submit documents electronically via e-mail (PDF).
11. Record Drawings – Prepare record drawings at the completion of construction using the District inspector's and Contractor's field red line construction drawings. Record drawings shall be prepared electronically in CAD. A set of draft record drawings shall be provided to the District for review. Following incorporation of District review comments, the record drawings shall be finalized and a final electronic (PDF) set provided.
12. Project Management - Provide project management and administration including scheduling, budget monitoring, monthly activity reporting, and invoicing for the support services. Services will be invoiced monthly in accordance with IEC's rate schedule.

### **Design Issues to be Considered**

IEC will consider the following design issues in the context of finalizing the P,S,&E:

1. IEC will review the existing and projected pump station hydraulic conditions and previously completed transient analysis Technical Memorandum and revisit the recommendation for relocating the existing surge tank in the new pump station.
2. Consideration for new Evoqua (or equivalent) poly drum odor scrubber will be incorporated into the design. This will be a package unit and will have integral underdrain collection system plumbed back to the wet well. IEC shall also provide technical input and writing content for update of the District's existing APCD permit in support of the new odor control system.
3. We will address the existing soil creep/slope erosion area noted at the northerly and easterly portion of the site where the existing brow ditch terminates to a dirt strip just inside the station's entry gate. Consideration for a low splash or housekeeping wall, designed based on available regional standard drawings, will be given.
4. The restroom facility to be located in the pump room will be connected to the existing on-site gravity influent sewer to the pump station or directly to the wet well.
5. We will review the existing District easement at the station entry and prepare an exhibit depicting the easement location and potential staging area in the turnout south of the existing paved access road. Consideration will be given to the Contractor's material and equipment staging needs and temporary fencing to secure the area from the public. The exhibit can be utilized to facilitate discussion with the adjoining Homeowner's Association (HOA) for temporary use during construction.

### **Schedule**

IEC will commence the work upon the District's notice to proceed and will perform the services in accordance with the attached schedule.

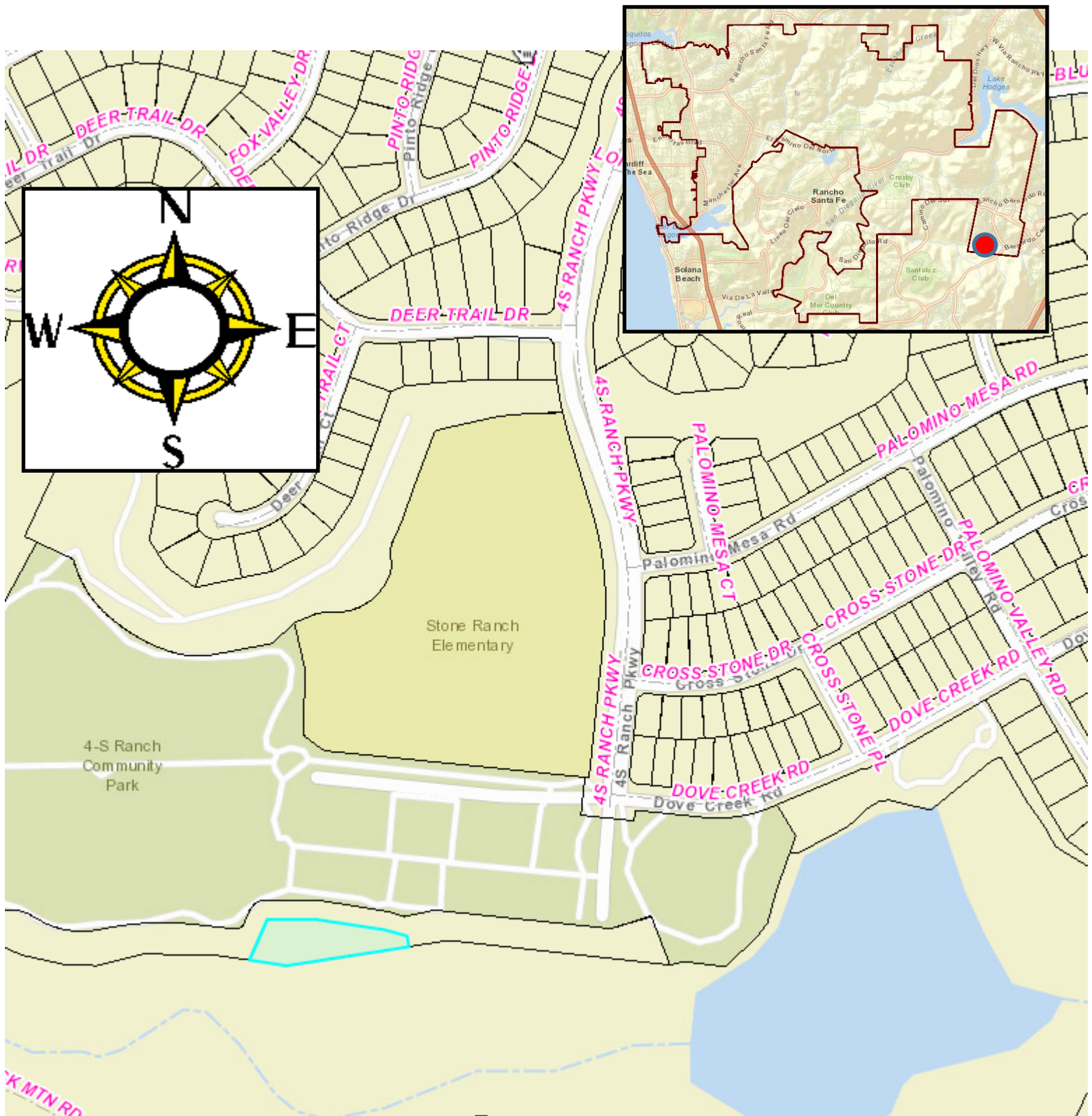
### **Assumptions**

1. The District will provide construction administration and inspection for the project and will designate one point of contact from whom IEC will receive direction and requests for support services.
2. The services will be provided on a time and materials basis up to the maximum budget. IEC will coordinate with District staff during construction to monitor the level of expenditures relative to the estimated budget.
3. The construction contractor will have sole and complete responsibility for job site conditions during construction of the project, including safety of all persons and property. IEC will not have control over or charge of, and shall not be responsible for, construction means, methods, techniques, sequences or procedures, as these are solely the responsibility of the construction contractor.

**FEE PROPOSAL**  
**OLIVENHAIN MUNICIPAL WATER DISTRICT**  
**NEIGHBORHOOD 1 SEWER PUMP STATION REPLACEMENT PROJECT**

Subtask Number	Subtask Description Summary	Classification	Principal	Project Manager	Project Engineer	Engineer II	Admin Support	Subtask Labor-Hours	Subtask Labor Cost	Direct Cost	Subcontract	Total Cost
		Rate	\$270.00	\$230.00	\$180.00	\$155.00	\$105.00					
<b>TASK 1</b>	<b>Design Update</b>											<b>\$28,187</b>
1.1	Kickoff Meeting/Site Visit		2	2	2			6	\$1,360	\$50	\$0	\$1,410
1.2	Flow Data TM		0.5	2	4			6.5	\$1,315	\$0	\$0	\$1,315
1.3	Transient Analysis Review			2				2	\$460	\$0	\$0	\$460
1.4	Plan Update							0	\$0	\$0	\$0	\$0
	Civil		0.5	4	20	2		26.5	\$4,965	\$0	\$0	\$4,965
	Mechanical		0.5	1	12	2		15.5	\$2,835	\$0	\$0	\$2,835
	Structural			1				1	\$230	\$0	\$1,575	\$1,805
	Electrical			1				1	\$230	\$0	\$3,150	\$3,380
	Architectural/Plumbing/HVAC			1				1	\$230	\$0	\$8,417	\$8,647
	Easement Exhibit			1	2	4		7	\$1,210	\$0	\$0	\$1,210
	Interdisciplinary Conflict Check		8					8	\$2,160	\$0	\$0	\$2,160
<b>TASK 2</b>	<b>Bid Phase Services</b>											<b>\$1,285</b>
2.1	Pre-Bid Meeting			2				2	\$460	\$50	\$0	\$510
2.2	Prepare one (1) addendum		0.5	1	2			3.5	\$725	\$50	\$0	\$775
<b>TASK 3</b>	<b>Construction Phase Services</b>											<b>\$51,768</b>
3.1	Pre-Construction Meeting			2				2	\$460	\$50	\$0	\$510
3.2	Review RFIs (10)			1	4	8	2	15	\$2,400	\$0	\$0	\$2,400
3.3	Submittal Review (10)		1	8	16	12	4	41	\$7,270	\$0	\$0	\$7,270
3.4	Design Revisions (3)			8	16	24		48	\$8,440	\$0	\$0	\$8,440
3.5	Record Drawings		1	2	8	16		27	\$4,650	\$0	\$0	\$4,650
3.6	Project Management			8			4	12	\$2,260	\$0	\$0	\$2,260
3.7	Structural CSS							0	\$0	\$0	\$10,038	\$10,038
3.8	Architectural CSS							0	\$0	\$0	\$1,500	\$1,500
3.9	Electrical and Instrumentation CSS							0	\$0	\$0	\$14,700	\$14,700
Task Subtotal - Hours			14	47	86	68	10	97				
Task Subtotal - Costs			\$3,780	\$10,810	\$15,480	\$10,540	\$1,050		\$41,660	\$200	\$39,380	<b>\$81,240</b>

**TOTAL NOT TO EXCEED FEE: \$81,240**



## 4S RANCH NEIGHBORHOOD 1 SEWER PUMP STATION REPLACEMENT PROJECT

DISTRICT PROJECT NO. D700004

# Memo

Date: February 10, 2021  
To: Olivenhain Municipal Water District Board of Directors  
From: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER UPDATE ON THE COVID-19 EMERGENCY DECLARATION**

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## Purpose

The purpose of this Board item is to provide an update on the COVID-19 Emergency Declaration. The General Manager declared an emergency on March 12, 2020 and the Board received updates of this emergency declaration at the March 18, April 15, May 20, June 17, July 15, August 19, September 9, October 14, November 18, December 9, 2020, and January 13, 2021 Board Meetings. The Board shall receive an update of the General Manager's emergency action at subsequent Board Meetings until we are no longer in the state of emergency.

## Recommendation

This is an informational update pursuant to the Administrative and Ethics Code §3.2.1. No Board action is required. To date, no OMWD employee had been diagnosed with COVID-19.

## Background

Pursuant OMWD's Administrative and Ethics Code §3.2.1, it is under my authority as the General Manager to declare an emergency if there is an unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent and mitigate the loss or impairment of life, health, property, or essential public services. COVID-19 poses an imminent danger to the health of OMWD employees and customers. After



notifying the Board via email, I declared a state of emergency regarding COVID-19 on March 12, 2020 based on the threat of the spreading pandemic.

There have been a series of email communications with the Board, staff, teleconferences with other General Managers in the County, and multiple messages conveyed to customers ensuring that OMWD's water is safe. The chart below shows the ongoing efforts we are taking here at OMWD to help navigate and mitigate the COVID-19 emergency while remaining prepared and reliable to our customers and community.

### **CORONAVIRUS (COVID-19) ACTIONS**

<b>DATE</b>	<b>ACTION</b>
<b>February 2020</b>	OMWD began actively monitoring situation.
<b>March 5, 2020</b>	Staff begins formulating outreach plan and design of OMWD's online COVID-19 Response Center.
<b>March 9, 2020</b>	Staff participated in regional meeting regarding COVID-19 at the San Diego County Water Authority.
<b>March 11, 2020</b>	OMWD's online COVID-19 Response Center published.
	Social Media outreach regarding water safety during COVID-19.
<b>March 12, 2020</b>	Emergency Declaration made by GM to ensure critical supplies, parts, and inventory are in stock or can be purchased more freely. OMWD implemented Pandemic Response Plan.
	Staff advised not to report to work if they exhibit any signs or symptoms.
	Travel to large conferences, group meetings, and trainings by OMWD employees suspended until further notice.
	Public Tours of OMWD delayed until further notice. Events and workshops postponed.
	Laptops and phones to be ordered in anticipation of telecommuting needs.
	Elfin Forest Recreational Reserve's Interpretive Center closed until further notice.
<b>March 13, 2020</b>	OMWD's lobby temporarily closed until further notice.
	Disconnection moratorium for customers facing financial difficulty.
<b>March 16, 2020</b>	Staff advised not to report to work if family/friends/people they have interacted with exhibited any symptoms.
	Employees can work remotely or on alternate schedules, so long as essential services are not interrupted.
	All non-vital construction, outside work, and outside meetings are cancelled.
	Social distancing policies implemented within the District. (E.g. no sharing

	vehicles, no congregating, etc.)
	OMWD Sick Time Bank established for employees to donate sick leave to those who do not have enough accrued sick time to meet their needs, thereby encouraging employees to call in sick if needed.
<b>March 17, 2020</b>	OMWD's Emergency Operations Center plans reviewed in order to prepare should it be activated.
	General Manager participates on region-wide water teleconference regarding status of all water agencies. All agencies commit to mutual aide, especially at the operator level. OMWD begins providing San Diego County Water Authority and San Diego County Office of Emergency Services with daily status updates via WEBEOC.
<b>March 18, 2020</b>	OMWD's regularly scheduled board meeting transitioned to teleconference format.
<b>March 21, 2020</b>	California Public Utilities Commission informed that OMWD has initiated a temporary disconnection moratorium.
<b>March 22, 2020</b>	OMWD's Elfin Forest Recreational Reserve closed until further notice.
<b>March 23, 2020</b>	OMWD participated in second teleconference meeting regarding wastewater mutual aid with SEJPA, LWWD, VWD, Oceanside, Carlsbad, and Encina.
	Finance Department creates account to track costs associated with COVID-19.
<b>March 24, 2020</b>	Schedules further modified to ensure as much social distancing as possible; operations divisions separated into alternating teams to allow for separation on a weekly basis. Teams not working are to stay home, safe and sober in the event of an emergency need. Remaining administrative employees authorized remote working capability with laptops.
<b>March 25, 2020</b>	Deployed additional laptops to enable additional employees to work from home.
	Filmed informational video about the safety of our water that will be released in the near future.
	Prepared a list of shovel ready projects to CWA.
<b>March 26, 2020</b>	Sent an informational mailer to all customers regarding the safety of their water supply.
	Secured adequate supply of N95 masks for employees.
<b>March 27, 2020</b>	Staff has contacted certified retired operators to determine their ability to provide support in the event our current staff was impacted.
<b>March 30, 2020</b>	Made and distributed hand sanitizer to be used as needed.
	OMWD participated in third teleconference meeting regarding wastewater mutual aid with SEJPA, LWWD, VWD, Oceanside, Carlsbad, and Encina.

<b>March 31, 2020</b>	Posted an informational video about the safety of our water on website and social media.
<b>April 3, 2020</b>	Secured Zoom meeting software license; Reviewed security protocols to ensure a safe and successful meeting.
<b>April 6, 2020</b>	Ordered cloth masks for each employee to take home and have while out in the community
	Provided one dust mask and gloves for employee significant others and family members who you are exposed to on a daily basis to wear while out in the community.
<b>April 7, 2020</b>	Participated in an EPA COVID-19 Webinar
	Provided employees with an Essential Worker letter in the event that they are stopped by law enforcement while on the clock.
<b>April 15, 2020</b>	Submitted a Request for Public Assistant (RPA) to FEMA within 30 days of our area being designated in the emergency declaration. OMWD anticipates submitting for costs that were incurred outside of normal business practices to respond to the emergency, including additional overtime paid due to the isolation of employees in shifts.
	Participated in an ACWA webinar: COVID-19 Response: Understanding the Financial Aspects.
	Distributed COVID care package supplies to Board Members with sanitizer, masks, and gloves.
<b>April 16, 2020</b>	Received 275 gallons of hand sanitizer to distribute to all OMWD facilities.
<b>April 23, 2020</b>	Participated in the ACWA Brown Act COVID Webinar.
<b>April 28, 2020</b>	Discussed transitioning efforts with Managers and Supervisors.
	Established guidelines for contractor work at the DCMWTP.
<b>May 1, 2020</b>	Presented on a Governments COVID 19 Town Hall Webinar hosted by The Pun Group.
<b>May 4, 2020</b>	OMWD participated in third teleconference meeting regarding wastewater mutual aid with SEJPA, LWWD, VWD, Oceanside, Carlsbad, and Encina.
<b>May 5, 2020</b>	Prepared list of OMWD shovel ready projects to MWD.
<b>May 11, 2020</b>	OMWD participated in fourth teleconference meeting regarding wastewater mutual aid with SEJPA, LWWD, VWD, Oceanside, Carlsbad, and Encina.
	Per the May 10 County Order for essential workers, all employees are to wear face coverings while in public. Thermometers for temperature checks have been ordered.
<b>May 12, 2020</b>	Secured software to enable front desk phone rollover capabilities.
<b>May 14, 2020</b>	Provided COVID-19 IgG Antibody Testing for employees and family members.
<b>May 20, 2020</b>	Executed a Resolution for California Office of Emergency Services (Cal OES)

	and Federal Emergency Management Agency (FEMA) Funding for expenditures incurred by the District as a result of the COVID-19 Pandemic.
<b>May 26, 2020</b>	Replaces the podium PC in the Boardroom that had Zoom issues.
<b>June 1, 2020</b>	Modified employee work schedules to stagger shifts and isolate, ended the shelving of employees. Created a Telecommuting Policy; currently under management review.
<b>June 2, 2020</b>	Hosted an Employee Forum via Zoom.
<b>June 15, 2020</b>	Reopened the Elfin Forest Recreational Reserve with the following restrictions: require that visitors have face coverings at all times and they must be worn when six feet of social distancing is not possible.
<b>June 15, 2020</b>	Slowly started to increase in office presence with fewer telecommuting shifts.
<b>June 17, 2020</b>	Revised the Annual Goals and Objectives to reflect the impacts of COVID-19.
<b>June 19, 2020</b>	Reminded employees that masks should be worn outside of offices in the halls and/or when in a meeting when unable to stay 6 feet apart.
<b>June 22, 2020</b>	Reopened the Lobby with the following restriction: visitors and receptionist to wear face masks.
<b>June 26, 2020</b>	Moved back to increased telecommuting and split shifts due to COVID surge.
<b>June 30, 2020</b>	Closed lobby due to non-compliance with the County Health Order requiring all visitors to wear facial coverings.
<b>July 22, 2020</b>	Implemented employee temperature and COVID-19 symptom certification portal, with mandatory/daily reporting.
<b>July 29, 2020</b>	Implemented emergency sick leave for employees through the end of the calendar year to cover the time off pursuant to the Families First Coronavirus Act (FFCRA). The emergency sick leave time will only be for COVID-19 quarantine related situations and separate from normal sick leave.
<b>July 30, 2020</b>	Review emergency telecommuting policy with managers for implementation in August.
<b>August 1, 2020</b>	Continued split schedules, remote site reporting, distancing, and telecommuting for all employees.
<b>August 31, 2020</b>	Started research on the August 8 Executive Order for payroll tax deferral and its applicability to OMWD.
<b>September 1, 2020</b>	Implemented Telecommuting Policy District wide. EOC books updated.
<b>September 15, 2020</b>	Switched to regional reporting to SDCWA to once per week versus daily.

<b>September 22, 2020</b>	Directed supervisors to continue split schedules, telecommuting, remote site reporting, and distancing through at least the end of November. Will revisit as needed.
<b>September 22, 2020</b>	Updated all supervisors on new legislation regarding COVID outbreaks in the workplace and employee notification.
<b>October 28, 2020</b>	Reminded all employees on the importance of resisting COVID fatigue.
<b>November 4, 2020</b>	Requested Supervisors prepare plans in case San Diego gets second Purple Tier rating on 11/10/20.
<b>November 10, 2020</b>	Implemented increased distancing/remote work, modifications to use of Wellness Center, switch to Zoom meetings if unable to distance, lobby remains closed, reinforced importance of mask wearing and daily self-reporting.
<b>November 19, 2020</b>	Reminded employees to have the essential worker letter if out on OMWD business, duty calls, or leaks, etc., past the curfew.
<b>December 1, 2020</b>	Began working with staff on plan for the reinstitution of late charges in 2021.
<b>December 1, 2020</b>	Implemented further distancing work from home schedules due to purple tier.
<b>December 8, 2020</b>	Prepared social media posts for OMWD's COVID preparedness and response.
<b>December 17, 2020</b>	Signed on to a Vaccine Coalition letter to the California Community Vaccine Advisory Committee regarding prioritization of water sector essential critical infrastructure workers for COVID vaccination.
<b>December 21, 2020</b>	Email to all employees about COVID reporting requirements.
<b>January 19, 2021</b>	Ordered hands free door openers for bathrooms.
<b>January 25, 2021</b>	Divided the District into 6 separate workplaces (pods) with physical barriers to separate pods, closed Wellness Center to those without a COVID vaccine, shut down the ice machine, modified warehouse access with new procedures, secured mass testing if needed, approved the purchase of new air filters for the HVAC system that are MERV 13 rated, and secured a contract for industrial cleaning services in case of an outbreak in a pod.
<b>February 1, 2021</b>	Created a COVID Task Force with employee representatives from each pod that will meet bi-weekly.

### **Fiscal Impact**

Staff has reviewed all mission critical chemicals, supplies, parts, and inventory on hand and was instructed to order 120 days of mission critical supplies and chemicals to store

here at OMWD. OMWD is using funds from Water and Wastewater Operating Reserves to pay for these expenditures, as water sales have been lower than projected through March 2020 due to weather conditions. Total expenditures in the categories of information technology, inventory, supplies, and customer service total \$314,773.98 as of the publishing of this memo. Of this amount, only \$116,836.79 represents special expenditures that would not have otherwise been incurred but for the COVID-19 pandemic. The remaining \$197,937.19 of expenditures represents parts, supplies, chemicals and materials that were ordered earlier than normal in order to have 5 to 6 months of supplies, materials, chemicals and parts on hand in case of lack of availability. The chart below reflects the COVID-19 expenditures incurred since March 12, 2020. OMWD will also submit a Request for Public Assistant (RPA) to FEMA on before April 17, 2020, as it must be filed within 30 days of our area being designated in the emergency declaration. OMWD anticipates submitting for costs that were incurred outside of normal business practices to respond to the emergency, including additional overtime paid due to the isolation of employees in shifts

#### **COVID-19 Expenditures Incurred Since March 12, 2020**

<b>Item</b>	<b>Cost</b>	<b>Category</b>	<b>Note</b>
Laptops	30,605.96	Information Technology	15 laptops
Laptop backpacks	486.33	Information Technology	15 laptops
Zoom meetings	2,398.80	Information Technology	
Duo 2 FA	980.00	Information Technology	
Mitel IP Phone Licenses	1,290.00	Information Technology	
Jabra headsets	645.24	Information Technology	
Sonim phones	611.55	Information Technology	
Samsung phones w/ Case and Hotspot	2,171.00	Information Technology	
Wireless mice & misc. supplies	528.47	Information Technology	
Bluetooth keyboards & mice, headsets, and phone chargers	440.47	Information Technology	
Spray bottles for sanitizer	940.00	Supplies	

Hand soap	817.00	Supplies	
Gloves, Glycerol, Hydrogen Peroxide, Distilled Water, batteries, safety glasses, and stock up of other warehouse supplies	7,957.06	Supplies	Warehouse supplies for the next 5-6 months.
Pinesol disinfectant	459.00	Supplies	
Janitorial supplies – hand wipes, paper towels, trash bags, cleaner, hand soap, facial tissue, bleach, toilet paper, hand sanitizer, etc.	9,352.33	Supplies	Janitorial supplies for the next 5-6 months.
Dust masks (not N95)	322.71	Supplies	
Hand sanitizer packets	397.33	Supplies	
Propanol	515.23	Supplies	
Pacific Pipeline Supply- hydrants, gate valves, copper pipe, repair couplings, and various other inventory items	100,714.07	Inventory	Inventory restock for the next 5-6 months.
AquaMetric - meters	68,954.48	Inventory	Inventory restock for the next 5-6 months.
Hach - Laboratory supplies - reagents and other supplies (WTP)	4,738.00	Supplies	6 month supply
IDEXX - Laboratory supplies - BAC-T bottles (WTP)	315.08	Supplies	120 day supply
Nalco - Water treatment chemicals - 7768 polymer barrels, four 55 gallon drums (WTP)	5,053.83	Supplies	
Sterling Water Technologies - Water treatment chemicals - ACH coagulant 2,000 gallons to top off tank (WTP)	8,759.40	Supplies	
Traffic cones to block off street parking (EFRR)	385.21	Supplies	
Custom COVID-19 park closure signs (EFRR)	221.10	Supplies	
COVID-19 Safety of Your Water Postcard - printing and mailing	9,559.69	Customer Service	Quantity sent: 25,584 postcards



Hair Trigger LLC - Hand Sanitizer	15,015.63	Supplies	Qty. 55 - 5 gallon buckets
Masks, disinfectants, hand soap, DIY hand sanitizer supplies	1,921.24	Supplies	
Barricades (EFRR)	56.01	Supplies	
Hydrogen peroxide, propanol for DIY cleaners	922.48	Supplies	
Disposable gloves	556.19	Supplies	
N95 Masks	242.44	Supplies	
Masks for employees	1,293.50	Supplies	
Containers for hand sanitizer	53.17	Supplies	
Propanol	412.19	Supplies	
Disposable gloves	1,559.72	Supplies	
Reusable masks	118.01	Supplies	
Hydrogen peroxide for DIY cleaners	161.85	Supplies	
Disinfectants, hand sanitizer packets, reusable masks, spray bottles, disposable gloves	2,019.92	Supplies	
Fork/Spoon/knife dispensers	47.97	Supplies	
Hydrogen peroxide for DIY cleaners	107.90	Supplies	
Cleaning wipes	2,248.56	Supplies	
Reusable masks	1,787.86	Supplies	
Thermometers, batteries for thermometers, bins to hold thermometers, bottles for hand sanitizer.	2,940.38	Supplies	
Disinfecting wipes, hand sanitizer, cleaning supplies	1,694.39	Supplies	
Custom COVID-19 park signs (EFRR)	738.24	Supplies	

Disinfecting wipes, alcohol wipes	467.61	Supplies	
Washable Masks (Qty. 400)	1,869.61	Supplies	
N95 masks (Qty. 1,000)	5,710.75	Supplies	
N95 masks (Qty. 130), spray bottles, utensil dispensers, thermometers, touchless soap dispensers, reusable masks (Qty. 250), hand soap	6,959.25	Supplies	
Customer COVID-19 courtesy letters for past due accounts	1,546.51	Customer Service	
Touchless items for Building D including: touchless soap dispensers, touchless paper towel dispensers, hands-free trash cans,	1,656.20	Supplies	
Wall-mounted forehead thermometer (touchless)	109.90	Supplies	
Disposable masks (Qty. 950)	292.82	Supplies	
Disposable masks (Qty. 1,000), alcohol wipes (24 packs)	672.32	Supplies	
Thermometers (5), Surface disinfectant spray (49), alcohol wipes (24 packs).	704.70		

Category	Total
Information Technology	40,990.12
Inventory	169,668.55
Supplies	92,959.11
Customer Service	11,106.20
<b>Grand Total</b>	<b>314,723.98</b>

### Discussion

OMWD will continue to take proactive measures to stay ahead curve while keeping customers supplied with safe and reliable drinking water. Monthly COVID-19 emergency updates will continue at each subsequent board meeting until further notice. The district will continue our objectives to protect the health and safety of employees and customers; and ensure the continuity of business operations.

# Memo

**A**

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS  
PRESIDENT

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Any report will be oral at the time of the Board meeting.

# Memo

**B**

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS  
GENERAL MANAGER

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Any written report will be attached; any oral report will be provided at the time of the Board Meeting.

February 10, 2021

Board of Directors  
Olivenhain Municipal Water District  
1966 Olivenhain Road  
Encinitas, CA 92024

The following are brief highlights of the District's departmental operations for the month of **January 2021:**

<b>Operations &amp; Maintenance</b>	<b>Current Month</b>	<b>Last Month</b>
<b>DCMWTP Total Production</b>	444.3 million gallons	549.3 million gallons
<b>DCMWTP Average Daily Production</b>	14.3 million gallons	17.7 million gallons
<b>DCMWTP Peak Day Production</b>	20.5 million gallons	22.0 million gallons
<b>Source Water Blend (% State Project Water)</b>	0%	0%
<b>Total Deliveries to VWD</b>	228.4 acre feet 74.4 million gallons	243.2 acre feet 79.2 million gallons
<b>4S and Rancho Cielo Sewer Systems Total Inflow</b>	24.89 million gallons	25.64 million gallons
<b>4S and Rancho Cielo Sewer Systems Average Daily Inflow</b>	802,938 gallons	827,334 gallons
<b>4S and Rancho Cielo Sewer Systems Peak Day Inflow</b>	888,217 gallons	923,521 gallons
<b>4S and Rancho Cielo Sewer Systems Low Day Inflow</b>	694,322 gallons	758,323 gallons
<b>4SWRF Average Daily Production</b>	480,215 gallons	722,505 gallons
<b>4SWRF Peak Day Production</b>	1,151,858 gallons	1,219,066 gallons
<b>4SWRF Total to Recycled Water Distribution System</b>	14.88 million gallons	22.39 million gallons
<b>4S Recycled Water Storage Pond Volume</b>	177 acre feet	116 acre feet
<b>Repaired Potable Water Main Leak(s)</b>	0	1
<b>Repaired Potable Water Service Lateral Assembly Leak(s)</b>	5	4
<b>Repaired Recycled Water Main Leak(s)</b>	0	0
<b>Repaired Recycled Water Service Lateral Leak(s)</b>	0	0
<b>Repaired Hit Fire Hydrant Lateral Assembly Leak(s)</b>	0	1
<b>Replaced Valve(s) Monthly Total</b>	1	1
<b>Replaced Valve(s) Calendar Year To Date</b>	1	92
<b>Recycled Water Use Site Inspections &amp; Visits</b>	9	23
<b>Recycled Water Use Site Cross Connection Tests</b>	2	7
<b>Cross Connection Site Surveys</b>	1	3
<b>Backflow Inspections &amp; Testing (New)</b>	1	5
<b>IT Help Requests</b>	36	32
<b>Customer Services</b>	<b>Current Month</b>	<b>Last Month</b>
<b>Customer Calls and Inquiries</b>	837	1,024
<b>Total Monthly Bills Issued</b>	22,491	22,891
<b>Service Orders</b>	613	822
<b>New Potable Meters</b>	7	9
<b>New Fire Meters</b>	1	0

New Recycled Water Meters	0	0
AMI Troubleshooting Investigations	61	55
AMR Troubleshooting Investigations	68	88
Stopped/Underperforming Meters Replaced	41	71
MXUs Upgraded to AMI	321	409
Meter Accuracy Tests Performed	0	1
Water Use Evaluations	8	16
Water Use Violation Reports	7	6
Workshops, Events, and Tours	0	0
High-Efficiency Clothes Washer Rebates	12	6
Weather-Based Irrigation Controller Rebates	4	10
Hose Irrigation Controller Rebates	0	0
High-Efficiency Rotating Nozzle Rebates	0	0
High-Efficiency Toilet Rebates	0	1
Rain Barrel Rebates	9	1
Turf Removal Project Rebates	1	0
Social Media Posts	19	23
News Releases/Media Advisories	2	2
<b>EFRR</b>	<b>Current Month</b>	<b>Last Month</b>
Special Use/Event Permits	1	1
Parking Notices	129	125
Incident Reports	6	2
Vehicle Count	6,219	5,518
Trail Use Count	17,327	14,139
Days Closed Due to Rain/Red Flag/COVID-19	2.5	6.5
Days IC Open	0	0
Number of IC Visitors	0	0
Volunteer Trail Patrol Shifts	0	0
Volunteer Docent Hours	0	0
Total Number of Docents	68	68
<b>Finance</b>	<b>Current Month</b>	<b>Last Month</b>
Infosend Payments	9,142	9,148
OMWD Auto Debit Payments	2,710	2,723
CB&T Lockbox Payments	3,333	3,589
Over the Counter Payments	284	302
Check-free, Metavante and Chase	5,024	5,295
Paymentus (Credit Card) Payments	992	856
Finance Calls and walk-ins	36	56
Service Orders Processed	31	33
Service Orders Closed Out	5	8
Purchase Orders	17	7
Inventory Items Received	275	725
Payroll Direct Deposits Processed	226	226
Accounts Payable Checks	236	271

## **ENGINEERING DEPARTMENT**

### **Engineering Manager Jason Hubbard Highlights for January 2021:**

The New and Remodeled Operations and Administration Facilities project was accepted by the Board in December. Warranty items, the 90 day landscape maintenance period, and City of Carlsbad final sign-off will extend for the next several months. The 4SWRF UV System Replacement project contractor removed the temporary bypass system and coordinated with staff during the operational process period for the new system. The new system is online and functioning and the operational process period will continue into February. The 4SWRF Title 22 Engineering Report and UV Operations Plan associated with this project was submitted to the Regional Board. The El Camino Real Pipeline Replacement and Green Bike Lane project contractor continued to make individual and mainline tie-ins for Phases 4 and 5 through January with the remaining tie-ins and final trench paving scheduled in February. The contractor and staff are coordinating with the City to tentatively begin the final slurry seal and striping in March pending weather conditions. The 4S WRF Overflow Pond Landscape project contractor continued the extended maintenance period which will end June 30, 2021. The Morning Sun PRS Abandonment project contractor completed all new piping and appurtenances and began site restoration tasks. The 4SWRF Clarifier Replacement project contractor began construction and work will extend into February. Staff coordinating with Caltrans and their contractor on work occurring at I-5 and Manchester Avenue which will have impacts to the District's upcoming Manchester Avenue Recycled Water Pipeline project, currently nearing design completion. Staff continues to handle developer and other minor projects including fire hydrants, detector checks, water service laterals, etc. Work is ongoing related to the sale of the Gaty II parcel and the upcoming sale of the Peay parcel.

## **HUMAN RESOURCES DEPARTMENT**

### **Human Resources Manager Jennifer Joslin Highlights for January 2021:**

Human Resources staff conducted first and second interviews for Field Services Technician I, Instrument Control Technician I, Utility I (Construction), and Operations Coordinator employment opportunities. Reviewed and approved the mid-year performance reviews for all staff prior to presentation by the Supervisors and Managers. HR and payroll staff created and distributed the required Affordable Care Act (ACA) 1095 forms for all employees regarding their health insurance coverage for 2020. Held a follow-up Human Resources/Employee Association (HEART) Committee meeting to discuss the proposed Financial Analyst job description updates and salary survey results. Records staff processed multiple public records requests. HR staff participated in Leave and Disability Protection Laws During COVID-19 training presented by Nossaman LLP and Maximizing Performance Through Evaluation training by Liebert Cassidy Whitmore. Safety staff performed a Job Hazard Analysis for the David C. McCollom Water Treatment Plant (DCMWTP) membrane cassette change-out procedure in coordination with plant employees and the assigned contractor. Provided Confined Space Entry training for DCMWTP employees in preparation for the membrane cassette change-out. Secured services for electrostatic sanitation spraying and on-site COVID-19 testing for all employees in case the District experiences an "outbreak" of COVID-19 positive cases.



## **OPERATIONS & MAINTENANCE**

### **Operations Manager Geoff Fulks Highlights for January 2021:**

DCMWTP source water remained at 100% Lake Skinner; continued DCMWTP membrane chemical feed line containment piping installation; completed installation of new 4SWRF ultraviolet (UV) disinfection system and began startup and trial phase; Santa Fe Heights recycled water site approved by San Diego County Department of Environmental Health; continued supporting capital improvement projects including El Camino Real Pipeline Replacement and Morning Sun Pressure Reducing Station; continued to provide technical support to staff with remote work assignments; and participated on several interview panels.

## **CUSTOMER SERVICES DEPARTMENT**

### **Customer Services Manager John Carnegie Highlights for January 2021:**

Published February issue of Watching Water newsletter; mailed 222 postcards notifying customers affected by the next AMI Expansion Project phase; filmed a message of appreciation from President Watt to OMWD staff; met with SDCWA and City of Poway to discuss DWR's landscape area measurement verification strategy; revised past due notice procedures to support resuming late fee processing while complying with the moratorium on disconnection of service for non-payment; and met with City of Encinitas to discuss Community Block Develop Grant funding to aid low-income Encinitas residents affected by COVID-19 with their past utility bills.

At EFRR, conducted daily sanitation of all restrooms and drinking fountains; initiated comprehensive trail maintenance documentation program; performed maintenance on Way Up Trail after winter storms; coordinated with the Escondido Creek Conservancy on Goldspotted Oak Borer surveying in February and March; began interpretive center roof membrane replacement project; and canceled approximately 30 volunteer shifts due to COVID-19.

## **FINANCE DEPARTMENT**

### **Finance Manager Rainy Selamat Highlights for January 2021:**

Drafted 2021 Rate Increase Notice; reviewed 2020 W2's and payroll tax compliance related to COVID pay; resolved employees' VEBA contribution issues; reviewed and submitted OMWD Financial Report and OMWD Financing Authority Financial Report to the State Controller's Office for Fiscal year 2020; finalized the draft of 2020 Wastewater Rate Study Report for presentation to the Finance Committee; held special Finance Committee meeting to discuss 2021 water rates and charges; completed Mid-Year performance reviews; attended Zoom meetings with District's Engineers on Northwest Quadrant recycled water supply; attended Zoom meetings on Southeast Quadrant recycled water incentive program; staff closely monitored water collections and cash receipts; reviewed annual continuing bond disclosure reports: RAD 96-1 annual report, 2018 Sewer Revenue Bonds Transparency Report, annual disclosure on 2015A and 2016A bonds; and received final retention Prop 84 Round 2 grant.

#### **ASSISTANT GENERAL MANAGER:**

##### **The Assistant General Manager reports the following:**

Participated in a Coalition Debriefing of Title XVI WIIN application; attended the CWA Member Agency Legislative Liaisons' Meeting; contributed to a discussion about Nobel services and negotiating a contract renewal; attended a distanced, outdoor field meeting per the paving/gating of Canyon De Oro; served on multiple interview panels; trained and developed new staff; dedicated significant time to personnel matters, employee recruitments, claims management, and reviewing public records requests.

#### **GENERAL MANAGER:**

##### **The General Manager reports the following:**

General Manager Thorner participated in a Member Agency Managers Only Meeting, the Member Agency Managers Meeting, hosted a Special Finance Committee, participated in a meeting with Mayor Gloria, hosted a HEART Committee Meeting, completed SDCWA harassment training, participated in a SDLACFO Special Districts Advisory Committee San Luis Rey GSA Working Group Meeting, participated in a WaterReuse California Executive Committee Meeting, participated in the SDCWA Board Meeting, and dedicated significant time to interview panels, personnel matters, reviewing legal issues, implementing additional COVID precautions, and the SDCWA Board Member orientation.

# Memo

C

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

CONSULTING ENGINEER

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Any written report will be attached; any oral report will be provided at the time of the Board Meeting.

# Memo

D

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

GENERAL COUNSEL

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Any written report will be attached; any oral report will be provided at the time of the Board Meeting.



**TO:** Olivenhain Municipal Water District  
**FROM:** Alfred Smith  
**DATE:** February 10, 2021  
**RE:** Attorney Report: New COVID-19 Regulations  
150152-0005

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**I. INTRODUCTION.**

This attorney report provides an update on new COVID-19 regulatory requirements. On November 30, 2020, Cal/OSHA implemented new emergency standards (“ETS”) to prevent the spread of COVID-19.

The ETS apply to all California employees except to those (1) employees who are already covered under Cal/OSHA’s Aerosol Transmissible Diseases standard; (2) employees who are working from home; and (3) single-employee employers who do not have contact with others.

Non-compliance with these new regulations can result in a fine. The maximum penalty for regulatory or general violations is set at \$13,277; the maximum for serious violations is set at \$25,000; and the maximum for repeat or willful violations is set at \$132,765.

**II. SUMMARY OF NEW REGULATIONS.**

**A. The ETS require employers to take certain steps including, but not limited to:**

- Developing and implementing a written COVID-19 Prevention Program or ensuring its elements are already present in an existing Injury and Illness Prevention Program (Cal/OSHA has posted a model COVID-19 Prevention Program);
- Investigating and responding to COVID-19 cases in the workplace;
- Requiring employee training;
- Requiring physical distancing, mask wearing, cleaning and disinfecting;
- Following the reporting, recordkeeping and access requirements;

- Excluding employees who have tested positive or been exposed to COVID-19;
- Providing employer-provided housing protocols;
- Providing transportation protocols; and
- Knowing what to do if there have been multiple COVID-19 positive tests in the workplace.

**B. Specific Requirements of the ETS:**

- Within one business day, employers must notify all employees, independent contractors and vendors who may have been exposed to COVID-19 at the workplace.
- Employers must offer COVID-19 testing “at **no cost** to employees during their working hours and to all employees who had potential COVID-19 exposure in the workplace.”
- Employers must immediately investigate COVID-19 cases to determine whether they have an exposed workplace, an outbreak, a major outbreak or a non-outbreak setting and respond according to the ETS requirements for each situation.
- Employers must evaluate how to maximize the quantity of outdoor air and whether it is possible to increase filtration efficiency.
- Employers must conduct periodic inspections to ensure compliance with the ETS.
- Employers must inform their employees of the importance of not coming to work and obtaining a COVID-19 test if the employee has COVID-19 symptoms.
- Employers must keep a record of and track all COVID-19 cases.
- Employers shall provide face coverings and ensure they are worn by employees over the nose and mouth with the following exceptions:
  - Employees exempted from wearing face coverings due to a disability shall wear an effective non-restrictive alternative, if their condition or disability permits; and
  - Any employee not wearing a face covering or other effective alternative, for any reason, shall be at least six feet apart from all other persons, unless the unmasked employee is tested at least twice weekly. However, employers may not use COVID-19 testing as an alternative to face coverings when face coverings are otherwise required.
- The ETS mandates that when employees are excluded from work for certain COVID-19 related reasons: “employers shall continue and maintain an employee’s

earnings, seniority and all other employee rights and benefits, including the employee's right to their former job status." Although an employer may require exhaustion of statutorily required paid sick leave, the ETS removes any cap. Employers do not have to follow these obligations if they establish that the employee's exposure was not work related.

- Employees who have not been excluded or isolated by any local health department ("LHD") need not be excluded by the employer if they are temporarily reassigned to work where they do not have contact with other persons.
- Employers may not require a negative test before an employee can return to work from isolation or quarantine.

**C. If there is a positive COVID-19 case at the worksite, employers must:**

- Determine the day and time the COVID-19 case was last present;
- Determine who may have had been exposed;
- Give notice of the potential COVID-19 exposure, within one business day, in a way that does not reveal any personal identifying information, to all employees, independent contractors and vendors who may have been exposed to the positive COVID-19 case; and
- Investigate whether any workplace conditions could have contributed to the risk of COVID-19 exposure, and what could be done to reduce exposure to COVID-19 hazards.

**D. If there are three or more COVID-19 cases within a 14-day period, employers must comply with the following additional requirements:**

- Immediately test potentially exposed employees and test them again one week later;
- Provide continuous weekly tests to employees who remain at the workplace after the first two initial tests; and
- Contact the applicable LHD immediately, but no longer than 48 hours after the employer knows, or with diligent inquiry would have known, of the three or more COVID-19 cases.

**E. If there are twenty or more COVID-19 cases within a 30-day period, employers must comply with the following additional requirements:**

- Provide COVID-19 testing to all employees twice a week;



- In buildings or structures with mechanical ventilation, filter recirculated air with minimum efficiency reporting value ("MERV") 13 or higher efficiency filters if compatible with the ventilation system;
- If MERV-13 or higher filters are not compatible with the ventilation system, use filters with the highest compatible filtering efficiency; and
- Evaluate whether portable or mounted high efficiency particulate air (HEPA) filtration units or other air cleaning systems would reduce the risk of transmission and implement their use to the highest degree feasible.

Cal/OSHA has posted answers to frequently asked questions on its website which can be viewed at: <https://www.dir.ca.gov/dosh/coronavirus/COVID19FAQs.html>

Cal/OSHA has also posted a one-page fact sheet on the new regulations which can be viewed at: [https://www.dir.ca.gov/dosh/dosh\\_publications/COVIDOnePageFS.pdf](https://www.dir.ca.gov/dosh/dosh_publications/COVIDOnePageFS.pdf)

## **II. CONCLUSION.**

OMWD General Manager Kim Thorner and District staff have implemented a comprehensive set of measures to comply with these new regulations for the benefit of the District and the District's employees and customers.

Cal/OSHA indicated it may modify the ETS and/or continue to provide additional guidance. We will continue to monitor these guidelines for changes and update District policies and guidelines accordingly.

AES

# Memo

E

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

SAN DIEGO COUNTY WATER AUTHORITY REPRESENTATIVE

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Any written report will be attached; any oral report will be provided at the time of the Board Meeting.



Our Region's Trusted Water Leader  
**San Diego County Water Authority**

**\*\*Comments from OMWD Representative made at the meeting shown in Blue Text Below**

**SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING**  
**January 28, 2021**

1. Retirement of Directors.  
The Board adopted Resolution Nos. 2021-01 and 2021-02 honoring Betty Evans and Christy Guerin upon their retirements from the Board of Directors. \*Thanked the SDCWA Board on behalf of Director Guerin and expressed her appreciation and well wishes.
2. Confirm the submittal for appointment for Chair Gary Croucher as the alternate representative and Jim Madaffer as the primary representative to the Colorado River Board of California.  
The Board adopted Resolution No. 2021-03 confirming the Submittal for Appointment of Chair Gary Croucher as the Alternate to the Colorado River Board of California.
3. Construction Contract with Pacific Hydrotech Corporation and Amendments with LEE & RO, Inc. for the Hauck Mesa Storage Reservoir project.  
The Board authorized the General Manager to award a construction contract to Pacific Hydrotech Corporation in the amount of \$11,370,360 for the Hauck Mesa Storage Reservoir project and accepted Amendments 1 through 3 for an increase of \$150,000 and authorized the General Manager to execute Amendment 4 to the professional services contract with LEE & RO, Inc. in the amount of \$163,593, increasing the contract amount from \$1,173,404 to \$1,336,997.
4. Monthly Treasurer's Report on Investments and Cash Flow.  
The Board noted and filed the Treasurer's report.
5. Service contracts with Capstone Fire and Safety Management Inc., Patriot Environmental Services, and Total Safety, U.S., Inc., to provide Standby Confined Space Entry and Rescue Services.  
The Board authorized the General Manager to execute three individual service contracts with Capstone Fire and Safety Management, Inc., Patriot Environmental Services, and Total Safety, U.S., Inc., to provide standby confined space entry and rescue services for two years, with an option to extend contracts for an additional two years, for a total not-to-exceed amount of \$750,000.
6. Approval of Minutes.  
The Board approved the minutes the Special Water Planning Committee meeting of November 12, 2020 and the Formal Board of Directors' meeting of November 19, 2020 and Special Board of Directors' meeting of December 10, 2020.

On the Administrative and Finance Committee meeting, input on the preparation of the next SDCWA Budget was sought by staff from the Board. The OMWD representative requested an analysis on the budget were the state to take property taxes in the next two years; stated support for a comprehensive review of all consultants and outside services for purposes of cost reductions as SDCWA has already cut staff and implemented a hiring freeze on some positions; supported delay of only non-critical CIP and support for debt issuance to smooth out rate increases, so long as the debt financing did not include any funding for operations.

On the Legislation, Conservation and Outreach Committee, the OMWD representative requested that the new SDCWA campaign about "H2own" be reviewed with the Joint Public Information Council for input, as it mentions the 24 member agencies of the SDCWA and the member agencies had yet to be briefed on this new campaign.

# Memo

F

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS  
LEGISLATIVE REPORT

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Any written report will be attached; any oral report will be provided at the time of the Board Meeting.



# NOSSAMAN LLP | Memorandum

**TO:** Olivenhain Municipal Water District  
**FROM:** Ashley Walker, Senior Policy Advisor, Nossaman LLP  
Jennifer Capitolo, Jennifer M. Capitolo and Associates LLC  
**DATE:** February 3, 2021  
**RE:** January Public Policy Report

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## **State Legislative Update:**

Status of the Legislative Session: The 2021-22 Legislative Session continues to focus on the Governor's proposed immediate and early action budget items, and COVID-19 related impacts. Members continue to introduce bills outside of the pandemic; however it is yet to be determined how much they will be able to accomplish this year. Policy committee hearings will start to ramp up in March.

State Budget: The Governor's 2020-21 January Budget proposal was released on Friday, January 10. The budget calls for the legislature to act on \$12.8 billion in immediate and early budget proposals in the current fiscal year, as well as proposes a fiscal year 21-22 spending plan. The Legislature has been most focused on immediate and early action proposals, as outlined below.

- **Immediate Action Items:**

- Safe re-opening of K-12 schools
- Low-income tax refund
- Small business aid
- Fee waivers for heavily impacted services industries

- **Early Action Items:**

- Student Support:
  - K-12 Extended Learning Time
  - Higher Education Emergency Financial Assistance
  - Community College Retention Rates and Enrollment
- Jobs and Workforce Training:
  - Jobs and Regional Development – Cal Competes
  - Wildfire and Forest Resilience
  - Jobs through Jump Starting Housing Development Locally
  - Small Businesses – California Dream Start-up Grants
  - Workforce Development – High Roads Apprenticeship Program
- Environmental Sustainability
  - Cap & Trade Expenditure Plan
  - Sustainable Agriculture
  - Bottle Bill
- Housing and Homelessness
  - Homekey Housing
  - Trial Court Workload for Eviction Protections
- Other Items

- County Probation Departments
- California Creative Corps
- Go-Biz Staffing Resources

#### Legislative Proposals:

- **SB 222 (Dodd): Water Affordability Assistance Program.** This bill would establish the Water Affordability Assistance Fund (Fund) in the State Treasury. The Fund would provide water affordability assistance for drinking water and wastewater services to low-income ratepayers and ratepayers who are experiencing economic hardship. Money in the Fund would be made available upon appropriation by the Legislature to the State Water Board for six purposes:
  1. Direct water bill assistance;
  2. Water bill credits to renters, individuals, or households that pay other amounts, fees, or charges related to residential water and wastewater service;
  3. Water crisis assistance;
  4. Affordability assistance to low-income households served by domestic wells;
  5. Water efficiency measures for low-income households;
  6. Short-term assistance to public water systems to administer program components, including startup costs.
- **SB 223 (Dodd): Discontinuation of residential water service.** The bill would require the written policy on discontinuation of residential service for nonpayment to include an arrearage management plan, and, for those systems that provide water audits or have the capacity to do so, to include a free water audit offered to low-income households with water usage that is above the annual average volume usage of their customer class.

The bill would require the State Water Board to provide technical assistance to very small community water systems, to assist with compliance with these requirements and to establish a bridge loan program to assist very small community water systems that may suffer revenue loss or delayed collection while complying with these requirements. The bill would also require the State Water Board to develop a template for a written policy on discontinuation of residential service for nonpayment, on or before September 1, 2022, to aid very small community water systems in complying with the requirement to have a written policy on discontinuation of residential service for nonpayment.

This bill would revise the conditions under which urban and community water systems and very small community water systems are prohibited from discontinuing residential service for nonpayment. The bill would prohibit these systems from discontinuing residential service for nonpayment during a state or local emergency. The bill would prohibit these systems from discontinuing residential water service for nonpayment until a payment by a customer has been delinquent for at least 120, rather than 60, days and the total amount of the delinquency, exclusive of late charges and interest, is at least \$400. The bill would also prohibit these systems from discontinuing residential water service for nonpayment to a master-metered multifamily residence with at least 4 units or to a master-metered mobilehome park.

Existing law requires an urban and community water system to impose specified fees for reconnection of service for customers with a household income below 200% of the federal poverty line. This bill would instead require an urban and community water system and very small community water system to waive fees for disconnection and reconnection of service for those customers.

Please find the attached analysis of both of these bills and their impacts from ACWA.

***Recommended positions: Oppose, or Oppose Unless Amended.***

COVID-19 Pandemic Response: The following actions were taken by the Governor and Administration in January, related to addressing the pandemic. This list was provided by the California State Association of Counties. We are happy to provide the details of any item listed below, should the District desire.

- January 29 Governor Gavin Newsom signed legislation to extend the state's eviction moratorium through June 30, 2021, as a result of the economic hardships brought on by the COVID-19 pandemic.
- January 27 Governor Gavin Newsom signed an executive order to bolster the state's efforts to vaccinate as many Californians as possible, as quickly as possible.
- January 26 The Newsom Administration announces creation of a statewide vaccine delivery network to simplify and standardize the vaccination process with equity as a core focus.
- January 25 Officials with the California Department of Public Health (CDPH) ended the Regional Stay at Home Order, lifting the order for all regions statewide, including the three regions that had still been under the order. Additionally, Governor Gavin Newsom announced a series of improvements to the state's vaccination plan. Incorporating lessons learned from efforts to increase the pace of vaccination. Finally, he along with legislative leadership issued a joint statement on the extension of the eviction moratorium to protect Californians impacted by COVID-19.
- January 13 The Governor announced a new system to let people know if they are eligible to receive a vaccine, and if not yet eligible, to register for a notification via email or text when they are eligible. That system is expected to launch next week. This comes on the heels of the CDC's decision to expand the pool of those eligible to receive the vaccine to individuals 65 and older.
- January 11 Governor Gavin Newsom submitted his 2021-22 State Budget proposal to the Legislature – a \$227.2 billion fiscal blueprint that provides funding for immediate COVID-19 response and relief efforts where Californians need it most while making investments for an equitable, inclusive and broad-based economic recovery.
- January 6 Governor Newsom Announces Golden State Stimulus, a budget proposal to help low-income Californians through \$600 rapid cash payments, and calls for extension of eviction moratorium.
- January 5 Governor Gavin Newsom previewed his Equitable Recovery for California's Businesses and Jobs plan, the business and workforce recovery elements of his 2021-22 State Budget that will help California through the COVID-19 pandemic and advance an equitable, broad-based recovery. The state issued a public health order ensuring distribution of health care resources across the state to ensure patients get life-saving care as ICU capacity is strained.

### **Water Quality Update:**

COVID Reporting: On January 19, 2021, the SWRCB held their regular Board Meeting and DDW presented an update on the two surveys that were conducted in 2020 with regards to COVID impacts on water utility customers and small water systems. To gauge the magnitude of household debt and related financial impacts on water systems, the State Water Resources Control Board surveyed water systems between November 9 and December 4, 2020. This SWRCB states that they completed this data effort to support policymakers exploring response/assistance options and to help inform policy decisions to stay ahead of potential crises. The SWRCB estimates \$1 billion in household debt across the state as of January 2021 for non-payment of water bills. Since some water systems bill for other services such as



wastewater and stormwater on a water bill, the drinking water specific debt may be closer to \$600 million. The SWRCB estimates that at least 1.6 million households have water debt or 12% of households in the state. The average debt around is roughly \$500 per household. Over 155,000 households have more than \$1,000 in water debt and these households account for over half of the total water debt. The top 10 Zip Codes with the highest levels of water debt are in Los Angeles, Santa Maria, Rancho Cordova, Colton, Bell Gardens, Norwalk, and Cypress. The water-debt crisis is most acute in Southern California, particularly in Los Angeles. The Board estimates that up to 25 small/medium water systems are at extreme risk and may require emergency assistance within 180 days. Some smaller systems lack financial and operational capacity to withstand prolonged revenue loss. The data show a strong correlation between median household income and level of financial risk, indicating that communities that were already disadvantaged have experienced disproportionate impacts during the COVID-19 pandemic.

**Electronic Annual Report (eAR):** The SWRCB was supposed to release the 2020 eAR questions in January 2021. Staff is now advising an early March roll out for the 2020 eAR. The water utilities have requested a timely release of the questions so they will have time to review and gather information before the reporting begins.

**SAFER Program:** The SAFER program continues to host regular meetings to complete the statewide needs assessment. The State Water Board's Needs Assessment consists of three core components: The Affordability Assessment, Risk Assessment, and Cost Assessment. The results of the Needs Assessment will be used to prioritize public water systems, tribal water systems, state small water systems, and domestic wells for funding in the Safe and Affordable Drinking Water Fund Expenditure Plan; direct State Water Board technical assistance; and to develop strategies for implementing interim and long-term solutions.

**Revised Total Coliform Rule:** The SWRCB is finalizing the Proposed Regulations regarding Revised Total Coliform Rule. A public hearing was held on December 17 at 9:30am and there was very little participation in the public discussion, as many of the outstanding issues had already been resolved and included in the proposed regulation. The board will likely adopt the new regulatory proposal in Q1 of 2021.

**Chromium VI:** The SWRCB held two public workshops on the Hexavalent Chromium Maximum Contaminant Level Estimates of Costs in December 2020 and there was significant public participation. As you may recall, the CrVI MCL was invalidated by the Courts due to a weak analysis of the economic feasibility and it was therefore withdrawn by the SWRCB. The formal procedure for adopting this regulation under the Administrative Procedures Act has not yet begun, however, input provided at the workshop may be used to further develop the regulation.

**PFBS:** The SWRCB, Division of Drinking Water is proposing a notification level of 0.5 parts per billion (ppb) and a response level of 5 ppb for perfluorobutane sulfonic acid (PFBS). These levels are based on a recommendation from the Office of Environmental Health Hazard Assessment, which included review of more than one peer reviewed study. An informational item on the proposed PFBS notification and response levels is planned for the State Water Board's March 2, 2021 meeting.

#### **Water Use Efficiency/Conservation Update:**

**Water Loss Performance Standards:** On December 3 the State Water Resources Control Board (SWRCB) staff posted draft water loss regulations and the supporting economic model, and noticed a public workshop webinar for December 16. This regulation will establish volumetric water loss standards for urban water suppliers (serving potable water to 3,000 or more

connections or serving 3,000 of more acre feet of water). At the workshop, staff indicated that a peer review of the economic model is underway and is expected to be released in mid-January. Depending on the results of the peer review, staff may initiate the formal rulemaking as early as February. The rulemaking process is expected to extend into mid-2021. At the workshop, staff presented the proposal and addressed questions and comments by many urban water suppliers, which focused on troubling model assumptions and concerns about many aspects of the proposal. After the workshop, the water supplier Coalition circulated a scathing technical analysis of the economic model, which casts significant doubt upon its validity.

### **Department Of Water Resources:**

The Department of Water Resources (DWR) and SWRCB continue to implement the comprehensive water conservation and drought planning legislation of 2018, AB 1668 (Friedman) and SB 606 (Hertzberg).

Residential Landscape Area Measurement (LAM) and Indoor Water Use Studies: DWR is continuing its rollout to urban water suppliers of its estimates of “classified landscape areas”. Urban water suppliers have 6 months to resolve “disputed parcels” and review and validate the estimates. Later in 2021 the validated data is to be used to develop an outdoor irrigation budget for each water supplier. DWR has scheduled the second meeting of the technical workgroup on Standards, Methodologies and Performance Measures to inform the development of the outdoor water use standards recommendation. That meeting is scheduled for Wednesday, February 24, 2021, 9-12pm.

DWR also now poised to complete a report addressing results of several indoor residential water use studies and conveying recommendations to the Legislature regarding the 55 gallons per capita per day single-family residential water use standard. A final recommendations report was due to the Legislature by January 1, but may not be released by DWR until April 1. Separately, the indoor residential water use standard will be subject to rulemaking by SWRCB in Fall of 2021. The indoor water use standard is to be used to calculate the overall water use objective for urban water suppliers.

Urban Water Management Plan Final Guidance Document and Training Webinar: DWR is poised to release the final Urban Water Management Plan Guidance Document, possibly before the end of January. This guidebook is intended for use by urban water suppliers and provides a helpful overview of current UWMP requirements and offers useful suggestions and technical resources. DWR has been conducting training webinars on UWMP requirements. One last training is scheduled; UWMP Preparation, Adoption, and Submittal on February 10, 2021 at 10:00am.

Recordings of the past and future UWMP trainings webinars are posted here:  
[https://www.youtube.com/playlist?list=PLeod6x87Tu6e-Fi-louoKF2BagN-Bz\\_mA](https://www.youtube.com/playlist?list=PLeod6x87Tu6e-Fi-louoKF2BagN-Bz_mA)

Urban water suppliers must submit their 2020 UWMPs to DWR by July 1, 2021.

## ASSEMBLY BILLS: N/A

## SENATE BILLS:

### SB 222: Water affordability assistance program.

**Author:** Dodd

**Introduced:** 1-14-21

**Amended:** N/A

**Sponsors:** Clean Water  
Action, Community Water  
Center, Leadership  
Counsel for Justice and  
Accountability

**Current Position:** NYC

**Recommended Position:**  
Oppose Unless Amended

**Assigned to:** Cindy Tuck/Kristopher Anderson/Soren Nelson

#### Existing Law

The California Safe Drinking Water Act requires the State Water Resources Control Board (State Water Board) to administer provisions relating to the regulation of drinking water to protect public health. California's "Human Right to Water" declares it the established policy of the state that every human being has the right to safe, clean, **affordable**, and accessible water adequate for human consumption, cooking, and sanitary purposes.

AB 401 (Statutes of 2015, Chapter 662) required the State Water Board, by January 1, 2018, to develop a plan for the funding and implementation of a Low-Income Water Rate Assistance Program. The law required the State Water Board, by February 1, 2018, to report to the Legislature on its findings regarding the feasibility, financial stability, and desired structure of the program, including any recommendations for legislative action that may need to be taken. For purposes of that report, AB 401 defined "low income" as a household with income that is equal to or no greater than 200 percent of the federal poverty guideline level (FPL).

#### Bill Summary

##### I. Water Affordability Assistance Fund

SB 222 would establish the Water Affordability Assistance Fund (Fund) in the State Treasury. The Fund would provide water affordability assistance for both **drinking water and wastewater** services to low-income ratepayers and ratepayers experiencing **economic hardship**. Money in the Fund would be made available upon appropriation by the Legislature to the State Water Board for the following **six purposes**:

- A) Direct water bill assistance;
- B) Water bill credits to renters, individuals, or households that pay **other amounts, fees, or charges** related to residential water and wastewater service;

- C) Water crisis assistance;
- D) Affordability assistance to low-income households served by **domestic wells**;
- E) Water efficiency measures for low-income households;
- F) **Short-term** assistance to public water systems to administer program components, including startup costs.

SB 222 would define “low-income” as a household income, or a **community annual median household income**, that is equal to or no greater than 200 percent of the FPL.

#### A. Fund Administration

SB 222 would authorize the State Water Board to use up to 5 percent of the annual deposits into the Fund for reasonable regulatory costs associated with the “administration” of the Fund. Along with other administration-related provisions, SB 222 would authorize the State Water Board to:

- 1) Develop and implement a process for disbursing program funds to public water systems or third-party providers, including controls to prevent fraud, waste, and abuse;
- 2) Expend, upon appropriation by the Legislature, moneys in the Fund for **grants**, contracts, direct monetary assistance or services to assist “eligible recipients.”

## II. Program Implementation

#### A. Guidelines, Oversight Procedures and Stakeholder Advisory Group

The State Water Board would be required to develop **guidelines and oversight procedures** for implementation of this program by January 1, 2023. In developing these guidelines, SB 222 would require the State Water Board to consult with an advisory group that includes representatives of the following:

- 1) Public water systems;
- 2) Technical assistance providers, **including those that support the federal Low-Income Home Energy Assistance Program**;
- 3) Local agencies, including those that manage multi-family housing for low-income residents;
- 4) NGOs that work with residents of disadvantaged communities (DACs);
- 5) Representatives from the public, including, but not limited to, low-income residents, low-income residents who live in multi-family housing, and residents served by tribal water systems.

#### B. Annual Fund Expenditure Plan

SB 222 would require the State Water Board, following a public hearing, and in consultation with the advisory group described above, to adopt an annual fund expenditure plan (FEP). This FEP could be incorporated into the FEP for the Safe and Affordable Drinking Water Fund under SB 200 (Chapter 120, Statutes of 2019). The bill would require that the SB 222 FEP contain:

- 1) Identification of key terms, criteria, metrics, and their definitions related to the implementation of this requirement;
- 2) A description of how proposed “**remedies**” will be identified, evaluated, prioritized, and included in the FEP;
- 3) A report of expenditures from the Fund for the prior fiscal year and planning spending for the current year;
- 4) An estimate of the number of households eligible for assistance, including those that do not receive a direct water bill;
- 5) A section that discusses water affordability challenges and “**proposed solutions**” for Californians served by state small water systems, **local small water systems**, and domestic wells. An evaluation of solutions would be required to include, but would not be limited to, the following:
  - a) Amortization of an unpaid balance;
  - b) Participation in an alternative payment schedule;
  - c) Partial or full reduction of the unpaid balance financed without additional charges to ratepayers;
  - d) Temporary deferral of payment;
  - e) An arrearage management plan;
  - f) **Tiered water rates** or percentage of income payment plan;
  - g) Methods to retain water system solvency, such as the **use of fixed rates** and increased use of water meters to improve planning;
- 6) An estimate of the funding needed for the next fiscal year based on the amount available in the fund, **anticipated funding needs**, other existing funding sources, and other relevant data and information;
- 7) An identification of the funding need of DACs and low-income households whose water bill charges pose “**affordability challenges**” based on metrics developed by the State Water Board and the California Public Utilities Commission (CPUC); and
- 8) An analysis with metrics to evaluate how expenditures from prior fiscal years improved affordability.

#### C. Electrical and Gas Customer Data

SB 222 would require the CPUC to establish a mechanism for electrical and gas corporations to share data with the State Water Board regarding customers enrolled in, or eligible to be enrolled in, the California Alternate Rates for Energy (CARE) program. SB 222 would also authorize the State Water Board to require **publicly owned electric utilities**, including but not limited to, municipal utility districts and **irrigation districts**, to regularly share data regarding utility customers enrolled in, or eligible to be enrolled in, affordability programs benefiting low-income customers. The data sharing summarized here would be subject to the confidentiality provisions of California Government Code Section 6254.16.

#### III. Fund Expenditures

The bill would require the State Water Board, if funds were deposited into the Fund before the adoption of an FEP, to use those funds for the following:

- A) Provision of water crisis assistance to low-income households through direct assistance to the low-income households;
- B) Reimbursement of public water system forgiveness of delinquency;**
- C) Some other disbursement mechanism not specified by the bill.

For these “Fund Expenditure” provisions, the State Water Board would be authorized to use up to 5 percent of funds for administrative purposes. The bill would authorize the State Water Board to adopt, if necessary to implement the Fund Expenditure provisions, both a policy handbook and emergency regulations.

#### IV. Program Administration

In administering this program, the bill would require that the State Water Board do all of the following (partial list from Article 4):

- A) Collect and ensure the accuracy of water rate data and water system boundary data from each public water system;**
- B) Provide oversight** of public water systems’ implementation of the program to ensure effectiveness and prevent fraud, waste, and abuse;
- C) Develop and publish performance metrics for the program, including, but not limited to, enrollment levels, total water shutoffs for inability to pay, and on-time payment levels;
- D) Identify alternative entities to distribute and track benefits if a public water system is unwilling to do so or if the State Water Board has determined a public water system is incapable of administering the program.**

#### V. Not a Local Mandate

Section 2 of SB 222 would specify that no reimbursement would be required under Article XIII B of the California Constitution because a local agency has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated within the meaning of California Government Code Section 17556.

#### **Amendment History**

N/A

#### **Staff Comments**

##### **I. Legislative and Regulatory History**

SB 222 is the “son of AB 401.” AB 401 (Dodd, 2015). AB 401 required the State Water Board, in collaboration with the Board of Equalization and relevant stakeholders, to develop a plan for the funding and implementation of a low-income water rate assistance (Water LIRA) program by January 1, 2018. AB 401 also required the State Water Board to submit by February 1, 2018 a report to the Legislature on its findings regarding the feasibility, financial stability, and desired structure of the program, including any recommendations for legislative action.

When AB 401 went through the Legislature, ACWA worked with the Author on the bill and maintained a “Watch” position. Under Proposition 218, public agencies cannot in their rate-setting shift costs from some customers to other customers. Some ACWA member agencies have customer assistance programs, and those programs are funded with non-rate sources of funding such as cell-tower-lease revenue or contributions. In taking the “Watch” position on AB 401, ACWA recognized that there could be a reasonable statewide water LIRA program. That is the starting point for ACWA’s analysis of SB 222. As with so many programs, reasonableness depends on the details – which AB 401 did not prescribe. As discussed further below, some aspects of SB 222 are problematic.

AB 401 required a “collaborative” process, and ACWA lobbied aggressively for such a process in both public meetings and stakeholder meetings. ACWA’s AB 401 Implementation Working Group guided that advocacy. ACWA developed and submitted detailed comment letters that addressed many aspects of the program. For example, ACWA advocated for the use of an existing funding distribution mechanism (i.e., CalFresh) as opposed to a requirement that over three thousand public water system change their billing systems to implement the program. ACWA also advocated against a water tax as had been proposed early on in that process by State Water Board staff as the funding source. ACWA instead advocated for progressive funding sources. Ultimately, the State Water Board submitted its *Recommendations for Implementation of a Statewide Low-Income Water Rate Assistance Program* (“AB 401 Report”) to the Legislature in February of 2020 (two years late). The AB 401 Report is available at [https://www.waterboards.ca.gov/water\\_issues/programs/conservation\\_portal/assistance/docs/ab401\\_report.pdf](https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/assistance/docs/ab401_report.pdf)

In the AB 401 Report, the State Water Board envisioned most of the distribution of program benefits through water bills, crisis assistance for water ratepayers, and a renter’s water credit for residents who pay for water service indirectly through rent. For the funding source, the Board recommended progressive revenue sources (e.g., increased personal income tax on high earners) and a bottled water tax. [AB 401 Report, Page 9.] This was major progress from where the discussion started. It should be noted, however, that the AB 401 Report does includes discussion and tables with funding options that include a “water user surcharge” (i.e., a water tax). [Pages 46-48.] ACWA opposes a water tax for funding this program for multiple reasons, but one of them is that it would work against water affordability.

## **II. ACWA’s Perspective**

**Consistent with ACWA’s position on AB 401, there could be a bill written that would create a reasonable and effective Water LIRA program.** The initial version of SB 222 does not specify the funding source. As with SB 200 (Monning) in 2019 regarding safe drinking water funding, knowing the funding source makes a big difference in being able to evaluate the proposed program. There is interest within (but not yet a decision from) the broad coalition working in D.C. to obtain COVID-19 water funding relief, in which ACWA is a participant, to seek a longterm federal funding source for Water LIRA. Whether that funding will be pursued and can be obtained is yet to be determined. Putting aside federal funding for a moment, if Senator Dodd



will agree that the funding source should not be a water tax and be progressive and not increase the cost of water, the negotiation of a reasonable bill becomes easier. (A water tax is a regressive tax.) The introduced version of SB 222, however, is silent on the funding source, and the bill text raises many issues and concerns, as discussed in the next section.

### **III. Initial List of Issues and Concerns Raised by the Introduced Version of SB 222**

#### **A. Implementing Agency**

In developing amendments for SB 222, ACWA should consider which State agency should implement the program. Obviously, the State Water Board staff cares about these issues and want to implement the program. They have written the AB 401 report, but there should be a discussion on this given the financial nature as opposed to regulatory nature of the program, and that the amount of the assistance could exceed \$6 billion in the first ten years.

#### **B. Benefit Distribution Mechanism**

For eligible customers who directly pay their water bill, SB 222 would have over three thousand public water systems distribute a significant part of the benefit (i.e., “direct water bill assistance”). There was never consensus on this in the stakeholder process. The Legislature needs to consider what will be the most efficient process, and an existing benefit distribution mechanism, such as CalFresh, is a good option. In other words, have one agency distribute the money instead of 3,000 agencies.

The bill authorizes “water bill credits to renters” (at Page 3, Line 3). In the AB 401 Report, State Water Board staff suggest that the renter’s credit “would operate as a state income tax credit.” Why not also use a State income tax credit for eligible households that pay their water bill directly? The Franchise Tax Board is another entity that could distribute the benefit.

#### **C. Scope**

The AB 401 report focuses on four types of assistance: 1) direct water bill credits; 2) renter’s water bill credits; 3) water crisis assistance; and 4) short-term assistance to community water systems for “administration.” The direct water bill credits suggested in the Report would be a credit distributed via the water bill (as opposed to through an existing distribution mechanism). While SB 222 does not define the term “water crisis assistance,” in the AB 401 report this term refers to assistance for direct bill customers who are in danger of having their drinking water shut off due to the inability to pay on time. [AB 401 Report, Chapter 4, Pages 35-45.]

In addition to the four types of assistance mentioned above, there are several provisions in SB 222 that collectively make the proposed scope in SB 222 very broad – and broader than what is covered in the AB 401 report. In the development of suggested amendments, ACWA should consider what the appropriate scope is. Examples of such provisions include:

- 1) Inclusion of wastewater services;
- 2) No definition of “economic hardship”;

- 3) Inclusion of affordability assistance to low-income households served by domestic wells;
- 4) Reference in the FEP language to a “description of how proposed **remedies** will be identified, evaluated, prioritized and included in the FEP. [Page 4, Line 2.] It is unclear what the Author mean by “remedies”; and
- 5) An evaluation in the FEP of solutions for water affordability challenges for state small water systems, local small water systems and domestic wells [Page 4, Line 28.].

Of course, the funding dedicated to the program will define the cost of the program.

#### **D. Unspecified Price Tag and Funding Source**

When SB 200 (Monning, 2019), was enacted, it specified the funding sources (Greenhouse Gas Reduction Account) and General Fund. It also specified the amount of funding (up to \$130 million per year). SB 222, as introduced, does not set the funding source(s) or the amount of funding. The timing for inclusion of such details is a political decision for the Author, but knowing the funding source(s) greatly aids the evaluation of the impacts on public water agencies.

As noted above, the AB 401 Report estimated the cost of the program described in the Report at \$606.2 million. However, ACWA’s understanding is that estimate did not include wastewater services or assistance for low-incomes households served by domestic wells. Further, that estimate did not capture the concept of an ongoing needs assessment, as captured in the comments above regarding the scope of the program.

#### **E. Eligibility Criteria**

SB 222 would define “low-income” as a household income, or a community annual median **household income**, that is equal to or no greater than 200 percent of the (FPL). For purposes of preparation of the AB 401 report, AB 401 defined “low-income as a household with income that is equal to or no greater than 200 percent of the federal poverty guideline level.” It is unclear why SB 222 includes a community annual median household income as an option when a LIRA program is aimed at (individual) customer affordability as opposed to affordability at a system or community level.

Further, in the development of the AB 401 report there was some discussion that the State should look at different eligibility levels. In the AB 401 report, and based on 2010-2014 American Community Survey data, 24 percent of California households were at 150 percent of the FPL. If the threshold is set at 200 percent of the FPL, the percentage of eligible households goes up to 34 percent. The selection of the threshold percentage is important in that it is a major factor in who receives assistance and the costs of the program.

Further, the bill makes assistance available to ratepayers experiencing “economic hardship.” The bill does not define “economic hardship.”

#### **F. Cap on State Administration Costs but No Cap on State Implementation Costs**

At Page 3, Line 13, SB 222 proposes to limit the use of Fund dollars for “administrative” purposes to 5 percent of the annual deposits into the Fund. The AB 401 Report estimates the program costs at over \$600 million per year so that gives a ballpark indication of the annual deposit amount (although it could be significantly higher given the scope issue discussed above and inclusion of wastewater and domestic wells). The cap on administrative costs is appropriate. However, the SB 222 language parallels the SB 200 administrative cap language in Subdivision (e) of California Health and Safety Code Section 116766. In the State Water Board’s development of the Fiscal Year 2020-21 FEP for the Safe and Affordable Drinking Water Fund, it became clear that the State Water Board differentiated between “administrative” purposes and “implementation” purposes. For example, while five percent of the \$130 million for this Fiscal Year would have been \$6.5 million, the State authorized many new positions, and the SB 200 FEP included \$12.8 million for staff costs. This was done under the “implementation” label. Since SB 222 includes a program implementation article, the bill should also have a cap on state implementation costs.

#### **G. Short-Term Assistance to Community Water Systems for Program Administration**

The bill proposes that the Fund could be used for “short-term assistance to public water systems to administer program components, including initial start-up costs.” [Page 3, Line 6.] At Page 11 of the AB 401 report, State Water Board staff estimated the funding need for this at \$43 million. But if one divides that amount by 3,000 systems, the amount would be approximately \$14,333 per system. The cost to just change billing software for one agency can be over \$100,000 (and for some cities that amount is much higher than that). During the AB 401 stakeholders process, the high administrative/implementation costs for public water agencies and their customers led ACWA and others to push for use of a more efficient existing distribution mechanism at one entity.

#### **H. Public Process and Program Documents**

SB 222 is thin on public process steps. For example, it proposes a hearing on the FEP but does not propose a workshop in advance of the hearing. As another example, except for the consultation with the proposed advisory group, there is no public process proposed for the development of guidelines and fund oversight procedures for implementation. (See Page 3 at Line 33.) Over time, this would be a multi-billion dollar assistance program. There should be opportunities for public input into the foundational documents.

#### **I. Proposed Authority for Collection of Public Water Agency Rate Data**

At Page 6, Line 17, SB 222 proposes that the State Board would be required to “Collect and ensure the accuracy of water rate data and water system boundary data from each public water system.” In the process for the development of the Electronic Annual Report (EAR) questions this year, ACWA, ACWA member agencies, and others in the water community have been concerned about proposed questions that go beyond the scope of what is needed for the

State Water Board's regulatory purposes. The proposed SB 222 language is very broad. What is appropriate in this area needs to be discussed and developed.

ACWA's development of amendments should also examine provisions regarding rate structures for state small water systems and "local small water systems" at Page 4 (Lines 35-39). Here the State Water Board is going beyond low-income water rate assistance into judging what the appropriate rate structure is for these systems.

To put the rate data collection into perspective, it is noteworthy that in Appendix F of the February 2020, AB 401 Report at Page 71, State Water Board staff wrote:

"Thus, one of the Board's proposals is for the Legislature to evaluate (or direct the Board to evaluate) options for additional state oversight and direction on how public water systems set rates."

ACWA's member agencies are local governments. Setting rates is a local decision based on many specific local factors for the system in question (e.g., service characteristics, infrastructure needs, operational requirements, water quality, climate, etc.). The circumstances for each system are unique. As noted by the ACWA Board of Directors, locally elected decision makers are best positioned to provide direction on providing a reliable and affordable water supply to their constituents.

On a different note related to data, the proposal for electrical and gas corporations to share data regarding their customers (Page 5, Line 16) is there in part because generally public water agencies do not obtain income data from their customers. This proposal could be avoided if the State implementing agency already had that information (e.g., Franchise Tax Board).

**J. Proposed Authorization for Incorporation of SB 222 Fund Expenditure Plan (Water Affordability Assistance Fund) into SB 200 Fund Expenditure Plan (Safe and Affordable Drinking Water Fund)**

This provision should be deleted. ACWA has been actively engaged in SB 200 and is very aware how complex that program is. ACWA is concerned that State Water Board staff in developing the cost methodology and risk assessment methodology are increasing the scope and cost of the program. SB 222 would likely have higher funding and could involve as many as one third of the households in California. The two programs should be kept separate.

**K. Other Provisions**

Examples of the other issues that ACWA should discuss internally in the process of developing amendments include:

- 1) Proposal that the funding could be used for "grants" without any elaboration [Page 6, Line 27];
- 2) Proposal to allow "other entities" (an undefined term) to distribute and track benefits if a public water system is unwilling to do so, or if the State Water Board

determines that the system is incapable of implementing the program [Page 6, Line 30];

- 3) Use of the word “forgiveness” in the context of “forgiveness of delinquency by the public water system and reimbursement by the State Water Board.” Another word may be better because the payment would be covered [Page 6, Line 2]; and
- 4) Whether the “no state mandate” language in Section 2 is appropriate.

**Recommended Position:** Oppose Unless Amended

With appropriate amendments, there could be a bill that would create a reasonable and effective Water LIRA program. As introduced, however, SB 222 has many problematic provisions. ACWA should develop suggested amendments, work with the Author and sponsors on amendments and oppose the bill until the Author incorporates the needed amendments.

**Support:** California Coastkeeper Alliance,  
Natural Resources Defense Council, NextGen  
California, PolicyLink, Physicians for Social  
Responsibility – Los Angeles (PSR-LA),  
Union of Concerned Scientists

**Opposition:** N/A

## SB 223: Discontinuation of residential water service.

**Author:** Dodd; co-authors: **Introduced:** 1-14-21  
Sen. Gonzalez, Asm.  
Bloom, Asm. R. Rivas

**Amended:** N/A

**Sponsors:** Clean Water  
Action, Community Water  
Center, Leadership  
Counsel for Justice and  
Accountability

**Current Position:** NYC

**Recommended Position:**  
Oppose Unless Amended

**Assigned to:** Cindy Tuck/Kristopher Anderson/Soren Nelson

### Existing Law

SB 998 (Chapter 891, Statutes of 2018) established within the California Health and Safety Code certain procedures and requirements related to the discontinuation of residential water service. That law prohibits an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, from discontinuing residential water service for nonpayment until a payment by a customer has been delinquent for at least 60 days. That law also requires an urban and community water system to have a written policy on discontinuation of residential service for nonpayment, including, among other

things, specified options for addressing the nonpayment. An urban and community water system is required to provide notice of that policy to customers.

The SB 998 statute also prohibits an urban and community water system from discontinuing residential service for nonpayment if certain conditions are met, including that the customer or a tenant submits certification of a primary care provider that discontinuation of residential service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises. An urban and community water system is required to impose fees, not to exceed a specified amount, for reconnection of service for customers with a household income below 200% of the federal poverty line. The SB 998 statute also authorizes the Attorney General at the request of the State Water Board or on his or her own motion to enforce the requirements imposed on urban and community water systems in connection with discontinuing residential service for nonpayment by seeking an injunction.

## **Bill Summary**

### Definitions

The definition of “urban and community water system” would be amended to mean a public water system that supplies water to more than 200 service connections *used by year-long residents*.

A definition for “very small community water system” would be added and defined as a public water system that supplies water to 200 or fewer service connections used by yearlong residents.

References to “urban community water system” throughout the language established by the enactment of SB 998 (Stats. 2018, Ch. 891) have all been amended to include “and/or very small community water system(s),” so that all requirements already established in this chapter for urban and community water systems would also apply to very small community water systems.

### Compliance Timeline

SB 223 would require very small community water systems to comply with the requirements summarized below on and after July 1, 2022. The bill would require the State Water Resources Control Board (State Water Board) to provide technical assistance to very small community water systems.

The bill would require the State Water Board to establish a bridge loan program to assist very small community water systems that may suffer revenue loss or delayed collection while complying with this chapter. To the extent funding is available, partial loan forgiveness would be made available to systems that offer debt forgiveness to low-income residents with past due accounts.

SB 223 would require an urban water supplier and an urban and community water system to update policies to comply this chapter by July 1, 2022.



### Discontinuation of Service Policy & Arrearage Management Plans

Urban and community water systems are required to have a written policy on discontinuation of service for nonpayment. This bill would require that those policies include the following, in addition to what existing law already requires:

- A plan for deferred or reduced payments (this is current law) *that includes an option for repayment over a period of 12 months or longer.*
- An arrearage management plan.
  - The arrearage management plan would be required to extend for a maximum of 12 months and include forgiveness of at least one-twelfth of the delinquent balance with each consecutive on-time payment of the monthly charge for water service only. Forgiveness of the full delinquent balance under the arrearage management plan would be required to take place at the final consecutive on-time payment under the plan.
  - A customer who misses two consecutive payments could be removed from the arrearage management plan. If a customer is removed from the arrearage management plan before making 12 on-time payments, any debt forgiven would remain forgiven, and the urban and community water system or very small community water system would be required to offer enrollment into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment.
- For systems that provide water audits or have the capacity to do so, a free water audit offered to low-income residential customers households with water usage that is above the annual average volume usage of their customer class.

SB 223 would require systems without an internet website to provide the policy in writing upon its adoption or revision as well as upon request by a customer. The bill would require the State Water Board to develop a template for a written policy on discontinuation of residential service for nonpayment, on or before September 1, 2022, to aid very small community water systems.

### Service Discontinuation Restrictions

Existing law prohibits a water system from discontinuing service for nonpayment for at least 60 days. SB 223 would specify that this applies to nonpayment for water service. The bill would also extend the prohibition to at least 120 days of nonpayment and would specify that the amount of the delinquency, excluding late charges and interest, would have to be at least \$400 to trigger discontinuation of service. When mailing notice of service discontinuation to the customer, systems would now be required to include a description of the process by which the customer could enter into an *arrears management plan*, in addition to other repayment options already specified in existing law.

SB 223 would establish that a residential water customer who pays a water bill that is combined with billing for other services, including, but not limited to, sewer service or electricity service, would not be delinquent and would not have their water service discontinued for nonpayment



if the customer has paid an amount equal to or greater than the monthly charge for water service, excluding taxes and fees.

Notwithstanding any other law, the bill would also establish that the urban and community water system or very small community water system would be required to release all liens, and would not obtain any new lien, for delinquent amounts owed for residential water service when the customer is enrolled in an amortization agreement, alternative payment schedule, or arrearage management plan, or a plan for deferred or reduced payment.

SB 223 would prohibit a water system from discontinuing residential service for a master-metered multifamily residence with at least four units or to a master-metered mobile home park.

#### Communications Between Delinquent Customers and Service Providers

The bill would prohibit discontinuation of residential service for nonpayment during a state or local emergency. Existing law prohibits systems from discontinuing residential water service if the customer meets certain conditions. This bill would **add** the following conditions to that list:

- A customer self-certifies that a resident of the premises is over 65 or under 18.
- A customer, or tenant of the customer, self-certifies that they do not have a primary care provider and that discontinuation of residential service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided.
- A customer demonstrates they are financially unable to pay within the normal billing cycle (existing law). A customer could be deemed unable to pay if any member of household is a current enrollee in the California Alternate Rates for Energy (CARE) Program or the Family Electric Rate Assistance Program, in addition to those programs already specified in the existing law (e.g., CalFresh). The same criteria could be used to deem a residential customer to have a household income below 200 percent of the federal poverty line.
- The customer is willing to enter an arrearage management plan (in addition to other payback schedules in existing law).

If these conditions are met, a system must offer the customer a range of repayment options. SB 223 would add “arrearage management plan” to that list. That system would be required, in consultation with the customer, to select the option that best assists the customer in avoiding discontinuation of service over the long term.

A system may discontinue service under current law if the customer fails to comply with certain conditions. SB 223 would add failure to adhere to an arrearage management plan to those conditions.

By July 1, 2022, the CPUC would be required to establish a mechanism for electrical and gas corporations to regularly share data with urban and community water systems and very small

community water systems in their service areas regarding the utility customers enrolled in, or eligible to be enrolled in, the CARE program or the Family Electric Rates Assistance program.

#### Fee Waivers

Under existing law, if a residential customer demonstrates income below 200 percent of the federal poverty line, the water system is required to set reconnection fees according to certain criteria. This includes caps on the amount agencies can charge for reconnecting service. SB 223 would strike this requirement, and instead require a water system to waive fees for disconnection and reconnection of service. The bill would also require that a water system waive all late fees, interest charges, and penalties on delinquent bills every 12 months.

#### Annual Reporting

SB 223 would require each urban and community water system and very small community water system to report annually to the State Water Board, and on the system's website (if one exists) the number of discontinuations of residential service for inability to pay, during the reporting year, both for the water system as a whole and for each ZIP Code served by the water system.

In its annual reporting to the State Water Board, the system would be required to report all of the following:

- The number of accounts for which water service was restored within 36 hours of the time of disconnection.
- The number of accounts for which water service was restored between 36 hours and seven days from the time of disconnection.
- The number of accounts for which water service was restored more than seven days after disconnection.
- The number of accounts for customers who fell behind on their water bills during the year, the median amount of household water debt that is outstanding at the end of each annual reporting cycle, and the overall amount of household water debt that is outstanding at the end of each annual reporting cycle.
- The number of accounts for customers who are enrolled in a water affordability program at the end of each annual reporting cycle.

#### Enforcement

SB 223 would authorize the State Water Board to issue an enforcement order to an urban and community water system or very small community water system relative to the requirements of this chapter.

Existing law allows the Attorney General, at the request of the State Water Board or upon the Attorney General's own motion, to bring an action in state court to restrain by temporary or permanent injunction the use of any method, act, or practice declared in this chapter to be unlawful. This bill would also authorize the State Water Board to independently bring this action.

## **Amendment History**

N/A

## **Staff Comments**

Senator Dodd (D-Napa) has authored a number of water shut-off and water rate assistance bills in recent years. As an Assemblymember, Dodd authored AB 401 in 2015 and has introduced sister legislation this year to create a Low-Income Rate Assistance Program (SB 222). SB 223 follows up SB 998 (Dodd, 2018), which created a one-size-fits-all statewide water service shutoff law, which ACWA opposed at the Legislature. SB 223 raises many of the same concerns that ACWA members raised in 2018 and raises new issues regarding proposed forgiveness of arrearages.

## Debt Forgiveness & Fee Waivers

Proposition 218, among other things, prohibits public water agencies from charging rates that exceed the proportional costs of the service attributable to the parcel. This prevents public water agencies from using ratepayer revenues to subsidize other ratepayers within the same customer class because such a practice would result in some customers paying more than the cost of service. Multiple provisions of SB 223 appear to clash with this prohibition in the State Constitution.

The most egregious example arises from the proposed “arrearage management plan” (Plan), which SB 223 would require agencies to offer to delinquent customers. This repayment plan would extend for a maximum of 12 months. SB 223 would require the agency to include in the Plan forgiveness of one-twelfth of the delinquent balance with each consecutive one-time payment of the customer’s monthly water bill. If implemented, this would result in agencies waiving costs for a service already provided to the customer. Here, the question becomes, if the customer does not pay for the costs of service, who does? As noted above, the public water agencies cannot use ratepayer revenues to subsidize other ratepayers. SB 223 is proposing a requirement that would be inconsistent with the State Constitution, and this proposed requirement needs to be deleted.

This bill would also prohibit agencies from charging disconnection and reconnection fees to customers with a household income below 200 percent of the federal poverty line. SB 998 capped reconnection fees for this class of customers. ACWA, along with other organizations, opposed these caps, arguing they would violate Proposition 218 by preventing agencies from recovering the actual costs of the work necessary to reconnect customers whose service had been discontinued. The risk of violating Proposition 218 seems even clearer now, as agencies would be required to *disconnect* and reconnect this class of customers *free of charge*. If the ratepayer whose service would be restored does not pay for this service, agencies may be forced to cross-subsidize these costs with revenue from other ratepayers.

ACWA will make the Proposition 218 concerns raised by this bill prominent in deliberations with the Author, sponsors, and Legislature going forward.

#### Service Discontinuation Restrictions

SB 998 required that urban and community water systems not regulated by the CPUC comply with the SB 998 provision on or after April 1, 2020. (The deadline for CPUC-regulated urban and community water systems was February 1, 2020.) Governor Newsom signed Executive Order N42-20, which temporarily suspended the ability of water systems to discontinue service for nonpayment, as specified. So while the reality is that full implementation of this new law has not even begun, SB 223 already proposes to re-write the new statute to further limit an agency's ability to shutoff delinquent customers and address nonpayment and maintain financial stability. In order to conduct a shutoff, this bill would extend the minimum time of delinquency from 60 to 120 days and require the customer's debt be at least \$400 (not including interest and late charges). Additionally, as noted in the summary, the bill proposes new restrictions on shutoffs when the customer's water bill is combined with charges for other services, including sewer, electricity, and other services, creating more logistical challenges for agencies already acclimating to a new law.

In 2018, advocacy by ACWA and others resulted in a proposed health-related shutoff prohibition being limited to where the customer submitted a certification from the primary care provider. SB 223 would expand the pool of low-income customers who could never have service discontinued. This would include customers that "self-certify" that: (1) a member of the premises is older than 65 years of age or younger than 18 years of age; or (2) a shutoff would be life-threatening, or pose a serious threat to the health and safety, of a resident of the premises. These restrictions would significantly limit agencies' ability to shut off water service, so long as the customer is willing to enter into a repayment plan, as specified.

Public water agencies, which are local governments, have spent more than a year drafting new shutoff policies and taking the logistical steps necessary to comply with SB 998. Now, with implementation of existing but still new law just underway, SB 223 proposes that agencies spend public resources to comply with a new set of rules. Data does not support such wholesale changes to the law, as it is too soon to tell what impact SB 998 has had on shutoffs. SB 998—previously lauded by proponents for its slate of consumer protections—should have a chance to work before proponents rush back to the drawing board.

ACWA staff would appreciate thoughts from committee members on some proposed restrictions, including the prohibition on shutoffs during state or local emergencies. At the very least, the bill should clarify that the state of emergency must be declared in the county where the customers reside.

#### Reporting & Enforcement

SB 223 would require agencies to comply with a host of new data and reporting requirements. Agencies would be required to track shutoffs by ZIP Code, as well as the hours and days that

elapsed before service was restored to a disconnected customer. The bill would also require agencies to prepare to receive and store data from local electrical and gas corporations detailing customers enrolled in or eligible to be enrolled in low-income assistance programs. It is likely many agencies do not track some of these data points, and it could be difficult to compile this information.

Also worth noting is that the bill would give the State Water Board independent authority to bring an action in court against agencies to enforce the provisions of this chapter. There is no evidence that the Attorney General is unable to independently exercise its existing authority, therefore, such a change to the law appears premature and unnecessary.

**Recommended Position:** Oppose Unless Amended

SB 223 would amend existing Health and Safety Code sections established by SB 998 that lay out procedures for the discontinuation of residential water service for nonpayment. The bill would create new requirements for water systems – most notably, adoption of an “arrearage management plan,” by which customers with delinquent balances would have their debt forgiven. The bill raises a number of concerns, including that, in staff’s opinion, some of the new requirements proposed would be in direct conflict with Proposition 218. Staff should develop suggested amendments to address these issues and narrow the proposal, work with the Author and the bill’s sponsors, and oppose the bill until the needed amendments are incorporated. Staff recommends an “Oppose Unless Amended” position.

**Support:** California Coastkeeper Alliance,  
Natural Resources Defense Council,  
NextGen California, PolicyLink, Physicians  
for Social Responsibility – Los Angeles  
(PSR-LA), Union of Concerned Scientist

**Opposition:** N/A



## Olivenhain Legislative Report 2020

Report as of 2/3/2021

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### Bills to Monitor

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#### [AB 1](#)

##### **([Garcia, Cristina](#) D) Hazardous waste.**

**Status:** 1/11/2021-Referred to Com. on E.S. & T.M.

**Location:** 1/11/2021-A. E.S. & T.M.

**Summary:** Would create the Board of Environmental Safety in the California Environmental Protection Agency. The bill would provide requirements for the membership of the board and would require the board to conduct no less than 6 public meetings per year. The bill would provide for the duties of the board, which would include, among others, reviewing specified policies, processes, and programs within the hazardous waste control laws; proposing statutory, regulatory, and policy changes; and hearing and deciding appeals of hazardous waste facility permit decisions and certain financial assurance decisions.

#### **Position**

#### [AB 8](#)

##### **([Smith R](#)) Unemployment benefits: direct deposit.**

**Status:** 1/11/2021-Referred to Com. on INS.

**Location:** 1/11/2021-A. INS.

**Summary:** Current law requires unemployment compensation benefits that are directly deposited to an account of the recipient's choice to be deposited to a qualifying account. Current law defines "qualifying account" for these purposes to mean a demand deposit or savings account at an insured financial institution in the name of the person entitled to receipt of public assistance payments or a prepaid card account that meets certain requirements, including that the prepaid card account may not be attached to any credit or overdraft feature that is automatically repaid from the account after delivery of the payment. This bill would, by July 1, 2021, provide that the recipient of the unemployment compensation benefits has the right to choose whether the benefits payments are directly deposited into a qualifying account or applied to a prepaid debit card.

#### **Position**

#### [AB 9](#)

##### **([Wood D](#)) Wildfires.**

**Status:** 12/8/2020-From printer. May be heard in committee January 7.

**Location:** 12/7/2020-A. PRINT

**Summary:** Current law establishes various programs for the prevention and reduction of wildfires. This bill would state the intent of the Legislature to enact subsequent legislation that would increase California's capacity to prevent and reduce the impact of wildfires, and would make related findings and declarations.

#### **Position**

#### [AB 11](#)

##### **([Ward D](#)) Climate change: regional climate change authorities.**

**Last Amend:** 1/21/2021

**Status:** 1/25/2021-Re-referred to Com. on NAT. RES.

**Location:** 1/11/2021-A. NAT. RES.

**Summary:** Would require the Strategic Growth Council, by January 1, 2023, to establish up to 12 regional climate change authorities to coordinate climate adaptation and mitigation activities in their regions, and coordinate with other regional climate adaptation authorities, state agencies, and other relevant stakeholders.

**Position**

**AB 19 (Santiago D) Unemployment insurance compensation: COVID-19 pandemic: temporary benefits.**

**Status:** 1/11/2021-Referred to Com. on INS.

**Location:** 1/11/2021-A. INS.

**Summary:** The federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) temporarily provides for expanded unemployment benefits through the federal Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC) provisions of the CARES Act. This bill would require the Employment Development Department to provide, until July 1, 2022, following the termination of assistance pursuant to PUA and PEUC or any other federal or state supplemental unemployment compensation payments for unemployment due to the COVID-19 pandemic, in addition to an individual's weekly benefit amount as otherwise provided for by existing unemployment compensation law, unemployment compensation benefits equivalent to the terminated federal or state supplemental unemployment compensation payments for the remainder of the duration of time the individual is unemployed due to the COVID-19 pandemic, notwithstanding the weekly benefit cap. The bill would prohibit any unemployment compensation benefits authorized by the bill from being charged against the reserve account of any employer.

**Position**

**AB 21 (Bauer-Kahan D) Forestry: electrical transmission and distribution lines: clearance: penalties.**

**Status:** 1/11/2021-Referred to Coms. on NAT. RES. and JUD.

**Location:** 1/11/2021-A. NAT. RES.

**Summary:** Current law requires a person that owns, controls, operates, or maintains any electrical transmission or distribution line upon any mountainous land or forest-covered land, brush-covered land, or grass-covered land to maintain around and adjacent to any pole or tower that supports a switch, fuse, transformer, lightning arrester, line junction, or dead-end or corner pole a firebreak, as specified. Current law requires a person that owns, controls, operates, or maintains any electrical transmission or distribution line upon any mountainous land or in forest-covered land, brush-covered land, or grass-covered land to maintain a clearance between all vegetation and all conductors that are carrying electric current, as specified. This bill would impose a civil penalty of up to \$100,000 for each violation of the above-described provisions. The bill would impose an additional civil penalty of up to \$1,000 for each acre burned by a fire resulting from a violation of the above-described provisions.

**Position**

**AB 24 (Waldron R) Unemployment insurance: benefit determination deadlines.**

**Status:** 1/11/2021-Referred to Com. on INS.

**Location:** 1/11/2021-A. INS.



**Summary:** Current law establishes procedures for the filing, determination, and payment of benefit claims, and those benefits are payable from the Unemployment Fund. Current law requires the department to promptly pay benefits if it finds the claimant is eligible and to promptly deny benefits if it finds the claimant is ineligible for benefits. Current law requires the department to consider facts submitted by an employer in making this determination and also provides for the department to audit claims, as specified. Existing law provides a procedure for a claimant or a base employer to challenge a determination of the computation or recomputation of the benefits. This bill would require the department to provide a claimant with a notification of the computation used to determine their benefits within 30 days of the receipt of the claim and to respond to a challenge by the claimant or the base employer based on the computation or recomputation of benefits within 15 days of the receipt of the protest, except as specified.

**Position**

**AB 25 (Kiley R) Worker classification: employees and independent contractors.**

**Status:** 1/11/2021-Referred to Com. on L. & E.

**Location:** 1/11/2021-A. L. & E.

**Summary:** Current law exempts specified occupations and business relationships from the application of the ABC test as specified. Current law, instead, provides that these exempt relationships are governed by the multifactor test previously adopted in the case of S. G. Borello & Sons, Inc. v. Department of Industrial Relations (1989) 48 Cal.3d 341 (Borello). This bill would generally repeal provisions relating to the "ABC" test for various specified occupations and business relationships. The bill would, instead, require the determination of whether a person is an employee or an independent contractor to be based on the specific multifactor test set forth in Borello, including whether the person to whom service is rendered has the right to control the manner and means of accomplishing the result desired, and other identified factors.

**Position**

**AB 30 (Kalra D) Parks: access to nature.**

**Status:** 12/8/2020-From printer. May be heard in committee January 7.

**Location:** 12/7/2020-A. PRINT

**Summary:** Current law establishes in state government the Natural Resources Agency, consisting of various entities, including the Department of Parks and Recreation, the California Coastal Commission, and the State Coastal Conservancy. This bill would express the intent of the Legislature to subsequently enact legislation that would improve access to nature for all people in the state and provide for recreational and educational opportunities, with a specific emphasis on increasing access for economically disadvantaged communities.

**Position**

**AB 36 (Gallagher R) Design-build contracting: Town of Paradise**

**Status:** 1/11/2021-Referred to Com. on L. GOV.

**Location:** 1/11/2021-A. L. GOV.

**Summary:** Would authorize the Paradise Irrigation District to use the design-build contracting process to award a contract for a water conveyance pipeline from the Town of Paradise to the City of Chico. The bill would authorize the Town of Paradise to use the design-build contracting process to provide for the provision of sewer treatment to the Town of Paradise, including for infrastructure connecting the Town of Paradise to an existing treatment facility.

**Position**

**AB 50 (Boerner Horvath D) Climate change: Climate Adaptation Center and Regional Support Network: sea level rise.**

**Status:** 1/11/2021-Referred to Com. on NAT. RES.

**Location:** 1/11/2021-A. NAT. RES.

**Summary:** Current law requires the Natural Resources Agency, in collaboration with the Ocean Protection Council, to create, and update biannually, a Planning for Sea Level Rise Database describing steps being taken throughout the state to prepare for, and adapt to, sea level rise. This bill would establish the Climate Adaptation Center and Regional Support Network in the Ocean Protection Council to provide local governments facing sea level rise challenges with information and scientific expertise necessary to proceed with sea level rise mitigation.

**Position**

**AB 51 (Quirk D) Climate change: adaptation: regional climate adaptation planning groups: regional climate adaptation plans.**

**Status:** 1/11/2021-Referred to Com. on NAT. RES.

**Location:** 1/11/2021-A. NAT. RES.

**Summary:** Would require the Strategic Growth Council, by July 1, 2022, to establish guidelines for the formation of regional climate adaptation planning groups. The bill would require the council, by July 1, 2023, and in consultation with certain state entities, to develop criteria for the development of regional climate adaptation plans.

**Position**

**AB 52 (Frazier D) California Global Warming Solutions Act of 2006: scoping plan updates: wildfires.**

**Status:** 1/11/2021-Referred to Com. on NAT. RES.

**Location:** 1/11/2021-A. NAT. RES.

**Summary:** The California Global Warming Solutions Act of 2006 authorizes the State Air Resources Board to include in its regulation of emissions of greenhouse gases the use of market-based compliance mechanisms. Current law requires all moneys, except for fines and penalties, collected by the state board from a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund (fund) and to be available upon appropriation by the Legislature. Current law continuously appropriates 35% of the annual proceeds of the fund for transit, affordable housing, and sustainable communities programs and 25% of the annual proceeds of the fund for certain components of a specified high-speed rail project. This bill would require the state board, in each scoping plan update prepared by the state board after January 1, 2022, to include, consistent with the act, recommendations for achieving the maximum technologically feasible and cost-effective reductions of emissions of greenhouse gases and black carbon from wildfires.

**Position**

**AB 55 (Boerner Horvath D) Employment: telecommuting.**

**Status:** 12/8/2020-From printer. May be heard in committee January 7.

**Location:** 12/7/2020-A. PRINT

**Summary:** Current law promotes and develops the welfare of workers in California to improve working conditions and advance opportunities for profitable employment. Current law regulates the wages, hours, and working conditions of any worker employed in any occupation, trade, or industry. This bill would declare the intent of the Legislature to enact future legislation to ensure certain rights and benefits for telecommuting employees.

## **Position**

### **AB 59 (Gabriel D) Mitigation Fee Act: fees: notice and timelines.**

**Status:** 1/11/2021-Referred to Coms. on L. GOV. and H. & C.D.

**Location:** 1/11/2021-A. L. GOV.

**Summary:** Current law authorizes any party to protest the imposition of a fee, dedication, reservation, or other exactions imposed on a development project within 90 or 120 days of the imposition of the fee, as applicable, and specifies procedures for those protests and actions. The Mitigation Fee Act imposes the same requirements on a local agency for a new or increased fee for public facilities. Current law, for specified fees, requires any judicial action or proceeding to attack, review, set aside, void, or annul an ordinance, resolution, or motion adopting a new fee or service charge or modifying an existing fee or service charge to be commenced within 120 days of the effective date of the ordinance, resolution, or motion. Current law also provides that, if an ordinance, resolution, or motion provides for an automatic adjustment in a fee or service charge and the adjustment results in an increase in the fee or service charge, that any action to attack, review, set aside, void, or annul the increase to be commenced within 120 days of the increase. This bill would increase, for fees and service charges and for fees for specified public facilities, the time for mailing the notice of the time and place of the meeting to at least 45 days before the meeting.

## **Position**

### **AB 64 (Quirk D) Electricity: renewable energy and zero-carbon resources: state policy: strategy.**

**Status:** 1/11/2021-Referred to Coms. on U. & E. and NAT. RES.

**Location:** 1/11/2021-A. U. & E.

**Summary:** Current requires the PUC, the State Energy Resources Conservation and Development Commission (Energy Commission), and the State Air Resources Board (state board) to, in consultation with all California balancing authorities, issue a joint report to the Legislature by January 1, 2021, and at least every 4 years thereafter, that includes specified matters. The bill would require the PUC, Energy Commission, and state board, in consultation with all balancing authorities, to additionally develop a strategy, by an unspecified date, on how to achieve the above-described state policy in a cost-effective and environmentally beneficial manner. The bill would require the strategy to include, among other things, a plan to promote the development of technologies that can help achieve that state policy.

## **Position**

### **AB 78 (O'Donnell D) San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy: territory: Dominguez Channel watershed and Santa Catalina Island.**

**Status:** 1/11/2021-Referred to Com. on NAT. RES.

**Location:** 1/11/2021-A. NAT. RES.

**Summary:** Current law establishes the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy in the Natural Resources Agency and prescribes the functions and duties of the conservancy with regard to the protection, preservation, and enhancement of specified areas of the Counties of Los Angeles and Orange located along the San Gabriel River and the lower Los Angeles River and tributaries along those rivers. Current law, for purposes of those provisions, defines "territory" to mean the territory of the conservancy that consists of those portions of the Counties of Los Angeles and Orange located within the San Gabriel River and its tributaries, the lower Los Angeles River and its tributaries, and the San Gabriel Mountains, as described.

This bill would additionally include the Dominguez Channel watershed and Santa Catalina Island, as described, within that definition of territory, and would make various related changes to the boundaries of that territory.

**Position**

**AB 100 (Holden D) Drinking water: pipes and fittings: lead content.**

**Status:** 1/11/2021-Read first time. Referred to Com. on E.S. & T.M.

**Location:** 1/11/2021-A. E.S. & T.M.

**Summary:** The California Safe Drinking Water Act prohibits, with certain exceptions, the use of any pipe, pipe or plumbing fitting or fixture, solder, or flux that is not lead free in the installation or repair of any public water system or any plumbing in a facility providing water for human consumption. The act defines "lead free" for purposes of conveying or dispensing water for human consumption to mean not more than 0.2% lead when used with respect to solder and flux and not more than a weighted average of 0.25% lead when used with respect to the wetted surfaces of pipes and pipe fittings, plumbing fittings, and fixtures. This bill would additionally define "lead free," with respect to endpoint devices, as defined, to mean that the devices do not leach more than one microgram of lead under certain tests and meeting a specified certification.

**Position**

**AB 339 (Lee D) State and local government: open meetings.**

**Status:** 1/29/2021-From printer. May be heard in committee February 28.

**Location:** 1/28/2021-A. PRINT

**Summary:** Current law requires all meetings, as defined, of a house of the Legislature or a committee thereof to be open and public, and requires all persons to be permitted to attend the meetings, except as specified. This bill would require all meetings, including gatherings using teleconference technology, to include an opportunity for all persons to attend via a call-in option or an internet-based service option that provides closed captioning services and requires both a call-in and an internet-based service option to be provided to the public.

**Position**

**AB 361 (Rivas, Robert D) Open meetings: local agencies: teleconferences.**

**Status:** 2/2/2021-From printer. May be heard in committee March 4.

**Location:** 2/1/2021-A. PRINT

**Summary:** Would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting for the purpose of declaring or ratifying a local emergency, during a declared state or local emergency, as those terms are defined, when state or local health officials have imposed or recommended measures to promote social distancing, and during a declared local emergency provided the legislative body makes certain determinations by majority vote.

**Position**

**AB 377 (Rivas, Robert D) Water quality: impaired waters.**

**Status:** 2/2/2021-From printer. May be heard in committee March 4.

**Location:** 2/1/2021-A. PRINT

**Summary:** Would require all California surface waters to be fishable, swimmable, and drinkable by January 1, 2050, as prescribed. The bill would prohibit the state board and regional boards from authorizing an NPDES discharge, waste discharge

requirement, or waiver of a waste discharge requirement that causes or contributes to an exceedance of a water quality standard, or from authorizing a best management practice permit term to authorize a discharge that causes or contributes to an exceedance of a water quality standard in receiving waters. The bill would prohibit, on or after January 1, 2030, a regional water quality control plan from including a schedule for implementation for achieving a water quality standard that was adopted as of January 1, 2021, and would prohibit a regional water quality control plan from including a schedule for implementation of a water quality standard that is adopted after January 1, 2021, unless specified conditions are met.

**Position**

**ACA 1 (Aquiar-Curry D) Local government financing: affordable housing and public infrastructure: voter approval.**

**Status:** 12/8/2020-From printer. May be heard in committee January 7.

**Location:** 12/7/2020-A. PRINT

**Summary:** The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements.

**Position**

**SB 5 (Atkins D) Housing: bond act.**

**Status:** 1/28/2021-Referred to Com. on RLS.

**Location:** 12/7/2020-S. RLS.

**Summary:** Would state the intent of the Legislature to enact legislation that would authorize the issuance of bonds and would require the proceeds from the sale of those bonds to be used to finance housing-related programs that serve the homeless and extremely low income and very low income Californians.

**Position**

**SB 12 (McGuire D) Local government: planning and zoning: wildfires.**

**Status:** 1/28/2021-Referred to Coms. on GOV. & F., HOUSING, and N.R. & W. Referral to Com. on N.R. & W. rescinded because of the limitations placed on committee hearings due to ongoing health and safety risks of the COVID-19 virus.

**Location:** 1/28/2021-S. GOV. & F.

**Summary:** Current law requires that the Office of Planning and Research, among other things, coordinate with appropriate entities, including state, regional, or local agencies, to establish a clearinghouse for climate adaptation information for use by state, regional, and local entities, as provided. This bill would require the safety element, upon the next revision of the housing element or the hazard mitigation plan, on or after July 1, 2024, whichever occurs first, to be reviewed and updated as necessary to include a comprehensive retrofit strategy to reduce the risk of property loss and damage during wildfires, as specified, and would require the planning agency to submit the adopted strategy to the Office of Planning and Research for inclusion into the above-described clearinghouse.

**Position**

**SB 27 (Skinner D) Carbon sequestration: state goals: natural and working lands: registry of projects.**

**Status:** 1/28/2021-Referred to Coms. on EQ. and N.R. & W.

**Location:** 1/28/2021-S. E.Q.

**Summary:** Would require, no later than July 1, 2022, the Natural Resources Agency, in coordination with the California Environmental Protection Agency, the State Air Resources Board, and the Department of Food and Agriculture, to establish carbon sequestration goals for natural and working lands, as provided. The bill would require the state board, as part of its scoping plan, to establish specified carbon dioxide removal targets for 2030 and beyond.

**Position**

**SB 33 (Cortese D) California Environmental Quality Act: lead agency.**

**Status:** 1/28/2021-Referred to Com. on RLS.

**Location:** 12/7/2020-S. RLS.

**Summary:** The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA defines "lead agency" to mean the public agency that has the principal responsibility for carrying out or approving a project that may have a significant effect upon the environment. This bill would make nonsubstantive changes to those provisions.

**Position**

**SB 37 (Cortese D) Contaminated sites: the Dominic Cortese "Cortese List" Act of 2021.**

**Status:** 12/8/2020-From printer. May be acted upon on or after January 7.

**Location:** 12/7/2020-S. RLS.

**Summary:** Current law requires the State Department of Health Care Services to compile a list of all public drinking water wells that contain detectable levels of organic contaminants and that are subject to water analysis by local health officers. Current law also requires the State Water Resources Control Board to compile a list of specified information, including, but not limited to, all cease and desist orders and cleanup and abatement orders issued under the Water Code that concern the discharge of wastes that are hazardous materials. Current law requires these agencies to update the information as appropriate, but at least annually, and to submit the information to the Secretary of Environmental Protection. Under current law, the Secretary for Environmental Protection is required to consolidate the information provided by these state agencies and distribute the information in a timely fashion to each city and county in which sites on the lists are located and to any other person upon request. The information consolidated and made available by the Secretary for Environmental Protection is commonly known as the "Cortese List." This bill would enact the Dominic Cortese "Cortese List" Act of 2021 and would recodify the above-described provisions with certain revisions.

**Position**

**SB 45 (Portantino D) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022.**

**Status:** 1/28/2021-Referred to Coms. on N.R. & W., GOV. & F., and EQ. Referral to Com. on E.Q. rescinded because of the limitations placed on committee hearings due to ongoing health and safety risks of the COVID-19 virus.

**Location:** 1/28/2021-S. N.R. & W.

**Summary:** Would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$5,510,000,000 pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, drought preparation, and flood protection program.

**Position**

**SB 52 (Dodd D) State of emergency: local emergency: sudden and severe energy shortage: planned power outage.**

**Status:** 1/28/2021-Referred to Com. on G.O.

**Location:** 1/28/2021-S. G.O.

**Summary:** Current law defines the terms "state of emergency" and "local emergency" to mean a duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state or the territorial limits of a local government caused by, among other things, a sudden and severe energy shortage. Current law defines a "sudden and severe energy shortage" as a rapid, unforeseen shortage of energy, resulting from, but not limited to, events such as an embargo, sabotage, or natural disasters, and that has statewide, regional, or local impact. This bill would expand the definition of "sudden and severe energy shortage" to include a "deenergization event," defined as a planned power outage, as specified, and would make a deenergization event one of those conditions constituting a state of emergency and a local emergency.

**Position**

**SB 54 (Allen D) Solid waste: disposable packaging and food ware.**

**Status:** 1/28/2021-Referred to Com. on RLS.

**Location:** 12/7/2020-S. RLS.

**Summary:** Would declare the intent of the Legislature to enact the Plastic Pollution Producer Responsibility Act, which would significantly reduce the amount of disposable packaging and food ware waste entering California's waste stream, polluting oceans, littering local communities and beaches, and costing local governments millions of dollars in cleanup costs through source reduction requirements and increased composting and recycling.

**Position**

**SB 63 (Stern D) Fire prevention: vegetation management: public education: grants: defensible space: fire hazard severity zones: forest management.**

**Status:** 1/28/2021-Referred to Coms. on N.R. & W. and HOUSING.

**Location:** 1/28/2021-S. N.R. & W.

**Summary:** Would, among other things, require the Director of Forestry and Fire Protection to identify areas of the state as moderate and high fire hazard severity zones and would require a local agency to make this information available for public review and comment, as provided. By expanding the responsibility of a local agency, the bill would impose a state-mandated local program.

**Position**

**SB 82 (Skinner D) Crimes: probation.**



**Status:** 1/28/2021-Referred to Com. on RLS.

**Location:** 12/15/2020-S. RLS.

**Summary:** Under current law, a court may place a person convicted of a crime on probation, subject to supervision by the county probation officer and court-ordered conditions of probation. Under current law, the Legislature finds and declares that the provision of probation services is an essential element in the administration of criminal justice. This bill would make a technical, nonsubstantive change to this provision.

**Position**

**SB 209 (Dahle R) State of emergency: termination after 7 days: extension by the Legislature.**

**Status:** 1/13/2021-From printer. May be acted upon on or after February 12.

**Location:** 1/12/2021-S. RLS.

**Summary:** Would require a state of emergency to terminate 7 days after the Governor's proclamation of the state of emergency unless the Legislature extends it by a concurrent resolution.

**Position**

**SB 222 (Dodd D) Water Affordability Assistance Program.**

**Status:** 1/28/2021-Referred to Coms. on EQ., E., U. & C., and JUD. Referral to Com. on JUD. rescinded because of the limitations placed on committee hearings due to ongoing health and safety risks of the COVID-19 virus.

**Location:** 1/28/2021-S. E.Q.

**Summary:** Would establish the Water Affordability Assistance Fund in the State Treasury to help provide water affordability assistance, for both drinking water and wastewater services, to low-income ratepayers and ratepayers experiencing economic hardship in California. The bill would make moneys in the fund available upon appropriation by the Legislature to the state board to provide, as part of the Water Affordability Assistance Program established by the bill, direct water bill assistance, water bill credits, water crisis assistance, affordability assistance, and short-term assistance to public water systems to administer program components.

**Position**

**SB 223 (Dodd D) Discontinuation of residential water service.**

**Status:** 1/28/2021-Referred to Coms. on E., U. & C., EQ., and JUD. Referral to Com. on JUD. rescinded because of the limitations placed on committee hearings due to ongoing health and safety risks of the COVID-19 virus.

**Location:** 1/28/2021-S. E. U., & C.

**Summary:** Current law prohibits an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, from discontinuing residential water service for nonpayment until a payment by a customer has been delinquent for at least 60 days. Current law requires an urban and community water system to have a written policy on discontinuation of residential service for nonpayment, including, among other things, specified options for addressing the nonpayment. Current law requires an urban and community water system to provide notice of that policy to customers, as provided. This bill would apply those provisions, on and after July 1, 2022, to a very small community water system, defined as a public water system that supplies water to 200 or fewer service connections used by year-long residents.

**Position**

**SB 230 (Portantino D) State Water Resources Control Board: Constituents of Emerging Concern Program.**

**Status:** 1/28/2021-Referred to Com. on EQ.

**Location:** 1/28/2021-S. E.Q.

**Summary:** Would require the State Water Resources Control Board to establish, maintain, and direct an ongoing, dedicated program called the Constituents of Emerging Concern Program to assess the state of information and recommend areas for further study on, among other things, the occurrence of constituents of emerging concern (CEC) in drinking water sources and treated drinking water. The bill would require the state board to convene, by an unspecified date, the Science Advisory Panel to review and provide recommendations to the state board on CEC for further action, among other duties. The bill would require the state board to provide an annual report to the Legislature on the ongoing work conducted by the panel.

**Position**

**SB 273 (Hertzberg D) Water quality: municipal wastewater agencies.**

**Status:** 2/1/2021-From printer. May be acted upon on or after March 3. Read first time.

**Location:** 1/29/2021-S. RLS.

**Summary:** Would authorize a municipal wastewater agency, as defined, to enter into agreements with entities responsible for stormwater management for the purpose of managing stormwater and dry weather runoff, to acquire, construct, expand, operate, maintain, and provide facilities for specified purposes relating to managing stormwater and dry weather runoff, and to levy taxes, fees, and charges consistent with the municipal wastewater agency's existing authority in order to fund projects undertaken pursuant to the bill. The bill would require the exercise of any new authority granted under the bill to comply with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. To the extent this requirement would impose new duties on local agency formation commissions, the bill would impose a state-mandated local program.

**Position**

**SB 274 (Wieckowski D) Local government meetings: agenda and documents.**

**Status:** 2/1/2021-From printer. May be acted upon on or after March 3. Read first time.

**Location:** 1/29/2021-S. RLS.

**Summary:** The Ralph M. Brown Act, requires meetings of the legislative body of a local agency to be open and public and also requires regular and special meetings of the legislative body to be held within the boundaries of the territory over which the local agency exercises jurisdiction, with specified exceptions. Current law authorizes a person to request that a copy of an agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body be mailed to that person. This bill would require a local agency with an internet website, or its designee, to email a copy of, or website link to, the agenda or a copy of all the documents constituting the agenda packet if the person requests that the items be delivered by email. If a local agency determines it to be technologically infeasible to send a copy of the documents or a link to a website that contains the documents by mail or by other electronic means, the bill would require the legislative body or its designee to send by mail a copy of the agenda or a website link to the agenda and to mail a copy of all other documents constituting the agenda packet, as specified.

**Position**

**SB 282 (Dahle R) State Water Resources Control Board.**

**Status:** 2/2/2021-From printer. May be acted upon on or after March 4.

**Location:** 2/1/2021-S. RLS.

**Summary:** Current law establishes the State Water Resources Control Board, consisting of 5 members, in the California Environmental Protection Agency to exercise certain powers relating to water rights, water quality, and safe and reliable drinking water. This bill would make a nonsubstantive change in these provisions.

**Position**

# Memo

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To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

TWELVE MONTH CALENDAR/OTHER MEETINGS / REPORTS

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Any report will be oral at the time of the Board meeting. Please refer to the TWELVE MONTH Calendar (attached) for meetings attended.

**TWELVE MONTH CALENDAR OF EVENTS (AS OF 2/1/21)**

Date(s)	Event	Time	Location	Attending Board Member(s)	Additional Information (Speakers' Topic, Cohosts, etc.)
<b><u>JANUARY 2021</u></b>					
22-Jan	Teleconference with the GM - CWA Issues			Guerin	
22-Jan	Teleconference with the GM - COVID Changes at OMWD			Watt	
28-Jan	Employee Video Filming		Boardroom	Watt	
28-Jan	Meeting with Community Members on Canyon de Oro Road			Bruce-Lane	
29-Jan	Teleconference with the GM			Bruce-Lane	
<b><u>FEBRUARY 2021</u></b>					
1-Feb	Virtual COWU Meeting	8:00 AM	Zoom	Bruce-Lane	
2-Feb	Finance Committee Meeting	12:30 PM	Zoom	Watt	

# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

CORRESPONDENCE

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Any correspondence is attached.

# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: AUTHORIZATION TO ATTEND UPCOMING MEETINGS /  
CONFERENCES / SEMINARS

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The Board may desire to attend a meeting that requires Board approval.



# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: FUTURE AGENDA ITEMS

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The Board may have items to be considered at a Future Board meeting.

# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: CONSIDER PUBLIC COMMENTS

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There may be public comments before the Board meeting is adjourned.

# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: CLOSED SESSION

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It may be necessary to go into Closed Session.

# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: ADJOURNMENT

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We are adjourned.

# GENERAL MANAGER'S NEWS & NOTES

## MONTHLY NEWS & UPDATES

### TOP NEWS

#### Welcome Director Thorner



Kim Thorner was seated on the Water Authority Board of Directors on January 6, 2021, representing the Olivenhain Municipal Water District. She serves as Chair of the San Diego Local Agency Formation Commission's Special Districts Advisory Committee, member of the San Diego Integrated Regional Water Management Regional Advisory Committee, serves on the WaterReuse California Board of Trustees, is on her sixth term as a member of the Association of California Water Agencies Federal Affairs Committee, and leads the North San Diego Water Reuse Coalition. Previously, Kim served as Project Manager for the David C. McCollom Water Treatment Plant, member of the American Membrane Technology Association's board of directors, and is past Chair of the San Diego North Economic Development Council.

Kim is a licensed attorney in the State of California is certified as a Special District Administrator by the Special District Leadership Foundation, and has completed the Special District Leadership Academy. She earned a bachelor's degree in political science from the University of Colorado (Boulder) and a juris doctor from Thomas Jefferson School of Law in San Diego.

Kim resides in Carlsbad with her two daughters and serves on several local community and non-profit boards. When not at work or with her daughters, you can find her summiting a mountain.

#### Awards Honor Water Authority Outreach Efforts



The San Diego County Water Authority and three regional member water agencies were recognized Dec. 17 by the Public Relations Society of America San Diego/Imperial Counties chapter for outstanding work in public outreach and education efforts.

The 2020 PRSA Bernays Awards were presented for communication on a variety of platforms, all designed to inform stakeholders and ratepayers about initiatives ensuring a safe and reliable water supply. Awards were presented virtually via a live Twitter feed.

The Water Authority received the Silver Bernays Award of Merit for Multicultural Public Relations for "Engaging Hispanics on Water Quality Issues," and a Bronze Award of Merit in the Research/Evaluation category for "Researching Themes for Hispanic Outreach for Water Quality." The agency's Water News Network received a Bronze Award of Merit in the Websites category.

During the initial outbreak of the COVID-19 pandemic, it was more important than ever for the Water Authority, in partnership with its member agencies, to intensify its efforts to communicate with audiences and assure them that the virus was not transmitted through the public water system and that the essential work to provide a safe, reliable water supply continued without interruption goal, and the Water News Network and our Hispanic outreach initiative played a key role in achieving this.

Earlier this year, the Water News Network was named “Best Website” among California public agencies in the California Association of Public Information Officials EPIC Awards competition and won first place as “Best Public Service or Consumer Advocacy Website” in the 2020 San Diego Press Club Journalism Awards.

Padre Dam Municipal Water District and the cities of San Diego and Oceanside also received awards for their outreach and education work.

## **COVID-19 Assistance for MWD Member Agencies and Ratepayers**

In December 2020, the Metropolitan Water District (MWD) approved the COVID-19 Member Agency Payment Deferment Program. Through the program, eligible member agencies may defer up to 10 percent of their MWD bills based on their customers’ delinquency rate from January 1, 2021 through June 30, 2021. Late payments, penalties, and interest will be waived for the deferred amount for up to 12 months. Member agencies that have financial reserves in an amount less than their deferral request are eligible for the program. Because the program is currently structured at the MWD member agency level, Water Authority Delegate Goldberg requested MWD staff to return to the Board in January 2021 with a proposed program amendment for a “pass-through” option, so the eligibility requirement is set at the retail agency level without regard to wholesale agency reserves, thus providing potential relief across the board to all retail agencies that buy MWD water.

During the same month, the MWD Board adopted its 2021 legislative priorities and principles, which included

an added priority to secure funding for direct financial relief to low-income households facing utility bill arrearages as a result of COVID-19. Water Authority Delegate Smith requested this priority in response to the potential devastating impact COVID-19 may have on ratepayers, especially to disadvantaged communities.

## **Water Authority Supports California Water Commission Regional Workshops on Conveyance**

The California Water Commission is a state body comprised of nine members appointed by the Governor. The Commission provides a public forum for discussing water issues, advises the Director of the Department of Water Resources on a variety of California water policy issues, approves rules and regulations, and monitors and reports on the construction and operation of the State Water Project. Proposition 1 gave the Commission new responsibilities regarding the distribution of public funds set aside for the public benefits of surface water storage projects and developing regulations for the quantification and management of those benefits. In 2018, the Commission approved maximum conditional funding amounts for eight projects in the [Water Storage Investment Program](#).

California’s Water Resilience Portfolio directs the Commission to assess a state role in financing conveyance projects that could help meet needs in a changing climate. The Commission will use the information gathered at four regional workshops to produce a white paper for state policymakers that will describe the essential criteria for resilient water conveyance projects that meet the needs of a changing climate, the potential public benefits of such projects, and the implications of various financing options. The Commission invited the Water Authority to be a co-host of the public workshop series, along with several other agencies.



As such, staff worked with the Commission to help support the planning efforts for the Southeastern California (Colorado River, South Lahontan) workshop held on December 8. At this first workshop, staff participated on a panel that responded to three topics: (1) Historic use/reliance on conveyance by the speaker's agency; (2) Role of conveyance in creating water resiliency, particularly under climate change; and (3) Suggestions on three issues that workshop participants should focus on during the breakout session. The overarching goal of these sessions is for the Commission to hear from a diverse group of stakeholders to help identify broad regional conveyance priorities, regional perspectives on public benefits of conveyance, and financing options for conveyance projects. For more information on the other sessions, please see the [Workshop Flyer](#).



## COMMUNITY OUTREACH

### Intake Screen Demonstration Project Begins at Carlsbad Desal Plant

On December 23, 2015, the Claude “Bud” Lewis Carlsbad Desalination Plant began commercial operations. Five years and over 65 billion gallons of locally produced water later, Poseidon Water and the Water Authority have begun a new state-of-the-art project evaluating intake screen technologies to determine the most cost-efficient way to meet the state’s Ocean Plan Amendment (OPA).

Poseidon Water obtained its new NPDES permit from the San Diego Water Board in 2019, which laid out a phased implementation schedule to achieve OPA compliance by 2024. The final phase is to install new intake screens that meet specific requirements outlined in the regulations. Two options are being contemplated: active screen and passive screen technologies. To determine the best configuration and life-cycle cost, Poseidon is performing an Intake Screen Demonstration Project. The skid shown here was installed in Agua Hedionda Lagoon and began operations on December 7, 2020. The skid was towed to a predetermined location in the lagoon for

submerging. The active screen rotates and employs brushes on the exterior and interior of the screen to keep the screen surface clean while the passive screen will require periodic maintenance using divers. Divers will inspect and photograph the screens on a monthly basis to evaluate bioaccumulation and performance of both screens. After about a year of operation, Poseidon will have enough information to recommend a preferred screen technology for full-scale implementation.

This project has received \$175,000 through Metropolitan’s Future Supply Actions Funding Program and will provide important data for seawater desalination projects throughout California.





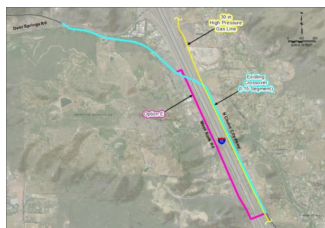
# COMMUNITY OUTREACH

## Project Initiated to Improve Crossover Pipeline Reliability

The Water Authority's Crossover Pipeline is a 66-inch Prestressed Concrete Cylinder Pipeline constructed in the 1960s. This pipeline conveys untreated water from the Second Aqueduct north of San Marcos to the First Aqueduct in Escondido. The Water Authority identified the need to rehabilitate or replace a section of the Crossover Pipeline due to an increased number of wire breaks in the prestressed concrete cylinder pipe, detected by an acoustic fiber optic monitoring system. The wire breaks are concentrated in a section of pipeline resulting in an increased probability of failure in this area. This section of the Crossover Pipeline is located adjacent to and under Interstate 15. In order to avoid impacts to the highway and maintain water reliability, the Water Authority is working to proactively address this section of the pipeline.

Through planning efforts, multiple reline and replacement alignments were analyzed to address the stressed Crossover Pipeline section. Due to the Crossover Pipeline's critical untreated water supply for multiple Member Agencies, relining was not found feasible due to long pipeline outages required for the relining process. Therefore, the preferred project alternative includes a new 78-inch diameter pipeline alignment on the westside of Interstate 15 as shown on Figure 1 in magenta along with the existing crossover pipeline in light blue. The pipeline will connect to the existing Crossover Pipeline on the east side of the interstate through a tunnel.

Figure 1



The Water Authority advertised for design consultants for this project in December 2020. The design work will include geotechnical engineering, pipeline and tunnel design, traffic control design, and coordinating with Caltrans and the County of San Diego. Staff anticipates recommending award of the design consultant contract at the Water Authority's Board in the Spring of 2021. Construction is estimated to begin in the Spring of 2024 and complete in the Fall of 2025.

## MWD SKPE-1A Low Flow Meter

In December 2015, with increased conservation, a reduction in member agency demand, and the need to maximize treated water supplied by Carlsbad Desalination Plant and Twin Oaks Valley Water Treatment Plant, the ability to request lower treated deliveries on Pipeline 4 from MWD's Skinner Treatment Plant had become an operational challenge, especially during the winter months. Operations must not only meet member agency demand, but take into consideration minimum operating requirements of each source to safely operate and convey the water requested, meter minimums, compliance with agreements and contractual obligations, and water quality.

Focusing on meter minimums, the existing treated water metering facilities on Pipeline 4, SD-7, were designed to have a flow range from 45 – 450 CFS which at times when demand was low required operations staff to request Twin Oaks WTP to shutdown completely and reduce flow requested from the desalination plant. This presented an opportunity to collaborate with MWD to develop a conceptual solution of how to provide a means to request less than 45 CFS and provide system flexibility during low demand periods, and in August 2016 the Water Authority entered into an agreement with MWD to install a new low-flow meter and control valve at the Skinner WTP.

The result was the design and construction of a new low-flow meter and control valve to provide operational flexibility and reduce the minimum flow down to 10 CFS. The design was to modify existing metering facilities to incorporate new components to meet this need. Construction of the new metering system was completed

in early fall 2020, which provided the necessary time to commission the facility to ensure it performed as designed. The new low-flow meter was placed in operation on December 1, 2020 and is now available to use as system demands warrant. This will ultimately provide opportunities to maximize treated water production from both Carlsbad Desalination Plant and Twin Oaks Valley Water Treatment Plant throughout the year.



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## DEPARTMENT NEWS

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### COVID-19 Prevention Plan Updates

The Water Authority recently updated its COVID-19 Prevention Plan to comply with Cal/OSHA's emergency regulation that went into effect November 27, 2020. Earlier this year, our executive COVID-19 response management team proactively established a comprehensive COVID-19 response plan to address safety issues related to the pandemic and to define protocols

that would be in place once staff return to the office to commence in-person operations. Updates to the plan include revising information based on improved understanding of the virus by officials, such as lifting certain restrictions related to international travel (per the CDC) and refining notification and reporting practices of positive cases that affect staff. We will continue to place high priority on reducing the risk to our employees and operations by updating our policies and practices as new guidelines are released.

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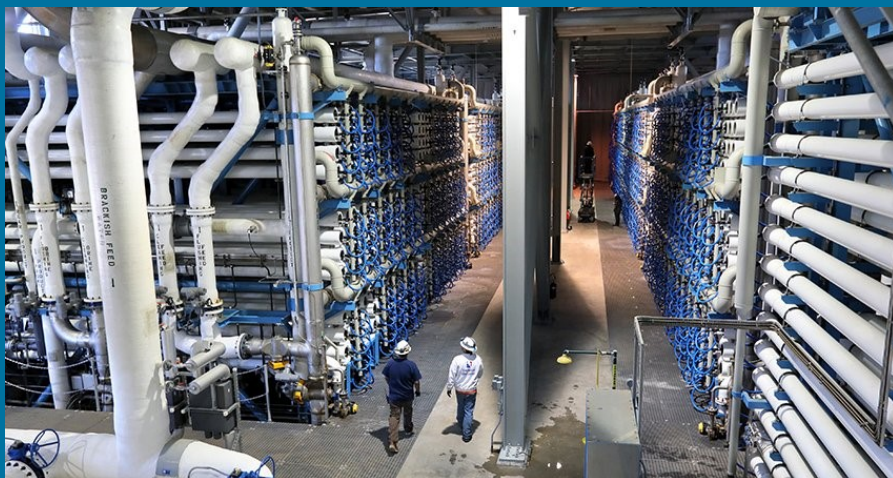
## HEADWATERS

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### Carlsbad Desal Plant Celebrates Five Years

#### Delivering High-Quality Water

In December 2015, more than 600 elected officials, community leaders and project partners attended a dedication ceremony for the Claude "Bud" Lewis Carlsbad Desalination. Since then, the plant has provided more than 65 billion gallons of water as a sustainable and reliable supply to the residents and business of San Diego County. During the 2015 dedication event, the plant was named in honor of the late Carlsbad mayor, who was instrumental in making Carlsbad the host city for the plant and in helping to promote the plant's benefits during the long approval and construction process. The event culminated with a "turning of the wheel" to symbolize the start of the water delivery. The facility is the largest, most technologically advanced and energy-efficient desalination plant in the nation, and it produces up to 50 million gallons of high-quality, locally controlled water every day.



# Olivenhain GM Appointed to County Water Authority Board

 [californiawaternewsdaily.com/industry/olivenhain-gm-joins-county-water-authority-board/](https://californiawaternewsdaily.com/industry/olivenhain-gm-joins-county-water-authority-board/)

By California Water News Daily on January 24, 2021

Olivenhain Municipal Water District General Manager Kimberly Thorner was seated earlier this month for her first board meeting as OMWD's representative on the San Diego County Water Authority board of directors. Thorner was unanimously appointed to the position by OMWD's board at its November 18, 2020 meeting and she was sworn in on January 6, 2021.

Thorner will complete the term left vacant by the resignation of OMWD Director Christy Guerin. The term expires August 1, 2026.

"Ms. Thorner will continue to ensure that the interests of ratepayers in OMWD's 48-square mile service area are heard at the regional level," said OMWD Board President Larry Watt.



Thorner began her tenure with OMWD in October 1996 and its board unanimously selected her to become OMWD's fourth general manager beginning January 1, 2007. She has a bachelor's degree in political science from the University of Colorado, Boulder and a juris doctor from Thomas Jefferson School of Law in San Diego. Recognized as a Certified Special District Manager by the Special District Leadership Foundation, she is also a licensed attorney in the State of California.



### **THORNER REP FOR OMWD**

Olivenhain Municipal Water District General Manager Kimberly Thorner was seated Jan. 14 at her first board meeting as OMWD's representative on the San Diego County Water Authority board of directors. OMWD's board unanimously appointed Thorner Nov. 18 and she was sworn in on Jan. 6. Thorner will complete the term left vacant by the resignation from SDCWA's board by OMWD Director Christy Guerin.

### **WATER DISTRICT WIN**

The San Francisco Superior Court has ruled the San Diego County Water Authority is the prevailing party in the agency's first two lawsuits to be heard challenging rates and charges set by the Los Angeles-based Metropolitan Water District of Southern California. The order entitles the Water Authority to recover its attorneys' fees and costs in those cases, in addition to a \$44 million damage and interest award made earlier. The Water Authority filed lawsuits between 2010 and 2018 challenging water rates and charges as they were set and imposed by MWD on San Diego County agencies and their ratepayers.

### **SBA WANTS YOUR OPINION**



The U.S. Small Business Administration invites public comment on a proposed rule designed to remove regulatory provisions that exclude certain faith-based organizations from seven business loan and disaster assistance programs. These programs include the Intermediary Lending Program (ILP), Business Loan programs (7(a), Microloan and 504 programs, Economic Injury Disaster Loan (EIDL) program, Military Reservist Economic Injury Disaster Loan (MREIDL) program and Immediate Disaster Assistance Program (IDAP).

## **BIRCH OFFERS EDUCATION**

Birch Aquarium at Scripps Institution of Oceanography at UC San Diego is offering 600 free virtual programs to local schools in need this year. Registration is now open for Virtual School Group Programs for the 2020/2021 school year. More information on scholarships, as well as the scholarship application and instructions for booking programs can be found online here. For more information, e-mail [birchaquariumprograms@ucsd.edu](mailto:birchaquariumprograms@ucsd.edu) or call 858-534-7336. In response to the K-12 loss of learning created by recent school closures, Birch Aquarium's Education Team adapted their Next Generation Science Standards-aligned Discovery Lab programs into new 30-and 45-minute virtual opportunities for pre-K through grade 12 students.

## **ENDING PLASTIC WASTE**

INDEVCO Plastics, of Longview, Texas, has innovated print-grade shrink bundling film for multi-packs that delivers a circular plastics solution. Using 50% post-consumer recycled resin, the collation shrink is fully recyclable at store drop off locations across the US. The low-gauge, high-strength collation shrink film — available as plain or print-ready rolls — passed an array of tests for mechanical, optical, and processing properties. The unprinted film is devoid of ink, allowing the package design of products within to advertise themselves, or the film can be printed by packaging converters. INDEVCO Plastics co-developed the film with Dow, a fellow member of the Alliance to End Plastic Waste, for food and beverage manufacturers who bundle products in multi-unit packages.

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