

**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 AND IN PERSON**

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, MARCH 18, 2026

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

PLACE: HYBRID REGULAR MEETING VIA ZOOM AND IN-PERSON

The meeting is being held virtually as a convenience to the public. The meeting will not stop or suspend its in-person meeting should a technological interruption occur with respect to the Zoom or call-on options listed on the agenda.

**For Zoom Participation:**

[www.zoom.us/join](http://www.zoom.us/join)  
Meeting ID: 848 5038 4649  
Passcode: 651996

**For Zoom Call-in Only:**

Call: (669) 900-9128  
Meeting ID: 848 5038 4649  
Passcode: 651996

**Public Participation/Comment:** Members of the public can participate in the meeting by emailing your comments on an agenda item to the Board Secretary at [skaufmann@olivenhain.com](mailto:skaufmann@olivenhain.com) or address the board directly in real-time under either of the public comment sections. If you do not receive a confirmation email that your comment has been received, please call (760) 632-4648 or address the board under either of the public comment sections to ensure that your comments are heard in real-time. The subject line of your email should clearly state the item number you are commenting on and should include your name and phone number. 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

Service Awards, Promotions and Honorable Mentions

- \*Gio Santana – Valve Maintenance Technician I – 5 Years
- \*August Trees – Financial Analyst I – New Hire
- \*George Lomeli – Water Treatment Plant Operator Level IV – GYO Promotion

- 8. CONSIDER APPROVAL OF THE MINUTES OF THE FEBRUARY 18, 2026, 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
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 REPORTS
C-c	CONSIDER NOMINATIONS FOR THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS SEAT C
C-d	CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT 429 FOR PARS SORRENTO VALLEY SCIENCE PARK I, L.P., TO ALLOW FOR ENCROACHING FACILITIES THROUGH OMWD EASEMENT 663 LOCATED AT 5973 RANCHO DIEGUENO AND ORDER THE PERMIT BE RECORDED
C-e	CONSIDER ENTERING INTO AGREEMENTS WITH KYOCERA DOCUMENT SOLUTIONS AND US BANK FOR MANAGED PRINT SERVICES IN THE AMOUNT OF \$2,543.13 PER MONTH FOR 60 MONTHS AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

- 10. CONSIDER OPTIONS FOR POTENTIAL SAFETY, PROCEDURAL, OR CAPITAL IMPROVEMENTS FOR FLUORIDE SYSTEM IMPROVEMENTS AT THE DAVID C. MCCOLLOM WATER TREATMENT PLANT AND PROVIDE DIRECTION TO STAFF
- 11. CONSIDER ACCEPTANCE OF THE GARDENDALE AND VILLAGE PARK WEST PRESSURE REDUCING STATION REPLACEMENT PROJECT AND ORDER A NOTICE OF COMPLETION FILED, APPROVAL OF THE CLOSEOUT CONSTRUCTION CHANGE ORDER 8 WITH J.R. FILANC CONSTRUCTION COMPANY, INC. IN THE AMOUNT OF \$67,614.11 FOR ADDITIONAL WORK AND PAVEMENT RESTORATION AT THE VILLAGE PARK WEST PRS, APPROPRIATE \$215,000 TO THE PROJECT BUDGET FROM CAPITAL RESERVES, AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD

12. INFORMATIONAL UPDATE OF THE GENERAL MANAGER’S EMERGENCY DECLARATION OF THE AZAHAR/CADENCIA/ROMERIA STREETS AND ALDEA PLACE EMERGENCY LEAK REPAIR PROJECT
13. INFORMATIONAL REPORTS
  - A. PRESIDENT
  - B. GENERAL MANAGER
  - C. CONSULTING ENGINEER
  - D. GENERAL COUNSEL
  - E. SAN DIEGO COUNTY WATER AUTHORITY REPRESENTATIVE
  - F. LEGISLATIVE - 2026 LEGISLATIVE AND REGULATORY REVIEW
  - G. TWELVE MONTH CALENDAR / OTHER MEETINGS / REPORTS BY BOARD MEMBERS PER AB 1234
  - H. BOARD COMMENTS
14. CORRESPONDENCE
15. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS
16. FUTURE AGENDA ITEMS
17. CONSIDER PUBLIC COMMENTS
18. CLOSED SESSION
  - A) CONSIDER LITIGATION – STANLEY D. JONES ET AL. VS. OLIVENHAIN MUNICIPAL WATER DISTRICT [PURSUANT TO GOVERNMENT CODE SECTION 54956.9]
  - B) CONFERENCE WITH LEGAL COUNSEL – CYBERSECURITY IT AUDIT [PURSUANT TO GOVERNMENT CODE SECTION 54957]
19. OPEN SESSION
20. CONSIDER APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH ARMANINO ADVISORY LLC FOR INFORMATION TECHNOLOGY SERVICES AND APPROPRIATE AN ADDITIONAL \$22,000 TO THE OPERATING BUDGET FROM THE OPERATING RESERVE FUND FOR FISCAL YEAR 2026
21. 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 OMWD's website.

# Memo

Date: March 18, 2026  
To: Olivenhain Municipal Water District Board of Directors  
From: Leo Mendez, 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; REIMBURSEMENT OF EXPENSES TO BOARD MEMBERS AND STAFF; AND MONTHLY INVESTMENT REPORTS**

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

- February 2026 Summary of payment of listed warrants from the District's checking account and listed transfer of funds.
- February 2026 Monthly Summary of Reimbursement Expenses to Board Members and Staff.
- January 2026 Monthly Investment Reports

Prepared by: Georgeanna Clark, Project Accountant II  
Lisa Maxwell, Accountant I  
Reviewed by: Leo Mendez, Finance Manager  
Jared Graffam, Accounting Supervisor  
Approved by: Kimberly A. Thorner, General Manager

Olivenhain Municipal Water District  
Proposed Motions for March 18, 2026 Board of Directors Meeting  
February 2026 Activities  
Consent Calendar Item # C-a

Proposed Motions:

I. That the following warrants and transfers be approved:

Regular Account	Warrants - by check	038019	to	038124	\$	1,114,215.54
	Warrants - by EFT	EFT000000003356	to	EFT000000003460		3,327,380.73
						4,441,596.27
Wire - SDCWA - Monthly Purchased Water Payment						2,560,261.70
ACH Payments - Payroll						235,955.34
ACH Payments - Payroll						240,589.05
ACH Payments - RAD 96-1 Debt Service						604,618.38
						\$ 8,083,020.74

Major Category of Disbursements

Total warrants from the District's checking account: \$ 4,441,596.27

Following is a breakdown of this total by major categories:

<u>Category</u>	\$
Outside services	2,491,900.56
Inventory and supplies	1,504,392.95
Utilities	229,172.21
Insurance	168,619.02
Repairs and maintenance	35,127.64
Water Refunds	8,005.88
Other	3,625.01
Permit Fees	753.00
Total	\$ 4,441,596.27

Sincerely,



Leo Mendez/Finance Manager

Olivenhain Municipal Water District  
Proposed Motions for March 18, 2026 Board of Directors Meeting  
February 2026 Activities

California Bank and Trust

Regular Account

Warrants - by check	038019	to	038124	\$	1,114,215.54
Warrants - by EFT	EFT000000003356	to	EFT000000003460		3,327,380.73
					4,441,596.27
2/13/2026 Wire - SDCWA - Monthly Purchased Water Payment					2,560,261.70
2/12/2026 ACH Payments - Payroll					235,955.34
2/26/2026 ACH Payments - Payroll					240,589.05
2/27/2026 ACH Payments - RAD 96-1 Debt Service					604,618.38
Total					\$ 8,083,020.74

ACH Payments - Payroll

For Board Consideration and Approval

**Olivenhain Municipal Water District**  
**February 2026 Warrant List - Check & EFT**

Number	Date	Name	Amount	Inv Reference
038019	2/4/2026	American Conservation & Billing Solutions, Inc.	3,251.00	2/26 AQUAHAWK SERVICES
038020	2/4/2026	American Messaging	68.44	Pagers for duty
038021	2/4/2026	Core & Main LP	1,170.32	SUPPLIES
038022	2/4/2026	DXP Enterprises, Inc.	3,257.08	WTP SUPPLIES
038023	2/4/2026	Edco Waste & Recycling	734.42	Utilities - Waste Hauling
038024	2/4/2026	Henry To	4.76	REF:1056213_230600
038025	2/4/2026	Infosend	16,853.60	WATER BILL STATEMENTS
038026	2/4/2026	Ingersoll-Rand Company	8,303.61	WTP Maintenance Agreement
038027	2/4/2026	Multi W Systems, Inc	49,259.32	Replacement Pumps for Cerro Del Sol SPS #1
038028	2/4/2026	Newco Inc.	32,404.35	WTP CHEMICALS
038029	2/4/2026	Nick Boess	60.00	WTP OPERATOR 2 CERT REIMB
038030	2/4/2026	Republic Services	1,350.20	WASTE DISPOSAL SERVICES
038031	2/4/2026	Republic Services #661	998.28	WASTE DISPOSAL SERVICES
038032	2/4/2026	San Diego Gas & Electric	99.31	Utilities - Electrical
038033	2/4/2026	Sandra Ansley	25.96	REF:1095457_212460
038034	2/4/2026	Satyanarayana Dandu	41.10	REF:1007483_157005
038035	2/4/2026	Tony Russell	13.81	REF:1062634_170060
038036	2/4/2026	US Bank	2,190.51	Printer and copiers
038037	2/4/2026	Vanessa Rivera	137.12	MILEAGE & EXPENSE REIMB.
038038	2/4/2026	Vincent Alpino	37.92	REF:1095696_174960
038039	2/4/2026	Yevhen Sholomii	73.75	REF:1096349_133605
038040	2/11/2026	Airgas	169.14	WTP TANK RENTAL
038041	2/11/2026	Alex Ovies	70.19	REF:1082410_180135
038042	2/11/2026	April Wright	53.01	REF:1096235_104025
038043	2/11/2026	AT & T	31.87	Utilities - Phone
038044	2/11/2026	California State Disbursement Unit	123.23	Garnishment
038045	2/11/2026	Cass Construction	342,051.26	EMERGENCY 6" WATER REPAIR
038046	2/11/2026	Coast Waste Mgmt Inc	688.54	WASTE DISPOSAL SERVICES
038047	2/11/2026	County Of San Diego	753.00	VIA RANCHO CIELO
038048	2/11/2026	D&H Water Systems	112.56	WTP SUPPLIES
038049	2/11/2026	Diversified Manufacturing of CA, Inc.	3,219.00	WTP SUPPLIES
038050	2/11/2026	DXP Enterprises, Inc.	23,543.62	WTP SUPPLIES
038051	2/11/2026	Encinitas Ford	181.45	FB27 SUPPLIES
038052	2/11/2026	Ferguson Enterprises Inc. #1083	5,910.85	2" Disc Retainers
038053	2/11/2026	Filanc Construction	873.23	REF:1096026_304440
038054	2/11/2026	First Choice Technology	149.94	Utilities - Phone
038055	2/11/2026	HDR Engineering, Inc.	10,735.00	Unit A Project Condition Assessment Plan
038056	2/11/2026	Home Depot/Gecf	2,124.82	1/26 SUPPLIES
038057	2/11/2026	Interstate Battery Of San Diego Inc	1,188.76	SHOP SUPPLIES
038058	2/11/2026	Irene Dickson	76.01	REF:1008304_197625
038059	2/11/2026	J.M.D. Landscape Inc	5,560.00	EASEMENT CLEARING
038060	2/11/2026	Jinny Leslie	111.82	REF:1093120_196485
038061	2/11/2026	Joe's Paving Inc	179,520.18	CADENCIA TRENCH RPR & PAVING
038062	2/11/2026	Kyocera	28.00	TONER
038063	2/11/2026	Laura Partington	69.95	REF:1090663_194585
038064	2/11/2026	Napa Auto Parts	953.71	1/26 SUPPLIES
038065	2/11/2026	Nick Boess	1,962.50	TUITION REIMBURSEMENT
038066	2/11/2026	Pacific Pipeline Supply	5,032.92	INVENTORY & SUPPLIES
038067	2/11/2026	RCP Block & Brick Inc	3,391.53	LOWER YARD BASIN IMPROVEMENTS
038068	2/11/2026	Robert Kennedy	153.34	REF:1048864_204330
038069	2/11/2026	Robert Michelet	83.47	REF:1022544_185130
038070	2/11/2026	Ryan Herco	67.49	WTP SUPPLIES
038071	2/11/2026	San Diego Gas & Electric	52,722.53	Utilities - Electrical
038072	2/11/2026	Sherwin-Williams Co	235.31	WTP SUPPLIES
038073	2/11/2026	Tri Signal Integration Inc	1,732.91	WTP FIRE ALARM SERVICES
038074	2/11/2026	ULINE	247.82	WTP SUPPLIES
038075	2/11/2026	UniFirst Aid Corp	617.59	FIRST AID SUPPLIES
038076	2/11/2026	Verizon Connect Fleet USA, LLC	2,440.42	Vehicle Tracking
038077	2/12/2026	Jeff Sambo	548.11	Expense Reimbursement
038078	2/18/2026	American Backflow Specialities	297.55	BACKFLOW SUPPLIES
038079	2/18/2026	AT & T	1,283.59	Utilities - Phone
038080	2/18/2026	Bee Rescue LLC	250.00	3428 FORTUNA RANCH RD
038081	2/18/2026	City Treasurer	1,769.05	Recycled Water Purchases
038082	2/18/2026	Corodata	268.87	OFFSITE RECORDS STORAGE
038083	2/18/2026	Corodata Shredding, Inc	73.78	SHREDDING SERVICES
038084	2/18/2026	Edco Waste & Recycling	1,910.72	Utilities - Waste Hauling
038085	2/18/2026	Federal Express Corp	329.64	SHIPPING
038086	2/18/2026	Ferguson Enterprises Inc. #1083	258.18	FLUSH VALVE DIAPHRAM PARTS
038087	2/18/2026	Infosend	9,501.85	WATER BILLING STATEMENTS
038088	2/18/2026	Joe's Paving Inc	122,146.58	CADENCIA PAVING
038089	2/18/2026	LA Design Studio Inc	1,919.00	WEB HOSTING SERVICES
038090	2/18/2026	Nat'L Safety Compliance	150.00	ANNUAL MEMBERSHIPE FEE
038091	2/18/2026	Productive Computing Inc	5,017.35	FileMaker Licensing Annual License
038092	2/18/2026	RCP Block & Brick Inc	182.04	SUPPLIES
038093	2/18/2026	RECON Environmental, Inc.	1,044.00	Environmental Services for Project
038094	2/18/2026	Republic Services	2,110.97	WASTE DISPOSAL SERVICES
038095	2/18/2026	Republic Services #529	7,857.13	WASTE DISPOSAL SERVICES
038096	2/18/2026	Reward Strategy Group, Inc.	14,790.00	Comprehensive Salary Survey
038097	2/18/2026	Ryan Herco	789.89	WTP SUPPLIES
038098	2/18/2026	S D G & E	264.85	Utilities - Electrical
038099	2/18/2026	San Diego Gas & Electric	109,245.88	Utilities - Electrical

**Olivenhain Municipal Water District**  
**February 2026 Warrant List - Check & EFT**

Number	Date	Name	Amount	Inv Reference
038100	2/18/2026	San Diego Refrigeration	419.42	ICE MACHINE FILTERS
038101	2/18/2026	State Water Resources	105.00	D5 CERT RENEWAL - J.TOVAR
038102	2/18/2026	Sunbelt Rentals, Inc.	609.67	SKIDSTEER RENTAL (PARKS)
038103	2/18/2026	Xylem Water Solutions USA, Inc.	5,120.46	Inventory
038104	2/25/2026	Abraon Baza	125.00	EDUCATION INCENTIVE
038105	2/25/2026	American Conservation & Billing Solutions, Inc.	3,251.00	3/26 AQUAHAWK SERVICES
038106	2/25/2026	Asbury Environmental Services	153.00	WWTP - USED OILS DISPOSAL SVCS
038107	2/25/2026	AT & T	81.35	Utilities - Phone
038108	2/25/2026	Brian O'Toole	160.76	REF:1096098_188110
038109	2/25/2026	Brightview Landscape Services	17,532.00	Multiple Potable Reservoir Sites Landscape Maintenance
038110	2/25/2026	California State Disbursement Unit	123.23	Garnishment
038111	2/25/2026	Christy Jones	218.06	REF:1016337_136930
038112	2/25/2026	D&H Water Systems	14,326.44	Wet well cleaning system for Santa Luz SP
038113	2/25/2026	Encinitas Ford	792.30	PU94 SUPPLIES
038114	2/25/2026	Greg Sutton	5,740.11	REF:1032728_186735
038115	2/25/2026	Interstate Battery Of San Diego Inc	499.20	SHOP SUPPLIES
038116	2/25/2026	J.M.D. Landscape Inc	1,220.00	WWTP TREE REMOVAL SERVICES
038117	2/25/2026	Karin Clark	137.66	REF:1006136_231740
038118	2/25/2026	Matthew Hahn	6.82	MILEAGE REIMBURSEMENT
038119	2/25/2026	Michael Lubliner	60.97	REF:1093850_192450
038120	2/25/2026	Raymond Motas	90.00	D3 CERT RENEWAL REIMBURSEMENT
038121	2/25/2026	Neal Meyers	68.00	MILEAGE REIMBURSEMENT
038122	2/25/2026	San Diego County	875.00	SPLASH LAB - PARK DALE LANE
038123	2/25/2026	San Diego Gas & Electric	11,271.61	Utilities - Electrical
038124	2/25/2026	Santa Fe Irrigation Dist	1,897.62	008128-009
EFT000000003356	2/4/2026	Leucadia Wastewater District	36,418.97	TITLE 16 GRANT REIMB 4/25-9/25
EFT000000003357	2/4/2026	B Weber Consulting LLC	4,552.55	CONSULTING SERVICES
EFT000000003358	2/4/2026	Controlled Entry Specialists	210.00	DEL DIOS SPS GATE SERVICES
EFT000000003359	2/4/2026	Rincon Del Diablo Mwd	1,084.24	2026 CALENDARS 4TH GRADE POSTER CONTEST
EFT000000003360	2/4/2026	San Elijo Joint Powers Auth.	680,255.60	TITLE 16 GRANT REIMB 4/25-9/25
EFT000000003361	2/4/2026	Ninyo & Moore	2,170.50	ELFIN FOREST OVERFLOW PARKING
EFT000000003362	2/4/2026	Parkhouse Tire Inc	768.14	FB02 SUPPLIES
EFT000000003363	2/4/2026	Martin Marietta Materials Inc	210.00	DUMP BOBTAIL-CONCRETE/APSHALT
EFT000000003364	2/4/2026	Rincon Consultants Inc.	9,460.90	NSDWRC GRANT ADMIN SUPPORT
EFT000000003365	2/4/2026	GSE Construction Co., Inc.	212,513.93	DCMWWTP Centrifuge Project & Retention
EFT000000003366	2/4/2026	Aqua Metric	50,223.39	Inventory
EFT000000003367	2/4/2026	USA Blue Book	369.79	WTP SUPPLIES
EFT000000003368	2/4/2026	CDW Government Inc	191,043.98	SUPPLIES
EFT000000003369	2/4/2026	The Dumbell Man Fitness Equipment	147.34	FITNESS EQUIPMENT MAINT SVCS
EFT000000003370	2/4/2026	Valley Construction Management	3,278.00	Village Park PRS Station Construction Management Services (22AGR029, TO#7)
EFT000000003371	2/4/2026	Vallejos Water District	949,181.98	TITLE 16 GRANT REIMB 4/25-9/25
EFT000000003372	2/11/2026	ACWA - JPIA	161,140.47	3/26 GROUP INSURANCE
EFT000000003373	2/11/2026	Boot World Inc	400.00	Safety Boots
EFT000000003374	2/11/2026	Standard Insurance Co.	6,519.41	2/26 LIFE & LTD PREMIUM
EFT000000003375	2/11/2026	Stephen Lee Mowry DBA	760.00	MILLER RSVR - WELDING SERVICES
EFT000000003376	2/11/2026	DLM Engineering Inc	6,319.35	ENGINEER CONSULTING SERVICES
EFT000000003377	2/11/2026	Hasa	9,928.50	WWTP CHEMICALS
EFT000000003378	2/11/2026	North County Powder Coating	113.75	HYDRA CELL PUMP PARTS COATING
EFT000000003379	2/11/2026	McMaster-Carr Supply Co.	165.67	WTP SUPPLIES
EFT000000003380	2/11/2026	Ninyo & Moore	8,577.50	GEOTECHNICAL SVCS - HEADWORKS
EFT000000003381	2/11/2026	Fallbrook Printing Corp	307.09	ENGINEERING PADS
EFT000000003382	2/11/2026	Calif. Surveying & Drafting Supply	576.55	AUTO LEVEL
EFT000000003383	2/11/2026	Volt Management Corp DBA	805.14	INTERN W/E 121225
EFT000000003384	2/11/2026	Traffic Safety Solutions	1,110.00	CHANGEABLE MESSAGE BOARD
EFT000000003385	2/11/2026	Protelesis Corporation	340.00	PHONE MGR PRO
EFT000000003386	2/11/2026	Alpha Analytical Labs, Inc.	5,643.52	WTP LAB SERVICES
EFT000000003387	2/11/2026	Industrial Solution Services, Inc.	7,514.01	WTP CHEMICALS
EFT000000003388	2/11/2026	EcosConnect LLC	8,925.00	Software Consulting support for Backflow Test Notifications
EFT000000003389	2/11/2026	Martin Marietta Materials Inc	2,729.14	YARD MATERIALS
EFT000000003390	2/11/2026	Be Gone Graffiti	5,250.00	RMV & RESET PAVERS - COURTYARD
EFT000000003391	2/11/2026	Rusty Wallis Inc.	4,125.00	WTP CHEMICALS
EFT000000003392	2/11/2026	Rincon Consultants Inc.	15,998.75	2025 UWMP development
EFT000000003393	2/11/2026	RJ Lee Group, Inc.	6,965.00	AC PIPE CONDITION ASSESSMENT
EFT000000003394	2/11/2026	Brenntag Pacific Inc	7,338.99	WTP CHEMICALS
EFT000000003395	2/11/2026	USA Blue Book	549.88	WWTP SUPPLIES
EFT000000003396	2/11/2026	Express Services Inc	2,365.92	TEMP LABOR PPE 011826
EFT000000003397	2/11/2026	Samba Holdings Inc	350.92	DRIVER RECORD MONTIROING
EFT000000003398	2/11/2026	CDW Government Inc	3,126.41	SUPPLIES
EFT000000003399	2/11/2026	Bay City Electric Works	3,194.26	WTP GENERATOR SERVICES
EFT000000003400	2/11/2026	Rockwell Construction Services LLC	4,940.00	Construction Mgmt Services PLC Replacement Project (Potable/Recycled)
EFT000000003401	2/11/2026	Infrastructure Engineering Corporation	2,640.00	VARIOUS FIRE FLOWS
EFT000000003402	2/11/2026	Valley Construction Management	4,725.00	Construction Management Services for the Headworks Project
EFT000000003403	2/11/2026	ESS	4,305.15	KANTECH READERS
EFT000000003404	2/11/2026	Water for People	63.00	WTRPL 2/12/2026
EFT000000003405	2/11/2026	Sloan Electric	4,955.02	PUMP REPAIRS
EFT000000003406	2/18/2026	Farwest Corrosion	33,204.78	Inventory

**Olivenhain Municipal Water District**  
**February 2026 Warrant List - Check & EFT**

Number	Date	Name	Amount	Inv Reference
EFT00000003407	2/18/2026	Prudential Overall Supply	1,155.75	2/5 FLOOR MATS & SHOP TOWELS
EFT00000003408	2/18/2026	Underground Service Alert	420.65	DIG ALERT TICKETS
EFT00000003409	2/18/2026	Vallecitos Water District	39,051.49	RECLAIMED WATER SALES
EFT00000003410	2/18/2026	Southern Counties Lubricants, LLC.	7,049.88	FUEL SUPPLIES
EFT00000003411	2/18/2026	AG Tech Llc	4,655.00	WWTP BIOSOLIDS WASTE DISPOSAL
EFT00000003412	2/18/2026	Evoqua Water Technologies	671.60	WWTP PREVENT MAINT SERVICES
EFT00000003413	2/18/2026	Calif. Surveying & Drafting Supply	306.48	MEASURING WHEEL & TRIPOD
EFT00000003414	2/18/2026	NexusTek Phoenix	5,769.29	CLOUD SERVICES
EFT00000003415	2/18/2026	Mission Electric Supply, Inc.	1,193.25	SUPPLIES
EFT00000003416	2/18/2026	Alpha Analytical Labs, Inc.	6,580.45	WWTP LAB SERVICES
EFT00000003417	2/18/2026	Transnet Investigative Group Inc.	82.50	PRE-EMPLOYMENT BACKGROUND
EFT00000003418	2/18/2026	Alpha Mechanical, Inc	7,468.00	HQ, HVAC P.M. Service (1-Year of a 3-Year Agreement))
EFT00000003419	2/18/2026	Parkhouse Tire Inc	52.50	TIRE DISPOSAL
EFT00000003420	2/18/2026	Martin Marietta Materials Inc	1,010.00	DUMP BOBTAIL-CONCRETE/ASPHALT
EFT00000003421	2/18/2026	Ignacio Tool Supply Inc.	48.49	SHOP TOOLS
EFT00000003422	2/18/2026	Ascensus Holdings, Inc.	1,900.00	CALPERS GASB 68 FY2025
EFT00000003423	2/18/2026	Rincon Consultants Inc.	3,912.65	NSDWRC GRANT ADMIN SUPPORT
EFT00000003424	2/18/2026	KDC Inc. dba	30,378.49	PLC Replacement Project Construction (Potable/Recycled)
EFT00000003425	2/18/2026	GSE Construction Co., Inc.	552,900.76	Construction Agreement for 4SWRF Headworks Project
EFT00000003426	2/18/2026	SoCal Saltworks LLC	6,857.40	WTP CHEMICALS
EFT00000003427	2/18/2026	McGrath RentCorp dba	748.86	PARKS TRAILER RENTAL
EFT00000003428	2/18/2026	Pillsbury Winthrop Shaw Pittman LLP	1,815.00	EMPLOYEE BENEFITS ADVICE
EFT00000003429	2/18/2026	California Office Cleaning, Inc.	7,005.00	HQ (Engineering) Janitorial Services for (1) Year
EFT00000003430	2/18/2026	ONLINE Information Services, INC.	239.16	ACCOUNT COLLECTIONS
EFT00000003431	2/18/2026	Taleety Consulting LLC	5,000.00	Financial Project Management Services
EFT00000003432	2/18/2026	Gerald Edison dba GJ Builders Construction Services Inc	4,750.00	WW-GEN ENCLOSURE IMPRVMENTS
EFT00000003433	2/18/2026	Armanino Advisory LLC	3,873.19	OMWD IT INTERNAL AUDIT
EFT00000003434	2/18/2026	Eurofins Drinking Water adn Wastewater West,LLC	2,069.49	WTP LAB SERVICES
EFT00000003435	2/18/2026	USA Blue Book	633.30	WWTP SUPPLIES
EFT00000003436	2/18/2026	Global Power Group Inc	6,022.46	WWTP PREVENT MAINT SERVICES
EFT00000003437	2/18/2026	Whitson CM	300.00	1/26 SITE INSPECTIONS
EFT00000003438	2/18/2026	Polydyne Inc	8,875.11	WTP CHEMICALS
EFT00000003439	2/18/2026	TK Elevator Corporation	1,165.45	WTP ELEVATOR SERVICES
EFT00000003440	2/18/2026	Infrastructure Engineering Corporation	273.00	HYDRAULIC MODELING ANALYSIS
EFT00000003441	2/18/2026	County of San Diego, RCS	183.00	1/26 RADIO SERVICES
EFT00000003442	2/18/2026	Integrity Municipal Systems	1,303.00	WWTP ODOR CNTL SCRUBBER SVCS
EFT00000003443	2/18/2026	Konecranes Inc	1,218.00	WTP CRANE INSPECTION/REPAIRS
EFT00000003444	2/25/2026	Airgas	129.36	SUPPLIES
EFT00000003445	2/25/2026	Peterson Structural Engineers, Inc.	3,120.00	Reservoirs Safety Improvements Project
EFT00000003446	2/25/2026	Ninyo & Moore	26,795.00	Geotechnical Services for the Azahar & Cadencia Emergency
EFT00000003447	2/25/2026	CyberlinkASP Technology	10,903.12	HOSTING SERVICES
EFT00000003448	2/25/2026	Cecilia's Safety Service	5,125.00	CHANGEABLE MESSAGE BOARD
EFT00000003449	2/25/2026	G. Briest Consulting, Inc.	5,961.47	ENGINEER CONSULTING SERVICES
EFT00000003450	2/25/2026	Liquid Environ. Solutions of CA	41,067.41	WWTP WASTE DISPOSAL SERVICES
EFT00000003451	2/25/2026	WREGIS	0.85	RENEW ENERGY
EFT00000003452	2/25/2026	Parkhouse Tire Inc	1,110.06	PU108 SUPPLIES
EFT00000003453	2/25/2026	Martin Marietta Materials Inc	1,456.71	YARD MATERIALS
EFT00000003454	2/25/2026	West Coast Sand & Gravel	4,184.31	YARD MATERIALS
EFT00000003455	2/25/2026	Global Power Group Inc	1,746.50	RED DYED DIESEL (76 GALLONS
EFT00000003456	2/25/2026	Inductive Automation	18,362.01	Inductive Automation Software Support renewal
EFT00000003457	2/25/2026	Nossaman LLP	20,292.65	12/25 LEGAL SERVICES
EFT00000003458	2/25/2026	Integrity Municipal Systems	1,303.00	WWTP ODOR CNTL SCRUBBER SVCS
EFT00000003459	2/25/2026	Guardian	959.14	3/26 DENTAL ADMIN FEES
EFT00000003460	2/25/2026	Water for People	63.00	WTRPL 2/26/2026

4,441,596.27

**Olivenhain Municipal Water District**  
**Monthly Directors Fee and Reimbursed Expenses for Directors and Staff**  
**February 2026**

<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>Total Reimbursed Expenses</u>	<u>Directors Fee*</u>
Director Guerin			0.00	0.00	0.00	0.00	450.00
			0.00	0.00	0.00	0.00	450.00
Director Hahn	2/25/2026	38118	0.00	6.82	0.00	0.00	600.00
			0.00	0.00	0.00	0.00	600.00
Director Lanfried			0.00	0.00	0.00	0.00	450.00
			0.00	0.00	0.00	0.00	450.00
Director Maloni			0.00	0.00	0.00	0.00	1,200.00
			0.00	0.00	0.00	0.00	1,200.00
Director Meyers	2/25/2026	38121	0.00	68.00	0.00	68.00	900.00
			0.00	68.00	0.00	68.00	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	
Finance Manager Mendez			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Operations Manager Bartlett-May			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Engineering Manager Stephenson			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	

\*Includes January 2026 and February 2026 Per Diems

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 January 31, 2026**

**Active Deposits**

	<b>Book Value</b>
Checking Accounts	\$ 4,434,482
Cash Restricted for Specific Use	717,493
Petty Cash/Disaster Preparedness	1,487
Total Active Deposits	\$ 5,153,462

**Deposits Not Covered by Investment Policy**

Cash with Fiscal Agents	1,802,628
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<b>Investments</b>	<b>Face Value</b>	<b>Market Value</b>	<b>Current Yield</b>	<b>Book Value</b>
LAIF	\$ 34,923,916	35,000,102	3.93%	\$ 34,923,916
CAMP - US Bank	20,613,419	20,613,419	3.85%	20,613,419
Money Market Funds	5,215,434	5,215,434	3.57%	5,215,434
U.S. Treasury Securities	2,000,000	1,997,750	2.25%	1,984,470
U.S. Agency Securities	21,975,000	21,904,812	2.32%	21,971,800
Total Investments	\$ 84,727,769	\$ 84,731,517	3.43%	\$ 84,709,039

**Total - All Deposits/Investments**

**\$ 91,665,129**

**Maturity Analysis of Investments**

	<b>Percent</b>	<b>Balance</b>
Demand Deposits	71.7%	\$ 60,752,769
Maturity within the next two months	12.9%	10,957,978
Maturity within three months and one year	4.7%	3,999,992
Maturity beyond one year	10.6%	8,998,300
<b>Total Investments</b>	<b>100.0%</b>	<b>\$ 84,709,039</b>

**Weighted Average Days to Maturity**

**127**

**Other Required Disclosures:**

Accrued interest receivable as of 01/31/2026 \$ 292,874

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2025.

The District has sufficient funds on hand to meet the next 60 days' obligations.

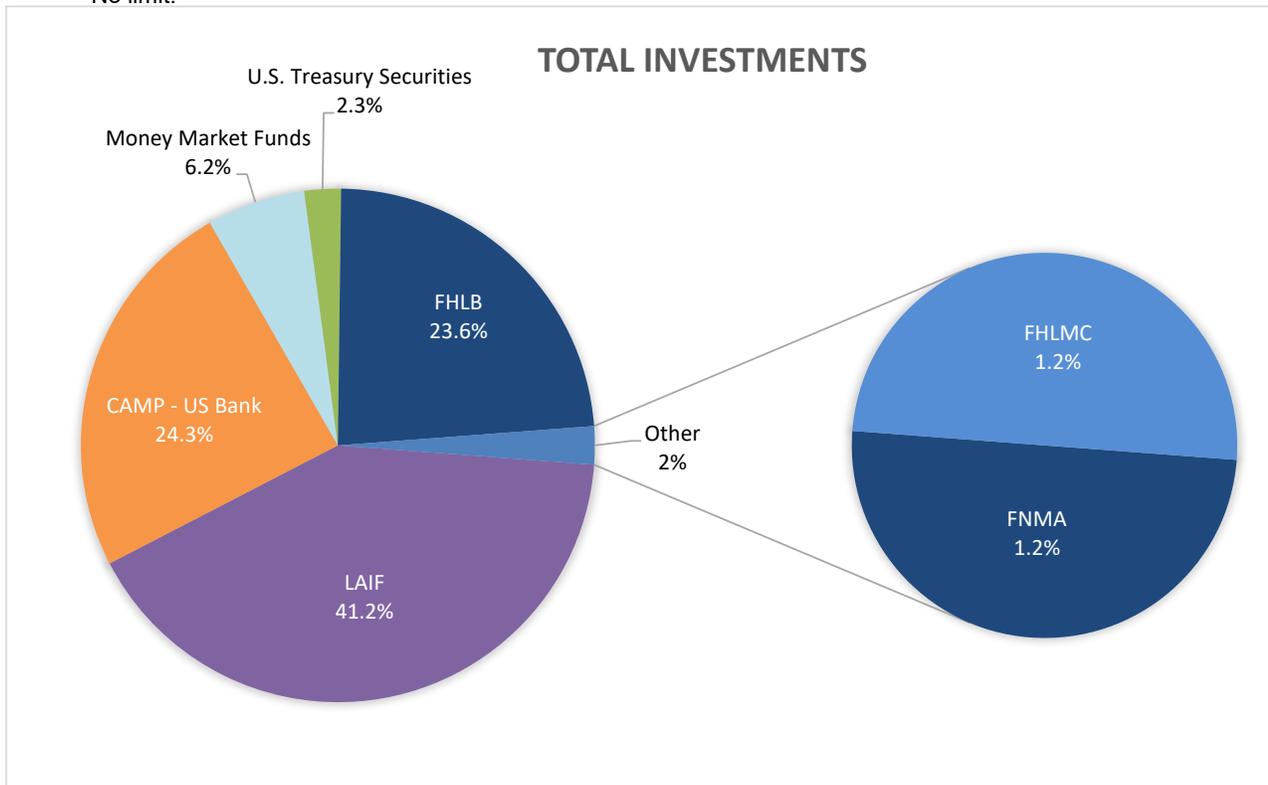
**Olivenhain Municipal Water District  
PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY  
January 31, 2026**

	<b>Book Value</b>	<b>Percent</b>	<b>Permitted Percent</b>	<b>In Compliance?</b>
LAIF	\$ 34,923,916	41.2%	50.0% (1)	Yes
CAMP - US Bank	20,613,419	24.3%	30.0%	Yes
Money Market Funds	5,215,434	6.2%	20.0% (2)	No*
U.S. Treasury Securities	1,984,470	2.3%	100.0% (3)	Yes
<b>U.S. Agency Securities</b>	<b>21,971,800</b>	<b>26.0%</b>	<b>50.0%</b>	<b>Yes</b>
<i>FHLB</i> <i>Federal Home Loan Bank</i>	<i>19,971,800</i>	<i>23.6%</i>		
<i>FNMA</i> <i>Fannie Mae</i>	<i>1,000,000</i>	<i>1.2%</i>		
<i>FHLMC</i> <i>Freddie Mac</i>	<i>1,000,000</i>	<i>1.2%</i>		
<b>Total Investments</b>	<b>\$ 84,709,039</b>	<b>100%</b>		

\*In compliance with the 20% permitted percentage, temporarily exceeded the 5% max limit per money market fund due to the timing of investment maturities at end of January, and purchases of investments in early February. The District was back in compliance as of February 9th.

Note:

- (1) No more than 50% of the total value of all District Investments or \$40 million.
- (2) May not exceed 5% in any money market fund.
- (3) No limit.



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

**Olivenhain Municipal Water District  
MONTHLY INVESTMENTS DETAIL  
January 31, 2026**

ACTIVE DEPOSIT		Book Value
Checking A/C: California Bank and Trust for General Purpose		4,434,482
California Bank and Trust for Specific Purpose		717,493
Petty Cash/Disaster Preparedness		1,487
<b>Total - Active Deposits</b>		<b>5,153,462</b>

DEPOSITS NOT COVERED BY INVESTMENT POLICY		
<b>Cash with Fiscal Agents:</b>		
Union Bank - RAD 96-1 Refunding Bond		353,591
Union Bank - 2015A Refunding Bond		138,951
SRF Loan		1,071,744
Union Bank - 2016A Refunding Bond		182,328
Union Bank - 2021A WW Revenue Bond		44,985
Union Bank - 2021B Refunding Bond		11,028
<b>Total Deposits Not Covered by Investment Policy</b>		<b>1,802,628</b>

	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							
<b>INVESTMENTS</b>													
<b>Invest. Pools:</b> US Bank Calif. Asset Mgmt Prgm (CAMP)				Demand			1		3.85%	\$ 20,613,419	\$ 20,613,419	\$ 20,613,419	
State Local Agency Investment Fund (LAIF)				Demand			1		3.93%	35,000,102	34,923,916	34,923,916	
First American Government 31846V567				Demand			1		3.57%	5,211,032	5,211,032	5,211,032	
CB&T Money Market Account				Demand			1		1.91%	4,402	4,402	4,402	

<b>U.S. Treasury Notes/Bills</b>												
91282CGL9	U.S. Treasury Notes	Aa1	-	08/19/25	02/15/26		16	4.00%	4.00%	1,000,070	1,000,000	999,992
91282CBQ3	U.S. Treasury Notes	Aa1	-	03/09/21	02/28/26		29	0.50%	0.50%	997,680	1,000,000	984,478
							<b>2</b>	<b>2.25%</b>	<b>2.25%</b>	<b>\$ 1,997,750</b>	<b>\$ 2,000,000</b>	<b>\$ 1,984,470</b>

<b>U.S. Agency Securities</b>													
3130AKWK8	FHLB Callable	Aa1	AA+	02/12/21	02/12/26	None	13	0.51%	0.51%	999,120	1,000,000	1,000,000	
3130AKX43	FHLB Step-up Callable	Aa1	AA+	02/24/21	02/24/26	None	25	0.70%	0.70%	1,996,360	2,000,000	2,000,000	
3130AL7M0	FHLB Callable	Aa1	AA+	02/24/21	02/24/26	None	25	0.63%	0.63%	998,090	1,000,000	1,000,000	
3130AKYR1	FHLB Callable	Aa1	AA+	02/25/21	02/25/26	None	26	0.55%	0.55%	997,990	1,000,000	1,000,000	
3130AL6K5	FHLB Callable	Aa1	AA+	02/25/21	02/25/26	None	26	0.58%	0.58%	998,010	1,000,000	1,000,000	
3130ALD76	FHLB Callable	Aa1	AA+	02/25/21	02/25/26	None	26	0.70%	0.70%	998,090	1,000,000	1,000,000	
3130ALCW2	FHLB Callable	Aa1	AA+	02/25/21	02/25/26	None	26	0.63%	0.63%	998,050	1,000,000	998,500	
3130ALGJ7	FHLB Callable	Aa1	AA+	03/23/21	03/23/26	02/23/26	52	24	1.00%	1.00%	970,242	975,000	975,000
3130ALPQ1	FHLB Step-up Callable	Aa1	AA+	03/30/21	03/30/26	03/30/26	59	59	2.00%	2.01%	997,490	1,000,000	1,000,000
3130ALVC5	FHLB Step-up Callable	Aa1	AA+	04/14/21	04/14/26	04/14/26	74	74	2.25%	2.26%	997,080	1,000,000	1,000,000
3130APAY1	FHLB Callable	Aa1	AA+	10/21/21	10/21/26	04/21/26	264	81	1.10%	1.12%	981,850	1,000,000	1,000,000
3130APL78	FHLB Callable	Aa1	AA+	10/28/21	10/28/26	04/28/26	271	88	1.38%	1.40%	983,990	1,000,000	1,000,000
3130B7JT2	FHLB Callable	Aa1	AA+	08/22/25	08/12/27	02/12/26	559	13	4.15%	4.15%	1,000,120	1,000,000	1,000,000
3130B7JC9	FHLB Callable	Aa1	AA+	08/20/25	08/20/27	02/20/26	567	21	4.13%	4.14%	1,994,260	2,000,000	2,000,000
3130B4YQ8	FHLB Callable	Aa1	AA+	02/25/25	02/25/28	02/25/26	756	26	4.60%	4.60%	999,240	1,000,000	1,000,000
3130B5X45	FHLB Callable	Aa1	AA+	04/24/25	04/24/29	04/24/26	1,180	84	4.45%	4.45%	1,000,580	1,000,000	1,000,000
3130B6CG9	FHLB Callable	Aa1	AA+	05/22/25	05/22/29	05/22/26	1,208	112	4.38%	4.37%	1,000,310	1,000,000	998,300
3130B2N43	FHLB Callable	Aa1	AA+	09/10/24	09/10/29	09/10/26	1,319	223	4.00%	4.02%	995,860	1,000,000	1,000,000
3134HCNC9	FHLMC Callable	Aa1	AA+	01/09/26	01/09/31	10/09/26	1,805	252	4.10%	4.10%	998,900	1,000,000	1,000,000
3136GCGV1	FNMA Callable	Aa1	AA+	01/23/26	01/23/31	07/23/26	1,819	174	4.13%	4.13%	999,180	1,000,000	1,000,000
							<b>486</b>	<b>90</b>	<b>2.31%</b>	<b>2.32%</b>	<b>\$ 21,904,812</b>	<b>\$ 21,975,000</b>	<b>\$ 21,971,800</b>
<b>Total Investments</b>							<b>127</b>		<b>3.43%</b>	<b>3.43%</b>	<b>\$ 84,731,517</b>	<b>\$ 84,727,769</b>	<b>\$ 84,709,039</b>

TOTAL - ALL DEPOSITS AND INVESTMENTS		\$
		91,665,129

**Olivenhain Municipal Water District  
INVESTMENTS TRANSACTION  
January 31, 2026**

**PURCHASED**

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		Coupon	Yield		
01/09/26	01/09/31	10/09/26		FHLMC Callable	4.100%	4.105%	1,000,000	1,000,000
01/23/26	01/23/31	07/23/26		FNMA Callable	4.125%	4.128%	1,000,000	1,000,000

**MATURED / REDEEMED / CALLED**

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		Coupon	Yield		
01/26/26	01/26/26	01/26/26		FHLB Callable	0.500%	0.501%	1,000,000	999,500
01/28/26	01/28/26	01/28/26		FHLB Callable	0.520%	0.521%	1,000,000	1,000,000
01/28/26	01/28/26	01/28/26		FHLB Callable	0.500%	0.501%	1,000,000	1,000,000
01/29/26	01/29/26	01/29/26		FHLB Callable	0.520%	0.521%	1,000,000	1,000,000
01/03/26	09/03/26	01/03/26		FHLB Callable	4.000%	4.000%	1,000,000	1,000,000
01/07/26	07/07/27	01/07/26		FHLB Callable	4.300%	4.300%	1,390,000	1,390,000
01/14/26	07/14/27	01/14/26		FHLB Callable	4.300%	4.316%	1,000,000	1,000,000
01/28/26	01/28/28	01/28/26		FHLB Callable	4.500%	4.504%	1,000,000	1,000,000
01/02/26	07/02/29	01/02/26		FHLB Callable	4.690%	4.690%	1,000,000	1,000,000

**Olivenhain Municipal Water District**  
**UNAUDITED CASH POSITION BY FUNDING SOURCES**  
**As of January 31, 2026**

<b><u>Water Funds (Potable &amp; Recycled)</u></b>		<b><u>Balance</u></b>
10050-100	Cash - Petty Cash Fund	1,487
10010-100	Cash - Operating Fund	17,108,111
10030-100	Cash - Capital and Equipment Fund	33,241,971
10040-100	Cash - Rate Stabilization Fund	10,262,177
10080-100	Cash - Pension Stabilization Fund	1,158,767
10060-100	Cash - Deposit Work for Other	1,607,906
14000-500	Restricted Cash - Capacity Fee Fund	8,863,511
<b>Total Water Funds (Potable &amp; Recycled)</b>		<b><u>72,243,930</u></b>
<b><u>Wastewater Funds</u></b>		
10010-110	Wastewater - Operating Fund	2,676,914
10030-110	Wastewater - Capital Replacement Fund	11,224,832
10040-110	Wastewater - Rate Stabilization Fund	2,896,969
10080-110	Cash - Pension Stabilization Fund	102,363
<b>Total Wastewater Funds</b>		<b><u>16,901,078</u></b>
<b><u>Non Fiscal Agent Debt Service Cash</u></b>		
14020-570	Cash non-agent - RAD 96-1	706,292
10070-561	Cash non-agent - Bond 2015A	621
10070-581	Cash non-agent - Bond 2016A	10,580
<b>Total Non Fiscal Agent Debt Service Cash</b>		<b><u>717,493</u></b>
<b><u>Debt Service Funds</u></b>		
14030-510	SRF Loan - Fiscal Agent	1,071,744
14105-570	Redemption fund - RAD 96-1	304,975
14110-570	Reserve fund - RAD 96-1	48,617
14100-561	Redemption fund - Bond 2015A	138,951
14100-581	Redemption fund - Bond 2016A	182,328
14100-521	Redemption fund - Bond 2021A	44,985
14100-522	Redemption fund - Bond 2021B	11,028
<b>Total Debt Service Funds</b>		<b><u>1,802,628</u></b>
<b>TOTAL FUND BALANCES</b>		<b><u><u>91,665,129</u></u></b>

# Memo

Date: March 18, 2026  
To: Olivenhain Municipal Water District Board of Directors  
From: Leo Mendez, 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 REPORTS**

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

- January 2026 Monthly Statement of Net Position Reports.
- January 2026 Statement of Revenues, Expenses, and Changes in Net Position Reports.
- January 2026 Consolidated Statement of Cash Flows.
- January 2026 Monthly Consolidated Actual VS Budget Summary and explanation of significant variance reports.
- January 2026 Construction In Progress Reports.

Prepared by: Georgeanna Clark, Project Accountant II  
Jared Graffam, Accounting Supervisor

Reviewed by: Leo Mendez, Finance Manager  
Jared Graffam, Accounting Supervisor

Approved by: Kimberly A. Thorner, General Manager

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Statement of Net Position (Unaudited)

All Funds  
1/31/2026

**Assets**

Current assets:

Unrestricted assets:

Cash and cash equivalents	\$79,858,534
Accounts receivable - water and wastewater, net	6,984,079
Interest Receivable	292,874
Taxes receivable	226,260
Other receivables	53,400
Lease receivable	470,100
Inventories	6,142,419
Prepaid expenses and deposits	1,875,331
Total unrestricted assets	<u>95,902,997</u>

Restricted assets:

Cash and cash equivalents	11,182,145
Assesments receivable	55,052
Total restricted assets	<u>11,237,197</u>
Total current assets	<u>107,140,193</u>

Noncurrent assets:

Capital assets, nondepreciable	54,916,540
Capital assets, depreciable/amortizable, net	319,365,397
Capital assets, net	<u>374,281,937</u>
Prepaid bond insurance	8,172
Lease receivable	9,736,164
Total noncurrent assets	<u>384,026,272</u>
<b>Total assets</b>	<b><u>491,166,465</u></b>

**Deferred Outflows of Resources**

Deferred amount on refunding	(533,920)
Deferred amount from pension	(5,539,491)
<b>Total deferred outflows of resources</b>	<b><u>(6,073,411)</u></b>

**Liabilities**

Current Liabilities

Liabilities payable from unrestricted assets:

Accounts payable	4,370,186
Accrued payroll	253,081
Customer deposits	434,335
Payable related to work in progress	1,607,889
Compensated absences, current portion	1,258,429
Current portion of long-term debt:	
Wastewater Revenue Bonds 2021A	220,840
Wastewater Refunding Revenue Bonds 2021B	588,890
Water Revenue Refunding Bonds 2016A	645,000
Water Revenue Refunding Bonds 2015A	2,130,000
Special Assessment Debt with Government Commitr	931,187
Notes Payable	885,822
Subscription Liability	109,218
Total liabilities payable from unrestricted assets	<u>13,434,878</u>

Liabilities payable from restricted assets:

Interest payable	510,980
Grants payable	1,647,391
Total liabilities payable from restricted assets	<u>2,158,371</u>
Total current liabilities	<u>15,593,249</u>

Noncurrent liabilities

Compensated absences	1,095,710
Net pension liability	17,449,508
Long-term debt, excluding current portion:	
Wastewater Revenue Bonds 2021A	3,940,430
Wastewater Refunding Revenue Bonds 2021B	1,197,560
Water Revenue Refunding Bonds 2016A	10,987,852
Water Revenue Refunding Bonds 2015A	4,767,939
Special Assessment Debt with Government Commitr	951,722
Notes Payable	7,331,724
Subscription Liability	79,787
Total noncurrent liabilities	<u>47,802,232</u>
<b>Total liabilities</b>	<b><u>63,395,481</u></b>

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Statement of Net Position (Unaudited)  
All Funds  
1/31/2026

**Deferred Inflows of Resources**

Deferred amounts on pension	180,628
Deferred amounts on leases	8,870,260

<b>Total deferred inflows of resources</b>	<b><u>9,050,888</u></b>
--	-------------------------

**Net Position**

Investment in Capital Assets, net of related debt	340,047,884
Restricted Net Position	9,078,825
Unrestricted Net Position	75,666,797
<b>Total Net Position</b>	<b><u><u>424,793,506</u></u></b>

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Statement of Revenues, Expenses and Changes in Net Position (Unaudited)  
All Funds  
For the Seven Months Ending 1/31/2026

	2026
<b>Operating Revenues:</b>	
Water Sales	\$40,986,788
Wastewater Charges	3,531,705
Other Water Operating revenues	1,266,726
<b>Total Operating Revenues</b>	<b>45,785,219</b>
<b>Operating Expenses</b>	
Cost of Purchased Water Sold	23,897,856
Pumping and Water Treatment	2,819,143
Transmission and Distribution	3,178,435
Wastewater Collection and Treatment	1,267,937
Elfin Forest Recreation Operations	282,813
Facilities Maintenance	786,662
Customer Service	1,576,417
General and Administrative	5,319,763
Depreciation and Amortization	5,948,320
<b>Total Operating Expenses</b>	<b>45,077,346</b>
<b>Operating Income (Loss)</b>	<b>707,873</b>
<b>Nonoperating Revenues (Expenses)</b>	
Investment income	1,625,847
Property taxes	2,978,029
Capacity charges	18,004
Benefit assessments	602,539
Other nonoperating revenues	466,941
Interest expense, net	(489,012)
Other nonoperating expenses	(2,710,574)
<b>Total nonoperating revenues (expenses)</b>	<b>2,491,774</b>
<b>Income before capital contributions</b>	<b>3,199,647</b>
<b>Capital contributions</b>	<b>1,651,294</b>
<b>Change in net position</b>	<b>4,850,942</b>
<b>Net Position, Beginning of year</b>	<b>419,942,565</b>
<b>Net Position, End of year</b>	<b>424,793,506</b>

OLIVENHAIN MUNICIPAL WATER DISTRICT  
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
As of January 31, 2026

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from water and wastewater customers	\$	49,512,104
Payments for water		(32,069,435)
Payments for services and supplies		(6,453,366)
Payments for employee wages, benefits and related costs		(10,078,807)
<b>Net cash provided by operating activities</b>		910,496

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

Property taxes and benefit assessments received		3,582,722
<b>Net cash provided by noncapital and related financing activities</b>		3,582,722

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

Acquisition and construction of capital assets		(9,033,283)
Proceeds from grants		1,652,147
Pass-through grant disbursements		-
Principal paid on long-term debt		(1,910,425)
Interest paid on long-term debt		(161,976)
Capacity charges received		18,004
Other capital financing receipts (expenses)		(533,830)
<b>Net cash used by capital and related financing activities</b>		(9,969,363)

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Net change in investments		13,074,810
Investment income received		1,859,128
<b>Net cash provided (used) by investing activities</b>		14,933,938

**Net increase (decrease) in cash and cash equivalents** 9,457,793

**Cash and cash equivalents, beginning of year** 52,601,522

**Cash and cash equivalents, end of period** \$ 62,059,315

**FINANCIAL STATEMENT PRESENTATION:**

Cash and cash equivalents - current assets		53,977,218
Cash and cash equivalents - restricted assets		8,082,097
<b>Total cash and cash equivalents</b>		\$ 62,059,315

**CASH AND CASH EQUIVALENTS RECONCILIATION**

		<b>Balance Includes Mkt Securities</b>	<b>Without Mkt Securities</b>
Unrestricted cash	1/31/2026	79,858,534	53,977,218
Restricted cash	1/31/2026	11,182,145	8,082,097
<b>Total cash and cash equivalents</b>			62,059,315

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Consolidated Actual vs Budget Summary  
For the Seven Months Ending 1/31/2026

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
<b>Operating Revenues</b>						
Commodity Water Sales	\$52,939,000.00	\$29,737,411.41	\$33,835,900.00	(\$4,098,488.59)	(12.1%)	1
Water Fees and Services	21,434,000.00	12,516,102.69	12,191,250.00	324,852.69	2.7%	
Wastewater Revenue	6,428,000.00	3,531,705.45	3,456,800.00	74,905.45	2.2%	
<b>Total Operating Revenues</b>	<b>80,801,000.00</b>	<b>45,785,219.55</b>	<b>49,483,950.00</b>	<b>(3,698,730.45)</b>	<b>(7.5%)</b>	
<b>Operating Expenses</b>						
Purchased Water - Variable	30,058,000.00	17,226,213.15	19,616,500.00	2,390,286.85	12.2%	2
Purchased Water - Fixed	12,098,000.00	6,671,643.00	6,672,400.00	757.00	0.0%	
General Manager Dept	2,335,000.00	1,214,705.87	1,362,200.00	147,494.13	10.8%	3
Engineering Dept	2,741,000.00	1,474,925.43	1,599,710.00	124,784.57	7.8%	3
Finance Dept	1,940,000.00	1,026,940.82	1,132,530.00	105,589.18	9.3%	3
Customer Service Dept	3,396,000.00	1,931,028.78	1,983,541.00	52,512.22	2.6%	3
Human Resources Dept	988,000.00	543,683.21	576,331.00	32,647.79	5.7%	3
Water Operations and Maintenance Dept	13,624,000.00	7,526,994.67	7,953,533.00	426,538.33	5.4%	3
Parks Dept	543,000.00	305,954.72	317,422.00	11,467.28	3.6%	3
Other Operating Expenses	50,000.00		29,400.00	29,400.00	100.0%	
Wastewater Operations and Maintenance Dept	3,605,000.00	2,055,614.62	2,103,451.00	47,836.38	2.3%	3
Recycled Water Operations Dept	1,307,000.00	754,748.46	764,750.00	10,001.54	1.3%	3
Paygo Transfers						
Water Operations	4,977,000.00	2,905,000.00	2,905,000.00		0.0%	
Wastewater Operations	2,626,000.00	1,533,000.00	1,533,000.00		0.0%	
Recycled Operations	1,700,000.00	994,000.00	994,000.00		0.0%	
Capitalized Operations Expenditures	(2,105,000.00)	(1,087,106.82)	(1,226,610.00)	(139,503.18)	11.4%	4
<b>Total Operating Expenses</b>	<b>79,883,000.00</b>	<b>45,077,345.91</b>	<b>48,317,158.00</b>	<b>3,239,812.09</b>	<b>6.7%</b>	
<b>Net Operating Income (Loss)</b>	<b>918,000.00</b>	<b>707,873.64</b>	<b>1,166,792.00</b>	<b>(458,918.36)</b>		
<b>Nonoperating Revenues</b>						
Water Funds	6,884,000.00	4,469,842.09	3,944,850.00	524,992.09	13.3%	5
Debt Service Funds	1,061,000.00	609,316.97	598,960.00	10,356.97	1.7%	
Wastewater Funds	92,000.00	72,955.81	53,900.00	19,055.81	35.4%	5
Recycled Water Funds	260,000.00	155,337.40	151,900.00	3,437.40	2.3%	
<b>Total Nonoperating Revenue</b>	<b>8,297,000.00</b>	<b>5,307,452.27</b>	<b>4,749,610.00</b>	<b>557,842.27</b>	<b>11.7%</b>	
<b>Nonoperating Expense</b>						
Capacity Fee Funds	30,000.00	7,401.04	17,360.00	9,958.96	57.4%	
Debt Service Funds	1,421,500.00	544,161.47	678,260.00	134,098.53	19.8%	6
Potable Water Funds	1,367,000.00	1,000,632.20	1,043,030.00	42,397.80	4.1%	7
Recycled Water Funds		1,647,391.12		(1,647,391.12)	0.0%	8
<b>Total Nonoperating Expense</b>	<b>2,818,500.00</b>	<b>3,199,585.83</b>	<b>1,738,650.00</b>	<b>(1,460,935.83)</b>	<b>(84.0%)</b>	
<b>Inc before Cap Fees and Capital Contributions</b>	<b>6,396,500.00</b>	<b>2,815,740.08</b>	<b>4,177,752.00</b>	<b>(1,362,011.92)</b>		
Capacity Fee Funds	706,000.00	383,907.06				
Capital contributions	2,045,000.00	1,651,294.40				
<b>Change in Net Position</b>		<b>4,850,941.54</b>				

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Actual vs Budget Variance  
For the Seven Months Ending 1/31/2026

1. Water Sales revenue was approximately \$4.1 million (12.1%) below Budget YTD for an unfavorable variance through January, primarily due to the timing of unbilled water estimates and actual customer usage being 1,140 AF (8.9%) less than projected.
2. Purchased water variable expenses were \$2.4 million (12.2%) below Budget YTD, driven primarily by water purchases being 1,140 AF less than projected through January. These savings were partially offset by the use of potable water to meet recycled water demand in the northwest quadrant. With Vallecitos Water District's Meadowlark Reclamation Facility currently offline, the District has supplemented recycled water supplies with potable water to satisfy customer demand.
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 lower than the Budget YTD amount due to the timing of capitalized labor spent on District projects. The Budget YTD amount assumes expenditures are incurred evenly throughout the year.
5. Actual Non-operating Revenues – Water Funds and Wastewater Funds were overall greater than Budget YTD for a positive variance due to higher interest income earned on short-term investments over budgeted returns.
6. Actual Non-operating Expenses - Debt Service Funds were lower than the Budget YTD amount for a positive variance because amortization of the issuance premium is not included in the 2015A Bonds interest expense.
7. Actual Non-operating Expenses – Potable Water Funds were lower than the Budgeted YTD amount for a positive variance because the MET rate reimbursement credit is lower than budgeted due to lower than budgeted water sales through December.
8. Actual Non-operating Expenses – Recycled Water Funds balance is entirely grant pass-through expenses for amounts paid out to grant sub-recipients. An equal offsetting revenue amount is included in Capital contributions.

**Construction Work In Progress Report as of 01/31/2026**

Project Name	Total Project Budget	Cumulative Appropriation Thru FY '26	Total Expensed Thru 01/31/2026 <sup>1</sup>	(Over) Under Cumulative Appropriation Thru FY '26
San Dieguito Desalination	\$75,437,000	\$6,808,000	\$5,222,084	\$1,585,916
Azahar & Cadencia Emergency Repair	\$4,350,000	\$4,350,000	\$3,254,324	\$1,095,676
Replace Headworks Manual System	\$4,869,000	\$3,369,000	\$675,718	\$2,693,282
DCMWTP 4th Stage Centrifuge	\$3,340,000	\$3,340,000	\$3,208,060	\$131,940
Palms I and II Reservoirs	\$2,592,000	\$1,683,000	\$324,520	\$1,358,480
Village Park Pressure Reducing Station	\$1,505,500	\$1,505,500	\$1,352,381	\$153,119
District-Wide PLC Replacements	\$1,466,000	\$1,466,000	\$1,078,097	\$387,903
District-Wide PLC Replacement Wastewater	\$1,456,000	\$1,456,000	\$1,037,948	\$418,052
Gardendale Pressure Reducing Station	\$1,432,500	\$1,432,500	\$1,444,333	(\$11,833)
Replace Valves	\$8,812,000	\$981,000	\$967,399	\$13,601
Replace DCMWTP Membranes	\$11,231,000	\$973,000	\$812,084	\$160,916
Replace Potable Meters	\$9,304,000	\$927,000	\$571,079	\$355,921
Dusty Trails Pipeline Replacement	\$1,180,000	\$830,000	\$127,023	\$702,977
Steel Mains Protection	\$3,484,000	\$767,000	\$378,424	\$388,576
Encinitas Blvd Inspection & Repair	\$677,000	\$677,000	\$59,834	\$617,166
Raw Water Equalizer Tank Rehabilitation	\$671,000	\$671,000	\$21,410	\$649,590
Off-Spec and High Flow Diversion Pipeline	\$685,000	\$635,000	\$187,580	\$447,420
Tank Safety Improvements	\$590,000	\$590,000	\$147,996	\$442,004
DCMWTP 2nd Stage Basin & Beam	\$1,784,000	\$577,000	\$34,845	\$542,155
Units B & K Pipeline Rehabilitation	\$2,142,000	\$562,000	\$235,080	\$326,920
DCMWTP 1st Stage Beam Replacement	\$2,206,000	\$560,000	\$1,936	\$558,064
EFRR Parking Lot Expansion	\$1,385,000	\$476,000	\$134,471	\$341,529
CIS System Upgrade	\$400,500	\$400,500	\$17,795	\$382,705
Data Centre Replacement	\$550,000	\$275,000	\$0	\$275,000
Replace 75HP Digester Blower	\$263,000	\$263,000	\$20,176	\$242,824
District-Wide Scada Upgrades	\$256,000	\$256,000	\$237,654	\$18,346
Replace WW Pumps, Motors & Equipment	\$2,539,000	\$213,000	\$0	\$213,000
Fleet Electrification Plan	\$2,450,000	\$193,000	\$71,696	\$121,304
DCMWTP Combined Filter Influent & Backwash Pipe Replacement	\$708,000	\$180,000	\$1,842	\$178,158
Replace Potable Pumps and Motors	\$2,004,000	\$180,000	\$58,888	\$121,112
Replace Meter Anodes	\$1,886,000	\$163,000	\$175,243	(\$12,243)
Strainer Coating Repairs	\$155,000	\$155,000	\$7,620	\$147,380
Santa Fe Valley Reservoir Improvements	\$150,000	\$150,000	\$0	\$150,000
Wanket RW Reservoir Rehabilitation	\$150,000	\$150,000	\$61,578	\$88,422
Replace Pipelines	\$5,195,000	\$115,000	\$116,754	(\$1,754)
Replace MSB-S & Transfer Switch	\$1,286,000	\$113,000	\$1,075	\$111,925
DCMWTP Equipment Replacement	\$1,434,000	\$106,000	\$71,621	\$34,379
Network Security	\$1,210,000	\$104,000	\$0	\$104,000
Encinitas Blvd Pressure Reducing Station	\$100,000	\$100,000	\$1,137	\$98,863
10th Street Pressure Reducing Station	\$100,000	\$100,000	\$4,933	\$95,067
DCMWTP Bridge Crane Rehabilitation	\$97,000	\$97,000	\$97,073	(\$73)
Neighborhood #3 Liner Improvement	\$84,000	\$84,000	\$4,750	\$79,250
HOA Recycled Pipeline Ext - CB, VP, SH	\$80,000	\$80,000	\$42,373	\$37,627
Recycled Conversions	\$819,000	\$80,000	\$12,051	\$67,949
Collection System Pipeline Rehabilitation and Replacement	\$865,000	\$78,000	\$716	\$77,284
Replace Recycled Valves	\$850,000	\$77,000	\$0	\$77,000
WW Pump Station Rehab & Replace	\$813,000	\$75,000	\$0	\$75,000
DCMWTP Building & Door Refurbishment	\$75,000	\$75,000	\$0	\$75,000
Replace 4SWRF Clarifying Scum Boxes	\$75,000	\$75,000	\$0	\$75,000
Collection System Manhole Rehabilitation Program	\$770,000	\$71,000	\$0	\$71,000
Rancho La Cima/Aliso Canyon Pipeline	\$315,000	\$65,000	\$64,836	\$164
4S WRF Scada Upgrades	\$64,000	\$64,000	\$60,860	\$3,140
RSF Rd Pipeline Inspection	\$688,000	\$64,000	\$0	\$64,000
Centrifuge 731 Refurbishment	\$60,000	\$60,000	\$4,630	\$55,370
Replace PRS Valves	\$642,000	\$56,000	\$2,144	\$53,856
Replace WRF Electrical Conduits, Enclosures, and Lighting	\$367,000	\$54,000	\$0	\$54,000
Replace Recycled Pipeline	\$780,000	\$52,000	\$0	\$52,000
Replace Overflow Pond Strainer	\$50,000	\$50,000	\$49,995	\$5
Replace Recycled Meters	\$543,000	\$41,000	\$11,170	\$29,830
DCMWTP Membrane Train Control	\$395,000	\$36,000	\$14,813	\$21,187
4S Physical Security Upgrades	\$180,000	\$30,000	\$8,362	\$21,638
WRF Equipment Replacement Program	\$269,000	\$30,000	\$0	\$30,000
OTP 1 Leak Emergency Repair	\$27,000	\$27,000	\$28,497	(\$1,497)
Rehab Concrete Tanks	\$295,000	\$26,000	\$19,090	\$6,910
Physical Security Upgrades	\$250,000	\$25,000	\$0	\$25,000
Valve & Gate Replacement Program	\$935,000	\$25,000	\$438	\$24,562
Golem 14" Pipeline Condition Assessment	\$150,000	\$17,000	\$16,901	\$99
Upgrade Filter Electrical	\$118,000	\$17,000	\$0	\$17,000
Fleet Electrification Wastewater	\$950,000	\$15,000	\$0	\$15,000
Automotive Equipment Purchases (Small Cap)	\$325,000	\$325,000	\$0	\$325,000
Shop & Field Equipment Purchases (Small Cap)	\$146,000	\$146,000	\$44,159	\$101,841
Computer Hardware/Software Purchases (Small Cap)	\$77,000	\$77,000	\$3,881	\$73,119
Office Furniture/Equipment Purchases (Small Cap)	\$14,000	\$14,000	\$0	\$14,000
<b>Total :</b>	<b>\$173,603,500</b>	<b>\$39,960,500</b>	<b>\$22,611,379</b>	<b>\$17,349,121</b>

<sup>1</sup> Excludes encumbrances

<sup>2</sup> Includes repairs on several leaks

<sup>3</sup> Project is complete. Overage is within Manager approval limit.

<sup>4</sup> Project is close to complete. Overage is within Manager approval limit.

# Memo

Date: March 18, 2026  
To: Olivenhain Municipal Water District Board of Directors  
From: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER NOMINATIONS FOR THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS SEAT C**

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## **Purpose**

This item is to nominate a candidate to fill the Southern Network's Seat C on the California Special Districts Association (CSDA) Board of Directors for the 2027-2029 term.

## **Recommendation**

Staff would support any board member interested in running for election to CSDA's Board of Directors.

## **Alternative(s)**

The board may choose against nominating a candidate for this year's CSDA election.

## **Background**

Each of CSDA's six regional divisions has three seats on the Board of Directors, holding staggered three-year terms. Any independent special district in good standing with "Regular Member" status in CSDA is eligible to nominate one of its board members or managerial employees for election as a director of CSDA. Southern Network's Seat C incumbent, Nikki Winslow of Altadena Library District is expected to run for reelection.

## **Fiscal Impact**

There are no costs associated with drafting or adopting a nomination resolution. If an OMWD representative is elected to the CSDA Board of Directors, there are two conferences annually as well as four modules of the Special District Leadership Academy for which OMWD is responsible for the cost of attendance. There are also four to five board meetings and three to five committee meetings annually for which CSDA will reimburse the cost of travel.

## **Discussion**

Should the board wish to nominate a candidate from OMWD, a copy of the resolution or minutes showing the nominating vote along with the candidate information sheet will be submitted to CSDA. CSDA will begin electronic voting on June 9, 2026. All votes must be received by July 24, 2026. The newly appointed Board Member for the Southern Network's Seat C will be introduced at the Annual Conference in Palm Desert, CA in August 2026.

Prepared by: Stephanie Kaufmann, Executive Secretary

Reviewed by: Kimberly Thorner, General Manager

Approved by: Kimberly Thorner, General Manager

### *Attachments:*

- *Memorandum from CSDA to member agencies, dated February 9, 2026*
- *2027-2029 Board Appointment for Seat C Southern Network Nomination Form and Candidate Information Sheet*



**California Special  
Districts Association**

*Districts Stronger Together*

**DATE:** February 9, 2026

**TO:** CSDA Voting Member Presidents and General Managers

**FROM:** CSDA Elections and Bylaws Committee

**SUBJECT:** **CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS  
SEAT C**

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The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2027 - 2029 term.

The leadership of CSDA is elected from its six geographical networks. Each of the six networks has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA Regular Member in good standing and located within the geographic network that they seek to represent.  
(See attached CSDA Network Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, professional development, and other resources for members. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration. Serving on the Board requires one's interest in the issues confronting special districts statewide.

**Commitment and Expectations:**

- Attend all Board meetings, usually 4-5 meetings annually, at the CSDA office in Sacramento.
- Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento.  
*(CSDA reimburses Directors for their related expenses for Board and committee meetings as outlined in Board policy).*
- Attend, at minimum, the following CSDA annual events: Special Districts Legislative Days - held in the spring, and the CSDA Annual Conference - held in the fall.  
*(CSDA does **not** reimburse expenses for the two conferences even if a Board or committee meeting is held in conjunction with the event)*
- Complete all four modules of CSDA's Special District Leadership Academy within 2 years of being elected.  
*(CSDA does **not** reimburse expenses for the Academy classes even if a Board or committee meeting is held in conjunction with the event).*

**Nomination Procedures:** Any Regular Member district in good standing is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors), for election to the CSDA Board of Directors. **A copy of the member district's resolution or minute action and Candidate Information Sheet must accompany the nomination. The deadline for receiving nominations is April 10, 2026. Nominations and supporting documentation may be mailed or emailed.**

Mail: 1112 I Street, Suite 200, Sacramento, CA 95814  
Fax: 916.442.7889  
E-mail: [amberp@csda.net](mailto:amberp@csda.net)

***Once received, nominees will receive a candidate's letter. The letter will serve as confirmation that CSDA has received the nomination and will also include campaign guidelines.***

CSDA will begin electronic voting on June 9, 2026. All votes must be received through the system no later than 5:00 p.m. July 24, 2026. The successful candidates will be notified no later than July 31, 2026. All selected Board Members will be introduced at the CSDA Annual Conference in Palm Desert, CA in August 2026.

#### **Expiring Terms**

(See enclosed map for Network breakdown)

<b>Northern Network</b>	Seat C – Fred Ryness, Director, Burney Water District*
<b>Sierra Network</b>	Seat C – Pete Kampa, General Manager, Groveland Community Services District*
<b>Bay Area Network</b>	Seat C – Antonio Martinez, Director, Contra Costa Water District*
<b>Central Network</b>	Seat C – Curtis Jorritsma, General Manager, Hilmar County Water District*
<b>Coastal Network</b>	Seat C – Vince Ferrante, Director, Moss Landing Harbor District*
<b>Southern Network</b>	Seat C – Nikki Winslow, District Director, Altadena Library District*

(\* = Incumbent is running for re-election)

**CSDA will be using a web-based online voting system allowing your district to cast your vote easily and securely.** *Electronic Ballots will be emailed to the main contact in your district June 9, 2026. All votes must be received through the system no later than 5:00 p.m. July 24, 2026.*

*Districts can opt to cast a paper ballot instead; but you must contact Amber Phelen by e-mail [amberp@csda.net](mailto:amberp@csda.net) **by April 24, 2026** in order to ensure that you will receive a paper ballot on time.*

**CSDA will mail paper ballots on June 9, 2026 per district request only.**

If you have any questions, please contact Amber Phelen at [amberp@csda.net](mailto:amberp@csda.net).



**California Special  
Districts Association**  
*Districts Stronger Together*

**2027-2029 TERM BOARD OF DIRECTORS NOMINATION FORM**

**Name of Candidate:** \_\_\_\_\_

**Title/District:** \_\_\_\_\_

**Mailing Address:** \_\_\_\_\_

\_\_\_\_\_

**Network:** \_\_\_\_\_ (see map)

**Telephone:** \_\_\_\_\_

(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

**Fax:** \_\_\_\_\_

**E-mail:** \_\_\_\_\_

**Return this form, a Board resolution/minute action supporting the candidate, and Candidate Information Sheet by mail or email to:**

CSDA  
Attn: Amber Phelen  
1112 I Street, Suite 200  
Sacramento, CA 95814  
(877) 924-2732

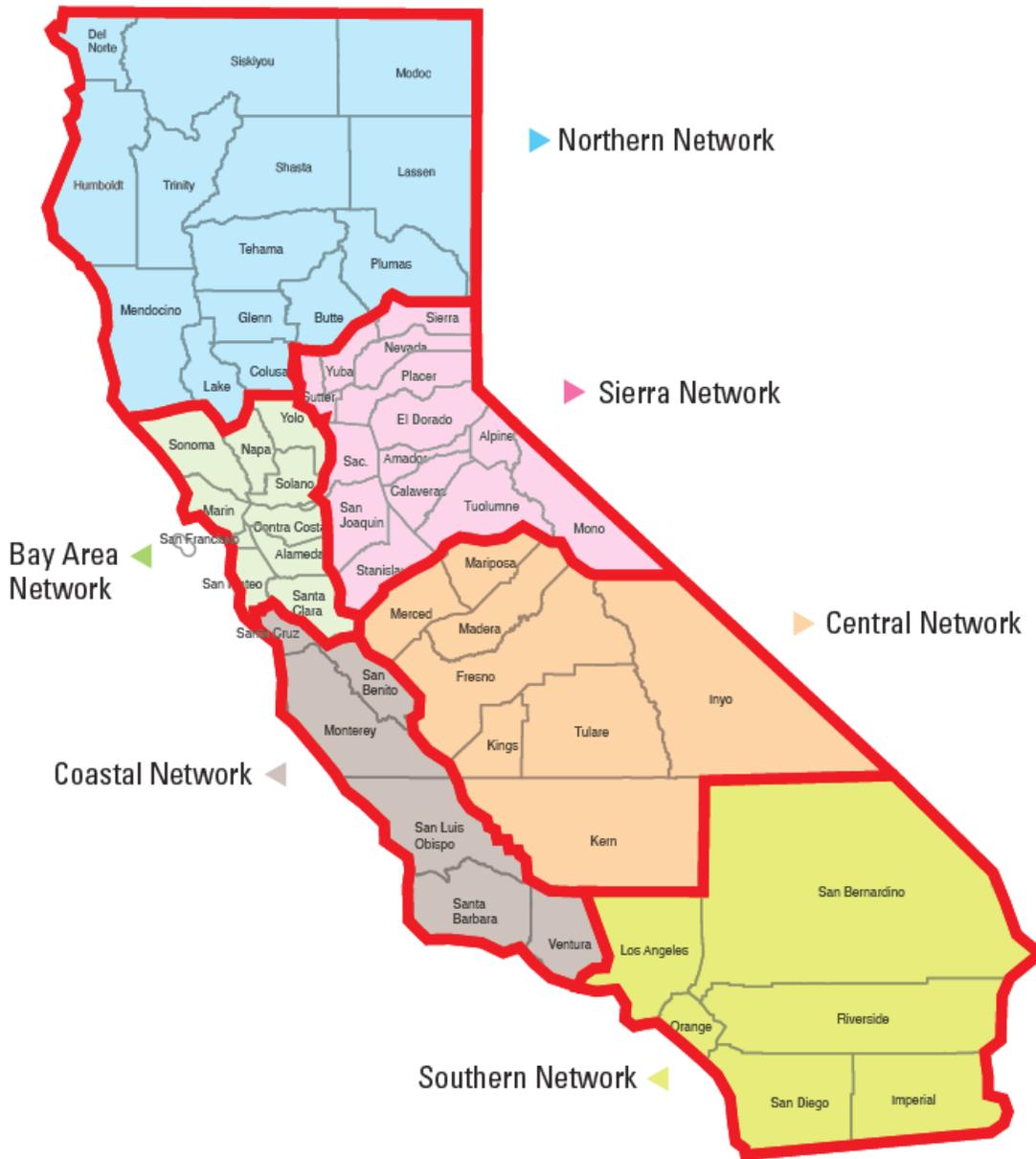
amberp@csda.net

***DEADLINE FOR RECEIVING NOMINATIONS:***

**April 10, 2026 at 5:00 p.m.**



California Special Districts Association  
**DISTRICT NETWORKS**



**2026 Board of Directors by Networks**

**Northern Network**

Greg Orsini, *McKinleyville Community Service District*  
 Fred Ryness, *Burney Water District*  
 Kevin Phillips, *Paradise Irrigation District*

**Sierra Network**

Steve Palmer, *Donner Summit Public Utilities District*  
 Pete Kampa, *Groveland Community Services District*  
 Noelle Mattock, *El Dorado Hills Community Services District*

**Bay Area Network**

Kathryn Slater-Carter, *San Mateo County Harbor District*  
 Ryan Clausnitzer, *Alameda County Mosquito Abatement District*  
 Antonio Martinez, *Contra Costa Water District*

**Central Network**

Curtis Jorritsma, *Hilmar County Water District*  
 Patrick Ostly, *North of River Sanitary District*  
 Lorenzo Rios, *Clovis Veterans Memorial District*

**Coastal Network**

Scott Duffield, *Heritage Ranch Community Services District*  
 Vincent Ferrante, *Moss Landing Harbor District*  
 Elaine Magner, *Pleasant Valley Recreation & Park District*

**Southern Network**

Don Bartz, *Phelon Pinon Hills Community Services District*  
 Jo MacKenzie, *Vista Irrigation District*  
 Nikki Winslow, *Altadena Library District*

# Memo

Date: March 18, 2026  
To: Olivenhain Municipal Water District Board of Directors  
From: Paul Martinez, Engineering Technician I  
Via: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT 429 FOR PARS SORRENTO VALLEY SCIENCE PARK I, L.P., TO ALLOW FOR ENCROACHING FACILITIES THROUGH OMWD EASEMENT 663 LOCATED AT 5973 RANCHO DIEGUENO AND ORDER THE PERMIT BE RECORDED**

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## Purpose

The purpose of this agenda item is to consider approval to enter into an Encroachment Permit Agreement with PARS Sorrento Valley Science Park I, L.P. (PARS). The proposed encroachment facilities fall within the property at APN 302-303-06-00 owned by Lynxt Enterprises, LLC (Lynxt), and encroach upon OMWD's 20-foot Easement No. 663. Approval would additionally authorize the General Manager to sign the Encroachment Permit on behalf of OMWD for recording by the County of San Diego Recorder's Office.

## Recommendation

Staff seeks approval of Encroachment Permit No. 429 and authorization for the General Manager to sign the permit on behalf of OMWD, negotiated as part of a settlement agreement arising from prior litigation from 2024, and was previously approved by the Board of Directors. The General Counsel has reviewed this Encroachment Permit.

### **Alternative(s)**

The Board could direct Staff to not allow the proposed encroachment or proceed in a manner otherwise directed; however, this is the end result of a settlement of litigation.

### **Background**

The proposed encroachments consist of allowing PARS to construct a fence line and keep existing irrigation, landscaping, and lighting through Easement No. 663 located on Assessor Parcel 302-303-06-00 and owned by Lynxt, in Director Division 1 (Lanfried).

The neighboring parcels entered litigation and reached a settlement to allow 5975 Rancho Diegueno Road (PARS) to encroach on to 5973 Rancho Diegueno Road (Lynxt). As part of the settlement agreement, PARS also obtained a private easement from Lynxt for the encroaching facilities. OMWD had been a named third party in the now resolved litigation.

### **Fiscal Impact**

There is no fiscal impact to OMWD in approving Encroachment Permit No. 429, and the applicant has already paid the encroachment permit application and inspection fees. The Encroachment Permit Agreement stipulates that the permittee is responsible for all costs incurred to remove and rebuild any encroaching facilities should OMWD need access to its facilities within the easement for any reason.

### **Discussion**

The proposed encroaching facilities will be constructed in a manner that will minimally affect OMWD's daily operations or maintenance of facilities located in the easement. A copy of the Encroachment Permit is attached for review, and staff recommends approval given the proposed encroachments do not interfere with OMWD business and are part of a separate settlement agreement to which OMWD is party.

Staff is available to answer any questions.

Prepared by: Paul Martinez, Engineering Technician I

Reviewed by: Steven Weddle, Engineering Services Supervisor

Lindsey Stephenson, Engineering Manager

Joey Randall, Assistant General Manager

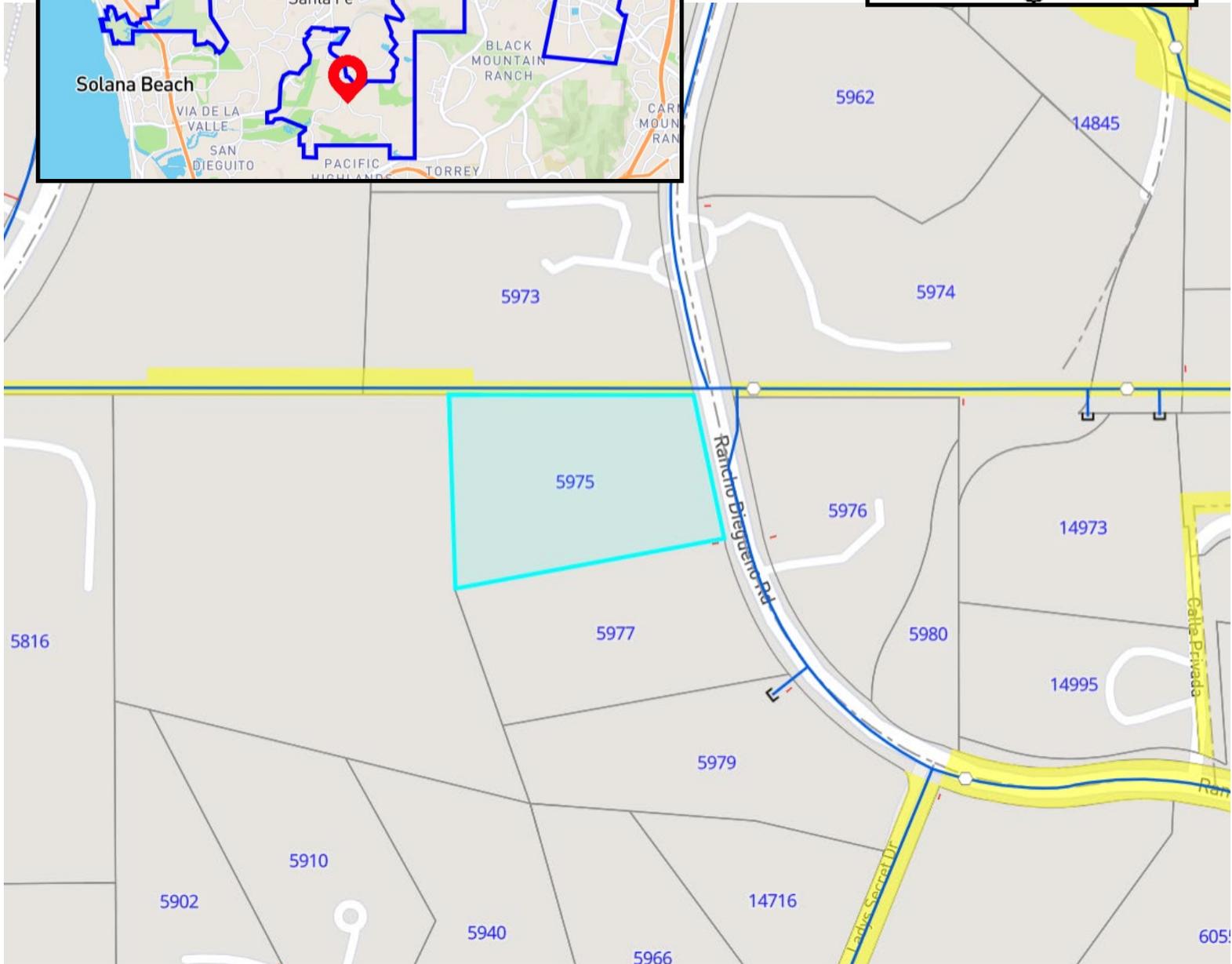
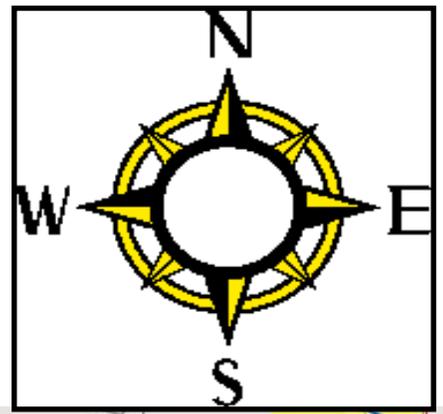
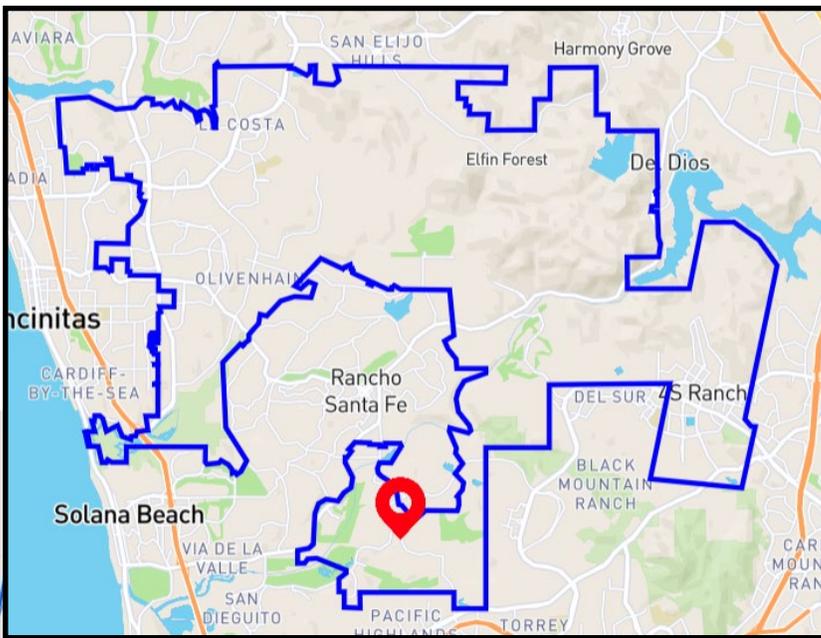
Approved by: Kimberly A. Thorner, General Manager

Alfred E. Smith, General Counsel

*Attachments:*

*Location map*

*Encroachment Permit Agreement No. 429*



## LOCATION MAP

5975 Rancho Diegueno

DISTRICT PROJECT NO. W430064

**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. 302-303-06-00 & 303-041-09-00

**OLIVENHAIN MUNICIPAL WATER DISTRICT**

**PRIVATE ENCROACHMENT PERMIT AGREEMENT NO. 429**

THIS PRIVATE ENCROACHMENT PERMIT AGREEMENT No. **429** (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 PARS Sorrento Valley Science Park I, L.P., a California limited partnership (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. 84-343880, recorded on September 11, 1984 in the Official Records, San Diego County, not attached hereto, but incorporated herein by reference (“OMWD Easement”) over a portion of the property identified as Assessor’s Parcel Number 302-303-06-00 which is owned by Lynxt Enterprises, LLC, a Delaware limited liability company (hereinafter “LYNXT”).

**2.** PERMITTEE owns the parcel adjacent to LYNXT, which is identified as Assessor’s Parcel Number 303-041-09-00. PERMITTEE desires to encroach upon that portion of the OMWD Easement on LYNXT’s parcel, which is described on Exhibit “A” [Plat Map needed for legal description] with the facilities described in Exhibit “B”, both attached hereto.

3. LYNXT will allow said encroachment pursuant to that certain Settlement and Release Agreement by and among DISTRICT, PERMITTEE and LYNXT, dated January 26, 2024 and attached hereto as Exhibit “C” (“Settlement Agreement”).

4. Consistent with the Settlement Agreement, LYNXT granted PERMITTEE a 5 foot easement by and through an Exclusive Easement Agreement recorded in San Diego Official Records as Document No. 2024-0117634 on May 10, 2024, which is attached hereto as Exhibit “D” .

5. The parties agree that PERMITTEE shall be entitled to encroach upon a portion of the OMWD 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 OMWD Easement Area**: PERMITTEE is hereby granted permission to encroach upon the OMWD Easement as described in Exhibit “A” (“Encroachment Area”) in the manner specified in Exhibit “B” (the “Encroachment Facilities”) 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 OMWD Easement. This Agreement is subject to the OMWD Easement and PERMITTEE shall be bound by the terms, conditions, and covenant set forth in the OMWD Easement.

3. **Construction of Encroachment Facilities**: PERMITTEE shall be solely responsible for all fees, costs, and expenses of whatever type or nature associated with construction of the Encroachment Facilities. The DISTRICT shall be notified at least forty-eight (48) hours prior to commencement of construction of the Encroachment Facilities and shall be permitted to inspect and approve all Encroachment Facilities construction. All Encroachment Facilities 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 Encroachment Facilities and Encroachment Area as requested by the DISTRICT from time to time, in the manner directed by the DISTRICT, 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. Other than as expressly provided for herein, PERMITTEE shall not disturb, disrupt, or interfere with DISTRICT'S use or occupancy of, or access to and from, the easement and/or the DISTRICT facilities.

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 (including, but not limited to, attorney's fees, expert fees and costs, and court costs) 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 and/or Encroachment Area except claims caused by the sole active negligence or intentional misconduct of the DISTRICT or its agents or employees.

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

11.2. A horizontal clearance of five (5) feet shall be maintained between the DISTRICT's underground facilities and the approved Encroachment Facilities.

11.3. The horizontal clearance to be maintained between the DISTRICT's facilities and the above ground Encroachment Facilities shall be determined at the sole discretion of the

DISTRICT, and may be revised from time to time, in the DISTRICT's sole discretion; provided, however, such determination be consistent with that the Settlement Agreement.

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 prior written approval.

**12. Termination:** PERMITTEE shall have 180 days to cure any violation of any of the terms of this Agreement. Notwithstanding the foregoing, in the event DISTRICT is made aware of a default by PERMITTEE resulting in an emergency that immediately threatens or endangers (i) human life or safety or (ii) operation of DISTRICT facilities, or any other improvement or appurtenance of DISTRICT, then without notice to PERMITTEE, DISTRICT may take any appropriate action and perform any necessary or appropriate corrective work, as determined by DISTRICT, in its sole discretion, at PERMITTEE'S sole cost and expense. Any uncured violation of any of the terms of this Agreement by PERMITTEE shall, after the applicable cure period, 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, as described in Section 6.3 above.

**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 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. **Counterparts:** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

22. **Effective Date:** The effective date of this permit is \_\_\_\_\_, 2025.

23. **Board of Director’s Approval:** This Agreement is executed by the DISTRICT pursuant to Board action of May 21<sup>st</sup>, 2025.

**“DISTRICT”**

OLIVENHAIN MUNICIPAL WATER DISTRICT

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

By:

\_\_\_\_\_

Kimberly A. Thorner  
General Manager

**“PERMITTEE”**

PARS SORRENTO VALLEY SCIENCE PARK

I,

L.P., a California Limited Partnership  
By: PARS SVSP, INC., a Delaware Corp., its  
General Partner

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

By:

\_\_\_\_\_

Firouz D. Memarzadeh, President

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

# EXHIBIT "A"

## LEGAL DESCRIPTION

LOT 7 OF SAN DIEGO TRACT NO 4413, IN THE COUNTY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 11372, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 21, 1985.

APN: 302-303-06



A handwritten signature in black ink, appearing to read "Mary Beth Cassidy".

MARY BETH CASSIDY, PLS 9949

10/20/2025

DATE:

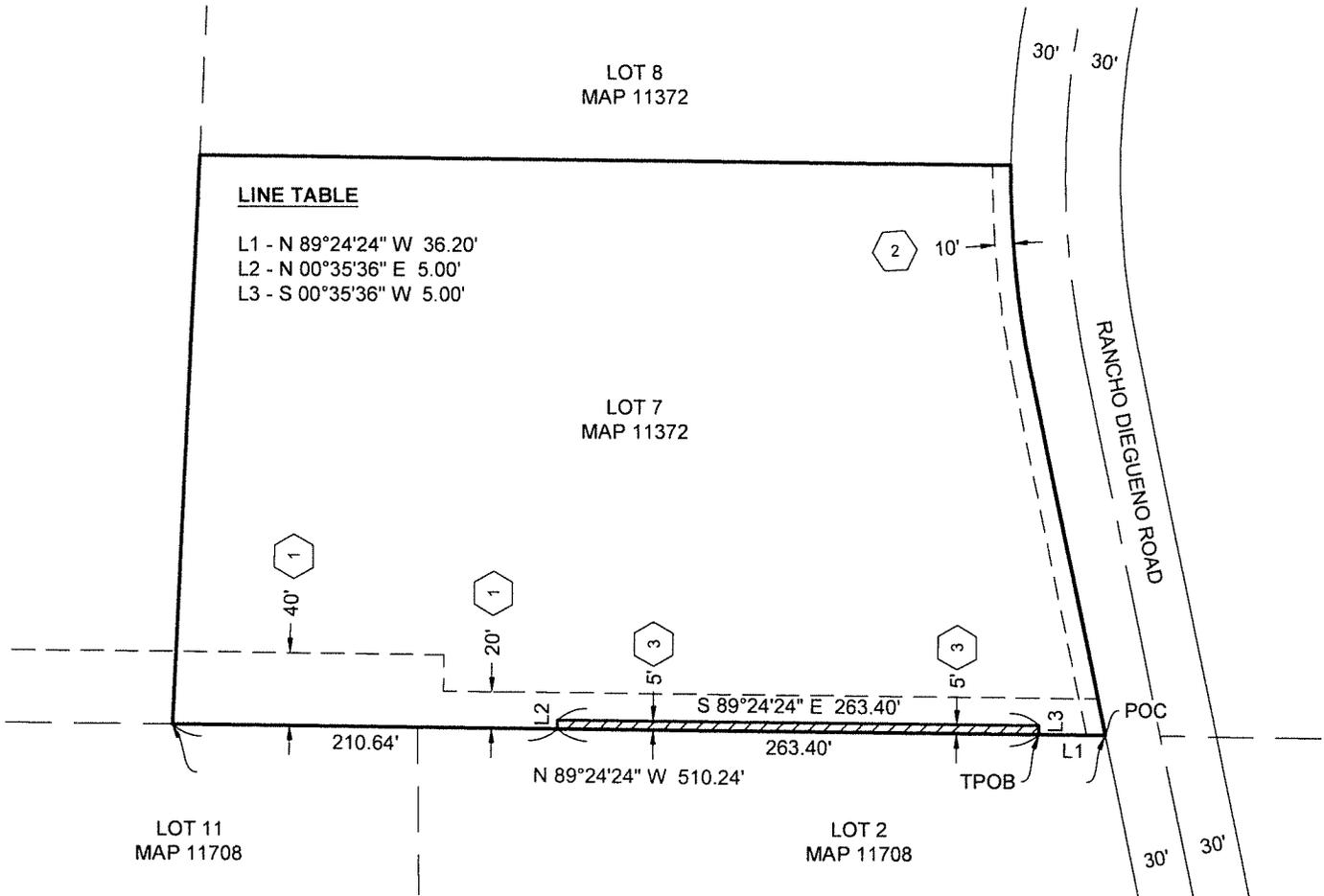
# EXHIBIT "B-1"

## ENCROACHMENTS

1. ENCROACHMENT FACILITIES:  
CONCRETE WALL, CONCRETE MOW STRIP, LANDSCAPE LIGHT, SPRINKLER HEAD,  
IRRIGATION VALVE, HOSE BIB, AREA DRAIN
2. ENCROACHMENT AREA:  
PORTION OF EXISTING OMWD PUBLIC UTILITY EASEMENT OVER SUBJECT PROPERTY.

# EXHIBIT "B-2"

## PLAT



**LINE TABLE**

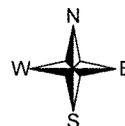
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 L2 - N 00°35'36" E 5.00'  
 L3 - S 00°35'36" W 5.00'

**EXISTING EASEMENTS**

- 1 OLIVENHAIN MUNICIPAL WATER DISTRICT EASEMENT, RECORDED SEPTEMBER 11, 1984 AS INSTRUMENT NO. 84-343880 OF OFFICIAL RECORDS.
- 2 SAN DIEGO GAS & ELECTRIC UTILITY EASEMENT, RECORDED MARCH 18, 1987 AS INSTRUMENT NO. 87-139795 OF OFFICIAL RECORDS.
- 3 EXCLUSIVE EASEMENT AGREEMENT RECORDED MAY 10, 2024 AS DOC#2024-0117634

**LEGEND**

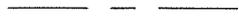
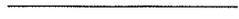
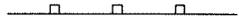
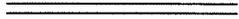
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	RIGHT-OF-WAY LINE		EXISTING EASEMENT LINE
	CENTER LINE		EXCLUSIVE EASEMENT AGREEMENT RECORDED MAY 10, 2024 AS DOC#2024-0117634

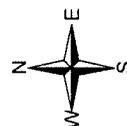
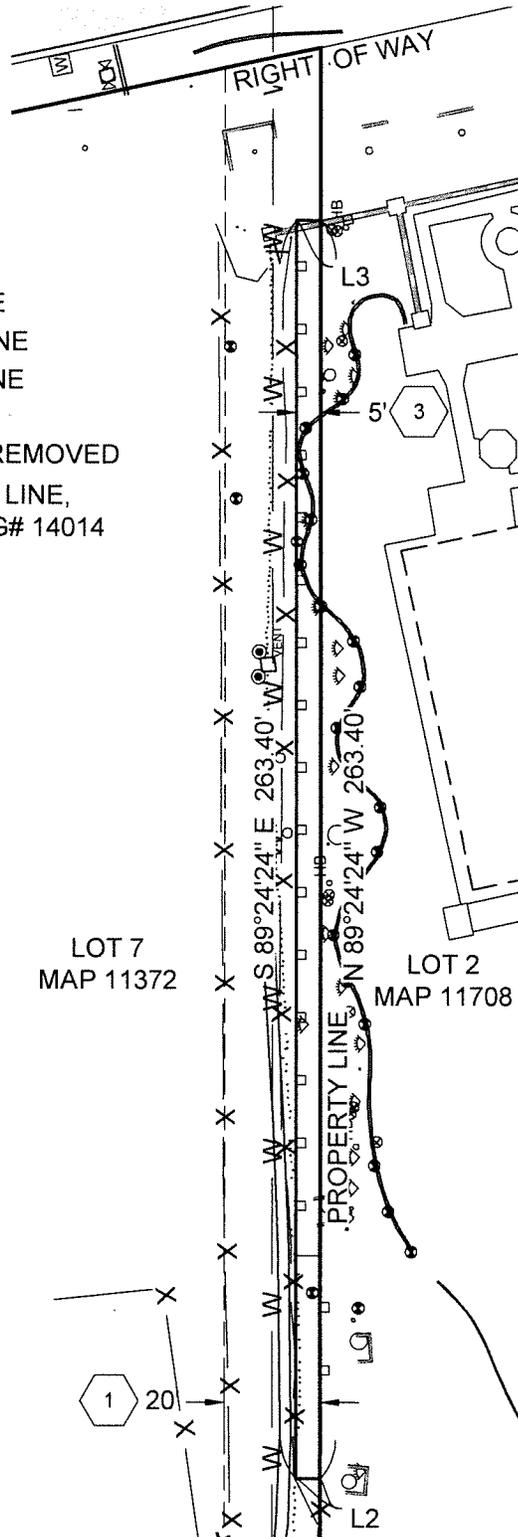


# EXHIBIT "B-3"

## EXISTING CONDITIONS

### LEGEND

-  PROPERTY LINE
-  RIGHT-OF-WAY LINE
-  CENTER LINE
-  EXISTING PROPERTY LINE
-  ADJOINING PROPERTY LINE
-  TIE LINE / REFERENCE LINE
-  EASEMENT LINE
-  EXISTING FENCE, TO BE REMOVED
-  EXISTING 12" ACP WATER LINE, PER OMWD AS BUILT DWG# 14014
-  PROPOSED FENCE
-  WALL
-  CONCRETE MOW STRIP
-  LANDSCAPE LIGHT
-  SPRINKLER HEAD
-  VALVE - IRRIGATION
-  HOSE BIB
-  AREA DRAIN
-  BOLLARD
-  FIRE HYDRANT
-  METER - WATER



# EXHIBIT "B-4"

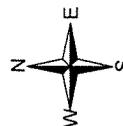
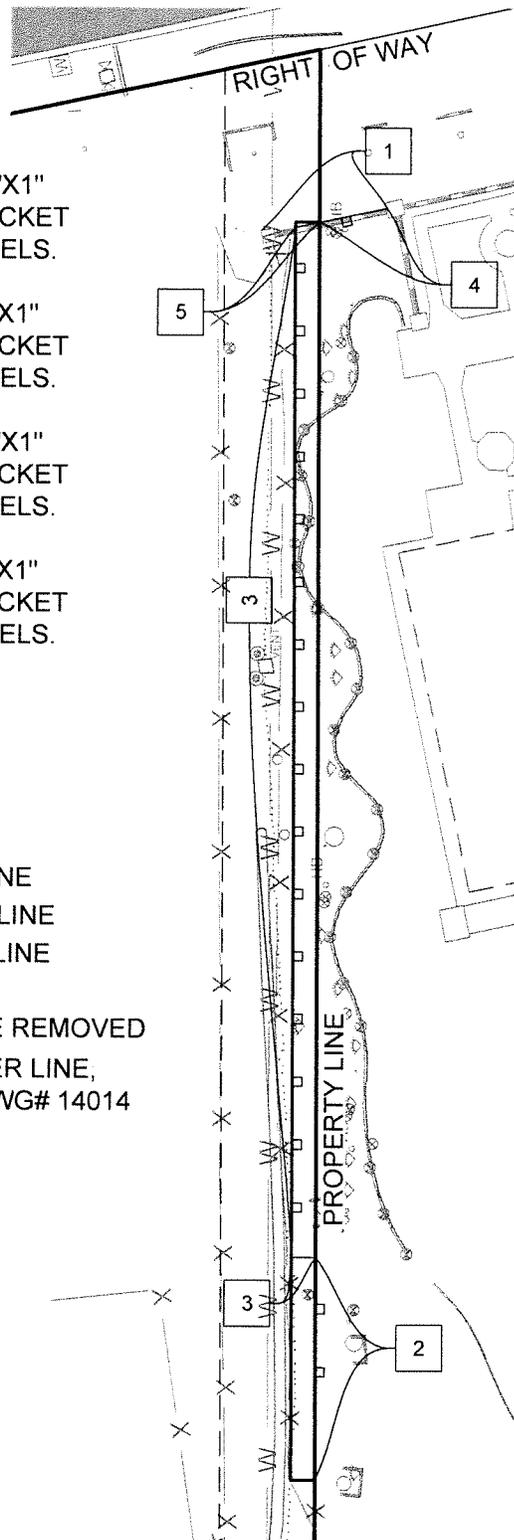
## PROPOSED FENCING

### PROPOSED FENCING PLAN

- 1 EXISTING CONCRETE WALL TO BE REMOVED
- 2 PROPOSED STATIONARY 5' HEIGHT, 3"X1" POWDER COATED, BRONZE COLOR PICKET FENCE, CONSISTING OF 80" WIDE PANELS.
- 3 PROPOSED REMOVABLE 5' HEIGHT, 3"X1" POWDER COATED, BRONZE COLOR PICKET FENCE, CONSISTING OF 80" WIDE PANELS.
- 4 PROPOSED STATIONARY 6' HEIGHT, 3"X1" POWDER COATED, BRONZE COLOR PICKET FENCE, CONSISTING OF 80" WIDE PANELS.
- 5 PROPOSED REMOVABLE 6' HEIGHT, 3"X1" POWDER COATED, BRONZE COLOR PICKET FENCE, CONSISTING OF 80" WIDE PANELS.

### LEGEND

	PROPERTY LINE
	RIGHT-OF-WAY LINE
	CENTER LINE
	EXISTING PROPERTY LINE
	ADJOINING PROPERTY LINE
	TIE LINE / REFERENCE LINE
	EASEMENT LINE
	EXISTING FENCE, TO BE REMOVED
	EXISTING 12" ACP WATER LINE, PER OMWD AS BUILT DWG# 14014
	PROPOSED FENCE WALL
	CONCRETE MOW STRIP
	LANDSCAPE LIGHT
	SPRINKLER HEAD
	VALVE - IRRIGATION
	HOSE BIB
	AREA DRAIN
	BOLLARD
	FIRE HYDRANT
	METER - WATER



## EXHIBIT "B-5"

### FENCE & GATE SPECIFICATIONS – ALL FINISHED PRODUCTS WILL BE POWDER COATED DARK BRONZE COLOR

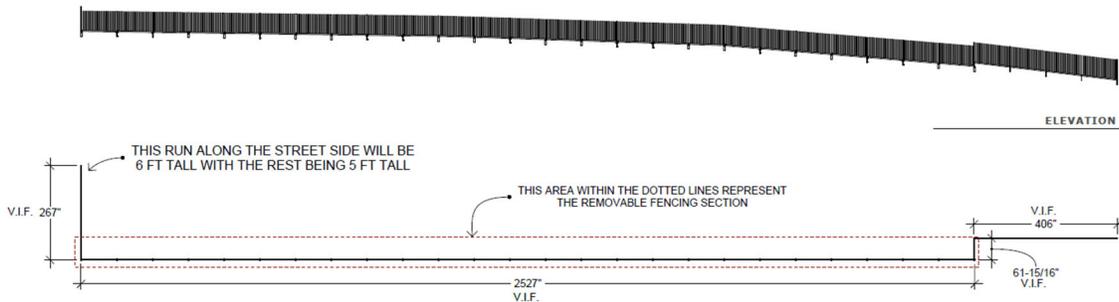
FENCES (see schematics below)

#### A. Fence 1

1. 250 ft of fence (216 ft removable + 34 ft stationary) parallel to the property line with the following specifications:
  - i. 3"x1" rectangular tube pickets with 2" spacing
  - ii. 5' height with 3"x2" rectangular tube posts with steel welded caps on top and bottom
  - iii. There will be two 1"x1" square tubing straps welded behind the fence 4" from the top and 4" from the bottom. All square tubing will be with steel welded caps on both ends.
  - iv. The removable fence will be 5 ft away from the property line.
  - v. The stationary fence will be on the property line.
  - vi. Transition between removable and stationary fences will be via a 5 ft dog leg removable fence of the same specifications as above.
  - vii. All fence panels will be 80" wide (unless field installation only allows otherwise) and will be welded to a post on one side and screwed to the post on the opposing side

#### B. Fence 2

2. 22.5 ft of fence (5 ft removable + 17.5 ft stationary) in place of the existing masonry wall with the following specifications:
  - i. 3"x 1" rectangular tube pickets with 2" spacing with steel welded caps on top and bottom
  - ii. 6' height with 3"x2" rectangular tube posts with steel welded caps on top and bottom
  - iii. There will be two 1"x1" square tubing straps welded behind the fence 4" from the top and 4" from the bottom. All square tubing will be with steel welded caps on both ends.
  - iv. The removable fence will be 5 ft away from the property line along the line of the existing masonry wall.
  - v. The stationary fence will be on the line of the existing masonry wall.



## Exhibit B-6

### Fence Post Sleeve Installation Description

Each fence post consists of a **3 in. × 2 in. rectangular steel post** installed inside a **4 in. × 3 in. rectangular steel sleeve**. The steel sleeve is **24 inches in height** and is embedded **24 inches below finished grade**, with the top of the sleeve **flush with ground level**.

The sleeve is set plumb in an excavated hole and fully encased in concrete to provide lateral stability and resistance to movement. Native soil surrounds the concrete footing.

Once the concrete has cured, the 3 in. × 2 in. steel fence post is inserted into the sleeve, allowing for accurate alignment, ease of replacement, and isolation of the post from direct soil contact.

The concrete footing shall be maximum 24" deep and maximum 24" in width. All holes to be hand-dug to ensure precision and avoid any risk to existing utilities. All installation to be observed by OMWD Staff.

- The hole will be hand dug 2'x2'x2'.
- Concrete will be poured 2'x2'x2'.
- 4"x3"x2' steel post will be inserted inside the concrete and will be finished flush with the dirt.

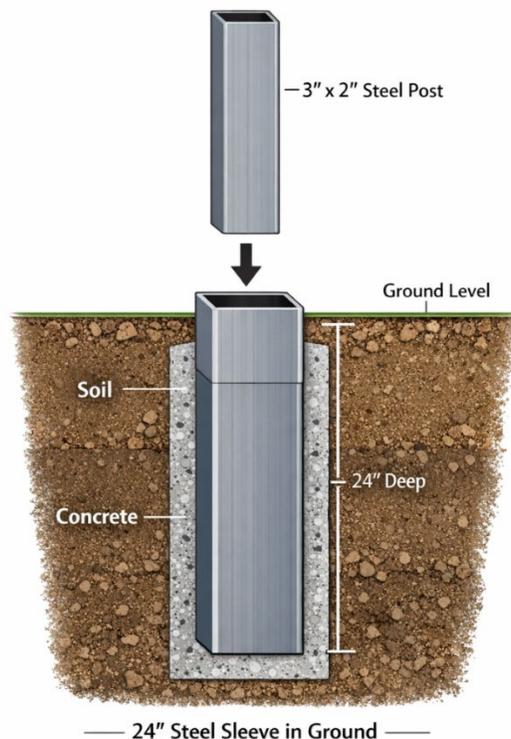


EXHIBIT "C"

**SETTLEMENT AND RELEASE AGREEMENT**

This Settlement and Release Agreement ("Agreement") is made by and among LYNXT ENTERPRISES, LLC, a Delaware limited liability company. ("Lynxt"), the OLIVENHAIN MUNICIPAL WATER DISTRICT, a California public agency ("OMWD"), and PARS SORRENTO VALLEY SCIENCE PARK I, LP, a California limited partnership ("PARS"). Lynxt, OMWD, and PARS are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties." The "Effective Date" of this Agreement shall be the last date on which the Agreement has been signed by all Parties.

**RECITALS**

This Agreement is entered into with reference to the following facts:

- A. Lynxt is the owner of the real property commonly known as 5973 Rancho Diegueno Road, Rancho Santa Fe, California which is identified by Assessor's Parcel Number 302-303-06-00 (the "Lynxt Property") and legally described in the Grant Deed attached hereto and incorporated herein by this reference as **Exhibit A**.
- B. OMWD is the grantee and the dominant tenement holder of an easement located over 5973 Rancho Diegueno Road, Rancho Santa Fe, California, evidenced by and legally described in Document No. 84-343880 and recorded September 11, 1984 in the Official Records of San Diego County (the "OMWD Easement") attached hereto and incorporated herein by this reference as **Exhibit B**.
- C. PARS is the owner of the real property commonly known as 5975 Rancho Diegueno Road, Rancho Santa Fe, California which is identified by Assessor's Parcel Number 303-041-09-00 (the "PARS Property") and legally described in the Quitclaim Deed attached hereto and incorporated herein by this reference as **Exhibit C**.
- D. On or about February 15, 2019, Lynxt filed a complaint (the "Complaint") in the San Diego Superior Court North County Division, Case No. 37-2019-00008861-CU-OR-NC (the "Action"). Lynxt subsequently amended the Complaint. On November 7, 2019 Lynxt filed its operative second amended complaint ("SAC"). The SAC asserts claims for trespass, interference with easement, and declaratory relief. OMWD and PARS answered the SAC and PARS filed a cross-complaint to quiet title to an equitable protective interest and for declaratory relief (the "Cross-Complaint" and hereinafter, collectively the "Action").
- E. The Parties are desirous of resolving all of their disputes and differences regarding the issues in the Complaint, the SAC, the Cross-Complaint, and the Action and to settle the Action under the terms described herein.

**AGREEMENT**

NOW THEREFORE, for good and valuable consideration and in consideration of the covenants contained herein, the Parties agree as follows:



1. **Incorporation of Recitals.** The Recitals set forth above are incorporated herein by this reference.
2. **Acknowledgment of Location of Common Boundary and OMWD Easement:** The Parties agree that the property line separating the Lynxt Property from the PARS Property and the location of the OMWD Easement are both accurately set forth on the ALTA/NSPS Land Title Survey prepared by Pasco Laret Suiter which is recorded with the County of San Diego Recorder's Office as Record of Survey No. 23080, File No. 2018-7000392, filed on October 4, 2018 (the "Survey"), a true and accurate copy of which is attached hereto as **Exhibit D** such that (a) Lynxt owns fee title to all of the property situated on its side of the common property boundary, (b) OMWD is the owner of the dominant tenement to the OMWD Easement, and (c) PARS owns fee title to all of the property situated on its side of the common property boundary all as demarcated on the Survey.
3. **Release of all Claims to the Lynxt Property.** Effective upon full execution of this Agreement, PARS releases and waives all claims to the Lynxt Property, including without limitation, claims for an easement, whether prescriptive, equitable or otherwise, and quiet title to the Lynxt Property as it is described in Exhibit A and demarcated in **Exhibit D**. Nothing herein is intended to nullify or contradict the grant of the New Five Foot Easement as provided for in Paragraph 5 herein attached hereto as **Exhibit F**.
4. **The Olivenhain Municipal Water District.** The Parties agree that Lynxt's predecessor in interest granted to OMWD an easement interest in the Lynxt Property for any and all purposes, including but not limited to pipeline, fixtures, and appurtenances, which was recorded September 11, 1984 in the Official Records of San Diego County. The OMWD Easement burdens the Lynxt Property, and not the PARS Property, provided, however, that upon the grant and recordation of the New Five Foot Easement as set forth in Paragraph 5 herein PARS shall also be subject to the terms of the OMWD Easement. A true and accurate copy of the OMWD Easement is attached hereto as **Exhibit B**.
  - a. The OMWD Easement provides, *inter alia*, that the Grantor, its heirs, successors, and assigns, shall not erect or construct or permit to be erected or constructed, any building, structure or improvement on, over or under any portion of the easement, nor shall Grantor, its heirs, successors, or assigns, plant any tree or trees or plant any other vegetation or flora, nor dig or drill any any hole or walls on any portion of the easement.
  - b. The Grantor also agreed that no other easement or easements shall be granted on, under, or over this easement without obtaining the prior written consent of Grantee.
  - c. Notwithstanding any other provision of this Agreement, the releases set out herein do not apply to any claims of violation of the OMWD Easement. Nothing in this Agreement will restrict OMWD's ability to enforce its easement rights in any manner necessary to protect its rights and/or its facilities.



5. **New Five Foot Easement.** Lynxt agrees to grant to PARS a five foot easement to run with the land over the OMWD Easement as set forth in the plat map, detail map and the legal description set forth therein in the form attached hereto as **Exhibit E** (the "**Five Foot Easement**"). All Parties agree that, other than OMWD's rights under the OMWD Easement, the Five Foot Easement shall be exclusive to PARS and its successors-in-interest. The Five Foot Easement shall be junior and subordinate to the OMWD Easement. PARS shall be subject to and bound by the terms, conditions and covenants set forth in the OMWD Easement, including without limitation, those set forth in Paragraph 4(a) and (b) which are recited above, otherwise, however, the Five Foot Easement shall be for PARS' exclusive use. Within fifteen (15) business days of the Effective Date of this Agreement, Lynxt shall execute, notarize, and deliver to counsel for PARS and OMWD the easement agreement in recordable form for the Five Foot Easement (the "Easement Agreement") which, after approval by OMWD, counsel for PARS may record. The Easement Agreement shall be in the form attached hereto as **Exhibit F**. Lynxt agrees not to erect a fence in the OMWD Easement at any point along the length of the New Five Foot Easement granted pursuant to Exhibit F.
- a. **Indemnity for Use of Five Foot Easement.** PARS agrees to indemnify and defend Lynxt, its successors and assigns, and OMWD against any and all claims, actions, or demands, costs or expense, including reasonable attorney's fees and costs, including expert costs, arising out of or in any way connected to any activities of PARS, its successors, assigns or invitees arising out of its use of the Lynxt Property and the New Five Foot Easement, excluding therefrom claims resulting from the negligence or willful misconduct of Lynxt.
- b. **Compliance with Law.** PARS agrees to comply with all applicable governmental laws, regulations and rules with respect to the OMWD Easement as they relate to the Five Foot Easement.
6. **Removal/Construction of Improvements.** Prior to the commencement of any removal or construction work in the OMWD Easement as provided below in this Paragraph 6, the Party responsible to perform the work (i) shall provide a minimum of ten (10) business days advance written notice to counsel for OMWD, and (ii) OMWD Personnel must be present for any work performed in the OMWD Easement and cannot proceed without OMWD Personnel present. Additionally, OMWD and Lynxt shall be named as an additional insured and certificate holder under applicable insurance of the vendors. OMWD and Lynxt shall be furnished with proof of insurance prior to the commencement of any work within the OMWD Easement.
- a. **Ficus Hedge.** The ficus hedgerow that runs parallel north of Lynxt's southern property line, located in the OMWD Easement, and depicted on **Exhibit G** named



“row of cut off trees” has been stumped and killed, and debris has been removed from the site

- b. Masonry Block Wall. Within no later than ten (10) business days of the Effective Date, PARS shall engage a licensed general contractor to remove the entire width of the front wall and pilaster to a point beyond the shared Lynxt/PARS property line, as depicted on **Exhibit G** beginning at the portion identified as “masonry wall to be removed” and continuing to a point on the PARS Property at or beyond the point identified on **Exhibit G** as “location of front panel.” The work shall be completed within no later than sixty (60) days of Architectural Review Committee of Del Rayo Estates’ approval of the PARS’ fence. In the event the Architectural Review Committee of Del Rayo Estates denies the approval of the fence, PARS shall nevertheless remove the “masonry wall” within sixty days of the denial. The work, including debris removal, shall be performed at PARS’ sole cost and expense. PARS shall notify both Lynxt and OMWD of the date and time of the work to be performed and the work shall not be performed outside the presence of both Lynxt and OMWD Personnel. Additionally, OMWD and Lynxt shall be named as an additional insured and certificate holder under applicable insurance of the contractor. OMWD and Lynxt shall be furnished with proof of insurance prior to the commencement of any work within the OMWD Easement.
- c. PARS’ Fence. Within five (5) days of the Effective Date of this Agreement, PARS shall apply for an Encroachment Permit for the installation of a fence within the Five Foot Easement Area (PARS’ Fence). PARS and OMWD shall cause the approved Encroachment Permit to be recorded within five (5) business days of OMWD’s approval of the Permit. Within no later than six (6) months of the latter of (1) the recordation of the Encroachment Permit, (2) the removal of the masonry block wall provided for in Paragraph 6(b) above, and (3) approval of the fence by the Architectural Review Committee of Del Rayo Estates, PARS shall commence the construction/installation of the PARS’s Fence and shall provide at least ten (10) business days advance written notice to OMWD and Lynxt of the date which it intends to install a fence within the Five Foot Easement Area (“PARS’ Fence”) in accordance with an approved OMWD Encroachment Permit. The PARS Fence shall be installed from the current location of the masonry block wall as depicted on **Exhibit G** continuing along the entirety of the length of the New Five Foot Easement (i.e. 263.4 feet and per the coordinates set forth on **Exhibit E**). The PARS Fence shall be completed within three months of the commencement of construction/installation set forth above. The PARS Fence shall be a contiguous fence for the length of the New Five Foot Easement (i.e. 263.4 feet and per the coordinates set forth on **Exhibit E**). The location of OMWD’s waterline is approximately ten (10) feet north of the property line as



depicted on **Exhibit H**. Thus, the Parties agree that PARS' Fence may be located up to five (5) feet north of the property line as depicted on **Exhibits G and H**. PARS' Fence panels within the OMWD Easement shall be removable for the purpose of allowing OMWD access to the OMWD Easement and the underground pipeline. PARS' Fence shall also be child/pool safe. To that end, the specifications for PARS' Fence shall be substantially in the form as set forth in detail in **Exhibit I**, and identified as "Fence 1." Notwithstanding the current Exhibit I and its provision for a fence 250 ft in length or otherwise, the fence shall be pool safe and 263.4 feet in length, consistent with the length of the New Five Foot Easement. Additionally, OMWD and Lynxt shall be named as an additional insured and certificate holder under applicable insurance of the contractor in connection with the construction of the PARS' Fence. OMWD and Lynxt shall be furnished with proof of insurance prior to the commencement of any work within the OMWD Easement

- d. Installation of Removable Front Fence Panel. PARS shall install a removable fence panel in the Five Foot Easement area not to exceed five feet wide measured from the southern to the northern edges of the Five Foot Easement and with a height of approximately six foot abutting and continuing from the line of the existing masonry wall (the "Front Panel"), location as depicted on **Exhibit G**. The Front Panel shall be constructed substantially in the form as shown on **Exhibit I** and in accordance with an approved OMWD Encroachment Permit. The Front Panel shall be constructed with hardware substantially in the form of **Exhibit I**, so as to be removable.
- e. The Existing Chain Link Fence. The existing chain link fence situated on Lynxt's southern boundary shall remain and not be removed ("Lynxt Chain Link Fence"). One of the panels that was installed by Lynxt has unraveled, which lies west of the third pine tree, and shall be properly replaced by Lynxt.
- f. The Temporary Construction Fencing. Lynxt installed temporary construction fencing on the Lynxt property adjacent to the Lynxt/PARS boundary. Within thirty (30) days of the complete installation/construction of the PARS' Fence, Lynxt shall remove the temporary construction fencing.
- g. Installation of Front Gate. Lynxt shall install a gate approximately fifteen feet wide and no less than six feet high abutting the Front Panel ("Lynxt Gate"). Prior to the installation of the Lynxt Gate, an approved and recorded Encroachment Permit is required. The Lynxt Gate shall be constructed of materials of Lynxt's choosing and shall be of a design in keeping with the nature and quality of the community and the Parties' properties and in accordance with an approved OMWD Encroachment Permit. Lynxt is not obligated to install the Lynxt Gate in



the event OMWD and/or the Architectural Review Committee Del Rayo Estates does not approve the Pars' Fence.

- h. **Removal and Replacement of Landscaping.** Lynxt shall assume the cost and expense of removal and replacement of the improvements within the area shown in **Exhibit J** which OMWD has mandated be removed. Specifically, Lynxt shall remove the Canary Palm, mow curb, and railroad tie retaining walls as shown on **Exhibit J**. Within no later of 90 days of the Effective Date of this Agreement, PARS shall cut back and cap to PARS' side of the property line any irrigation currently extending into the highlighted area shown on **Exhibit J**, and any irrigation farther west which extends into the OMWD Easement.
- i. **Encroachment Permits.** OMWD will allow for the improvements located within the Five Foot Easement area shown on **Exhibit E**, which is within the OMWD Easement, to remain and PARS may erect a fence within the Five Foot Easement subject to the restrictions set forth in Paragraph 6(c) herein as long as PARS applies for and is awarded an encroachment permit from OMWD. OMWD further agrees that it will allow Lynxt to install the Lynxt Gate within the OMWD Easement as long as Lynxt applies for and is awarded an encroachment permit from OMWD.

7. **Dismissal of the Lawsuit.** Within five (5) days of full execution of this Agreement, the Parties shall dismiss the respective Complaint and Cross-Complaint by filing a Request for Dismissal with prejudice. Each Party shall bear its own attorney's fees and costs (including expert fees/costs) up to and including the negotiation and execution of this Agreement, except as expressly provided for herein.

8. **Mutual Releases.**

- a. **Lynxt Release.** Upon full execution of this Agreement, Lynxt and all of its predecessors and successors, heirs, agents, trustees and beneficiaries (all of the foregoing persons and entities are hereinafter collectively referred to as the "**Lynxt Releasing Parties**"), do hereby fully and finally release, acquit and forever discharge each and every Party hereto, including all of their predecessors and successors, as well as each and all of their sister and related and parent companies, subsidiaries and related corporations, joint venturers, assigns, partners, members, managers, officers, insurers, underwriters, directors, shareholders, administrators, heirs, executors, trustees, beneficiaries, administrators, representatives, affiliates, stockholders, employees, and attorneys and agents (all of the foregoing persons and entities are hereinafter collectively referred to as the "**Lynxt Released Parties**"), of and from all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims, and demands whatsoever, in law or in equity, and damages of any kind, known or unknown, existing or arising in the future



(collectively “**Released Lynxt Claims**”), which each Party ever had, now has, shall, or may have against the Released Parties, relating to, arising out of, or connected to the Action and each claim made therein. This release shall not apply to the obligations set forth in this Agreement.

- b. **PARS Release.** Upon full execution of this Agreement, PARS and all of its predecessors and successors, heirs, agents, trustees and beneficiaries (all of the foregoing persons and entities are hereinafter collectively referred to as the “**PARS Releasing Parties**”), do hereby fully and finally release, acquit and forever discharge each and every Party hereto, including all of their predecessors and successors, as well as each and all of their sister and related and parent companies, subsidiaries and related corporations, joint venturers, assigns, partners, members, managers, officers, insurers, underwriters, directors, shareholders, administrators, heirs, executors, trustees, beneficiaries, administrators, representatives, affiliates, stockholders, employees, and attorneys and agents (all of the foregoing persons and entities are hereinafter collectively referred to as the “**PARS Released Parties**”), of and from all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims, and demands whatsoever, in law or in equity, and damages of any kind, known or unknown, existing or arising in the future (collectively “**Released PARS Claims**”), which each Party ever had, now has, shall, or may have against the Released Parties, relating to, arising out of, or connected to the Action and each claim made therein. This release shall not apply to the obligations set forth in this Agreement.
- c. **Limitation of Releases.** Notwithstanding any other provision of this Agreement, the releases set out herein do not apply to the obligations set forth in this Agreement and any claims arising out of the failure of any Party to perform in conformity with the terms of this Agreement. In addition, the releases set out herein do not apply to any claims by OMWD or actions OMWD may take in the future to protect the OMWD Easement or its superior easement rights.
9. **Waiver of Civil Code section 1542.** Lynxt and PARS expressly acknowledge that each intends to waive any and all rights each may have under California Civil Code Section 1542 (“Section 1542”) or under any successor or amended statute or other state or federal statute or law of similar effect. Section 1542 states:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”



Lynxt and PARS acknowledge that they, or any of them, may hereafter discover claims or facts now unknown or unsuspected, or in addition to, or different from those which they now know or believe to be true with respect to this Agreement and matters released herein. With respect to this Agreement and matters released herein, Lynxt and PARS intend by this Agreement to release fully, finally, and forever all known and unknown claims notwithstanding the discovery or existence of any such additional or different claims or facts before or after execution of this Agreement.

10. Continuing Jurisdiction to Enforce. The San Diego County Superior Court shall retain personal and subject matter jurisdiction over the Parties to enforce, interpret or otherwise obtain judicial or quasi-judicial relief in connection with the terms of this Agreement. By their signatures below, the Parties acknowledge and stipulate that this Agreement is entered into pursuant to Code of Civil Procedure section 664.6 specifically and that this Agreement constitutes a stipulation as anticipated by Code of Civil Procedure section 664.6. The Parties further agree that the Court can order specific performance of the terms of this Agreement and order injunctive relief. The Parties shall execute the Stipulation Requesting Retention of Jurisdiction and Proposed Order Thereon in the form attached hereto as **Exhibit K** concurrently with execution of this Agreement, which shall be immediately filed with the Court upon full execution of the Agreement.
  - a. Injunctive Relief. The Parties further agree that in the event that either PARS or Lynxt breaches its obligations set forth in Paragraph 6 herein, either party may seek an injunction and may seek such relief by ex parte application and/or noticed motion.
  - b. Attorney's Fees and Costs. In the event specific performance of any term herein and/or injunctive relief is awarded, the prevailing party shall be entitled to its reasonable attorney's fees and costs, including expert costs.
11. Further Assurances. The Parties hereto hereby agree to cooperate and execute such other documents and to take such other action as may reasonably be necessary to further the purposes of this Agreement.
12. Time is of the Essence. Time is of the essence for each obligation required under this Agreement.
13. Benefit and Burden. This Agreement shall be binding upon and inure to the benefit and burden of the Parties hereto and their respective heirs, representative, successors and assigns.
14. Governing Law/Jurisdiction. This Agreement was negotiated and entered into in the State of California and shall be governed by, construed, and enforced in accordance with the internal laws of the State of California without regard to its conflict of law principles.



15. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall constitute one and the same instrument. Electronic, copied, facsimile, or emailed signatures shall be acceptable in lieu of originals for any and all purposes.
16. Severability. In the event that any condition or covenant contained in this Agreement is held to be invalid or void by any court of competent jurisdiction, such condition or covenant shall be deemed severable from the remainder of this Agreement and shall not affect any other condition or covenant contained herein. If such condition or covenant is deemed to be invalid due to the scope or breadth, the remaining portions of such provision shall remain valid to the extent and scope permitted by law.
17. Authority. Any individuals signing this Agreement and those executing on behalf of an entity represent and warrant that this Agreement is executed with the authority of such entity. To the extent, if any, that OMWD may be obligated to obtain prior approval of this Agreement from OMWD's Board of Directors, OMWD shall obtain such approval, if any, prior to executing this Agreement.
18. Voluntary Agreement. The Parties hereto, and each of them, further represent and declare that they have carefully read this Agreement and know the contents thereof, and that they sign the same freely and voluntarily. The terms of this Agreement have been negotiated at arms-length and have been jointly prepared by Counsel for each of the Parties.
19. Entire Agreement. This document contains the full, complete and exclusive understanding and agreement of the Parties with respect to the matters set forth herein. No prior or contemporaneous oral or written agreements exist in connection with this Agreement or between or among the Parties other than as provided for in this Agreement. All prior and contemporaneous discussions, negotiations and agreements of the Parties are of no force and effect. The relationship of the Parties is and shall be governed exclusively by the terms of this Agreement.
20. Independent Advice of Counsel. The Parties hereto and each of them represent and declare that in executing this Agreement, they rely upon the advice and recommendations of their own counsel concerning the nature, extent and duration of their rights and claims and that they have not been influenced to any extent whatsoever in executing the same by any of the Parties hereto or by any person representing them.
21. No Admission of Liability. Each Party agrees that this settlement is made in compromise of disputed claims, and that by entering into and performing the obligations of this Agreement, neither party concedes or admits the truth of any claim or any fact alleged by the other Parties, and the execution and performance of this Agreement shall not be construed as an admission of liability or damages by any Party.
22. Underscored References. All underscored references and headings in this Agreement are included for convenience of reference only, and are not to be relied upon in construing the terms of this Agreement.



23. Modifications. This Agreement may not be amended or modified by oral agreement. No amendment or modification of this Agreement is effective unless made in writing and executed by the Parties hereto.

LYNX ENTERPRISES, LLC

By: [Signature] Dated: 1-26-24  
Its: MANAGING MEMBER

PARS SORRENTO VALLEY SCIENCE PARK I, LP, a California limited partnership  
by PARS SVSP, INC., a Delaware Corporation, its General Partner

By: [Signature] Dated: 1/26/24  
Its: President

OLIVENHAIN MUNICIPAL WATER DISTRICT

By: [Signature] Dated: 1/26/24  
Its: General Manager

**APPROVED AS TO FORM:**

**PROCOPIO CORY HARGREAVES &  
SAVITCH, LLP**

Dated: 1/26/24 By: [Signature]  
REBECCA L. REED  
Attorneys for Lynxt

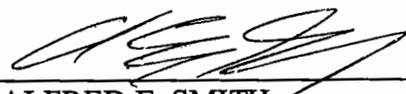
**PARKER & RIGGS LLP**

Dated: 1/26/24 By: [Signature]  
DAVID M. PARKER  
GREGORY L. RIGGS  
Attorneys for PARS

[Handwritten mark]

**NOSSAMAN LLP**

Dated: 1-26-24

By:   
ALFRED E. SMITH  
BERNADETTE M. DURAN-BROWN  
Attorneys for OMWD



# **EXHIBIT A**

# Exhibit A

Page 1

Recording requested by  
**First American Title**  
*San Diego*  
 Order No. 5287402-4  
 Escrow No. 05161241JS  
 Parcel No. 302-303-06-00

AND WHEN RECORDED MAIL DOCUMENT  
 AND TAX STATEMENT TO:

LYNXT ENTERPRISES, LLC

PO BOX 9177  
 RANCHO SANTA FE, CA 92067

DOC# 2016-0602873



Nov 07, 2016 08:00 AM  
 OFFICIAL RECORDS  
 Ernest J. Dronenburg, Jr.,  
 SAN DIEGO COUNTY RECORDER  
 FEES: \$9,368.00  
 PCOR: YES  
 PAGES: 2

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S) THAT DOCUMENTARY TRANSFER TAX IS \$9,350.00 and

- computed on full value of property conveyed, or
- computed on full value less liens or encumbrances remaining at the time of sale.
- unincorporated area: | Rancho Santa Fe, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Duayne M. Weinger and Michelle R. Weinger, as Trustees of the Duayne M. Weinger and Michelle R. Weinger family trust dated January 11, 2006

hereby GRANT(S) to Lynxt Enterprises, LLC, a Delaware limited liability company

the following described real property in the County of San Diego, State of California:

Lot 7 of County of San Diego Tract No. 4413, in the County of San Diego, State of California, according to Map thereof No. 11372, filed in the Office of the County Recorder of San Diego County, on November 21, 1985.

More commonly known as: 5973 Rancho Diegueno, Rancho Santa Fe, CA 92067

Date October 21, 2016

Duayne M. Weinger and Michelle R. Weinger, as Trustees of the Duayne M. Weinger and Michelle R. Weinger family trust dated January 11, 2006

*Duayne M. Weinger* trustee      *Michelle R. Weinger* trustee  
 By: Duayne M. Weinger, Trustee      By: Michelle R. Weinger, Trustee

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA } s.s.  
COUNTY OF SAN DIEGO

On **OCTOBER 21, 2016**, before me, TESSA MAY FLECHSENHAAR, notary public, personally appeared Duayne M. Weinger and Michelle R. Weinger, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacity(ies), and that by their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Tessa May Flechsenhaar* (Seal)



Mail Tax Statement to: SAME AS ABOVE or Address Noted Below

**EXHIBIT A**

**Page 2**

**Government Code 27361.7**

**I CERTIFY UNDER PENALTY OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS FOLLOWS:**

Name of the Notary: Tessa May Flechsenhaar

Commission Number: 2016184

Date Commission Expires: Mar 29, 2017

County where Bond is Filed: San Diego

Manufacturer / Vendor Number: NRO1

This form was executed on 11/1, 20 16 in San Diego, California

  
By: Michele Abacherli

# EXHIBIT A

Page 3



This is a true certified copy of the record  
if it bears the seal, imprinted in purple ink

A handwritten signature in purple ink, appearing to read "Ernest J. Dronenburg, Jr.", written over a faint circular stamp.

OCT 01 2019

ERNEST J. DRONENBURG, JR.  
Assessor/Recorder/Clerk  
San Diego County, California

A handwritten signature in black ink, appearing to read "Maria Keiminger", written over a faint circular stamp.  
Deputy  
**MREINNIN**

# **EXHIBIT B**

1627

RECORDING REQUESTED BY:

TICOR TITLE INSURANCE COMPANY

AND WHEN RECORDED MAIL TO:

NAME OLIVENHAIN MUNICIPAL WATER DISTRICT

STREET ADDRESS 1966 Olivenhain Road

CITY Encinitas  
STATE California  
ZIP 92024

84-343880  
RECORDED IN  
OFFICIAL RECORDS  
OF SAN DIEGO COUNTY, CA

1984 SEP 11 AM 8:00

VERA L. LYLE  
COUNTY RECORDER

NO FEE

This space for Recorder's use

*Emut. cvh*  
Title Order No. 1107564-28  
Tax Parcel No. 302-082-14, 15

NO DOCUMENTARY TRANSFER TAX

NO FEE

NO CHARGE ON THIS DOCUMENT  
FOR THE BENEFIT OF

GRANT OF EASEMENT

OLIVENHAIN WATER DISTRICT

DEL RAYO PROPERTIES, a California limited partnership

hereinafter "GRANTOR") heroby grants to OLIVENHAIN MUNICIPAL WATER DISTRICT,

a public agency

hereinafter "GRANTEE"), its successors, or assigns, the following described easement for a right of way...~~XXXXXXXXXX~~  
~~XXXXXXXXXX~~ in, upon, over, under and across the lands described below, to erect, construct, reconstruct, replace, repair, maintain, and use a pipeline or pipelines for any and all purposes, together with such fixtures and appurtenances, including, but not limited to, facilities for power transmission and communication purposes, at such locations and elevations, upon, along, over and under the right of way described below as GRANTEE may now or hereafter determine in its sole discretion without any additional compensation therefor, together with the right of ingress and egress from the easement by a practical route or routes in, upon, over, or across the land described below, together with the right to use this easement for access to GRANTEE's rights of way situated in adjacent lands, without any additional compensation therefor.

The land encompassing this easement is situated in the County of San Diego..... State of California, and is more particularly described as follows, to wit:

That portion of Block "K" and that portion of Lot 4 Block "L" of Rancho Santa Fe, in the County of San Diego, State of California, according to Map thereof No. 1742, filed in the Office of County Recorder of San Diego County, December 28, 1922 being described as follows:

Beginning at the Southeasterly corner of said Block "K"; thence North 1°22' East, 1442.10 feet; thence North 47°21'30" East, 304.87 feet; thence North 25°16' West, 300.29 feet; thence South 83°04' West, 285.00 feet; thence North 73°42' West, 124.00 feet; thence South 85°48' West, 244.00 feet; thence North 74°42' West, 377.00 feet; thence North 89°42' West, 202.00 feet; thence South 72°36' West, 184.00 feet; thence South 11°30' West to the center line of the 60.00 foot County Highway Easement as described in document recorded June 28, 1982 as File No. 82-198956 of Official Records; thence Southwesterly along said center line and the Southwesterly prolongation thereof to the center line of the 60.00 foot County Highway Easement as described in document recorded January 12, 1981, as File No. 81-009850 of Official Records; thence Southerly along said center line to an intersection with the Southerly line of said Block "L"; thence Easterly along the Southerly line of said Blocks "L" and "K" to the POINT OF BEGINNING.

OFFICIAL RECORDS, SAN DIEGO COUNTY, VERA L. LYLE, RECORDER

Said easement of right of way in the aforesaid lands is particularly described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

GRANTOR, its heirs, successors, and assigns, shall not erect or construct or permit to be erected or constructed, any building, structure or improvement on, over or under any portion of the easement, nor shall GRANTOR, its heirs, successors, or assigns, plant any tree or trees or plant any other vegetation or flora, nor dig or drill any hole or wells on any portion of the easement.

GRANTEE may, in its sole discretion, erect, maintain, or use gates in all fences which now cross or later cross any portion of the easement. GRANTEE shall also be entitled to trim, cut, or clear away any trees, brush, or other vegetation or flora from time to time as GRANTEE determines in its sole discretion without any additional compensation.

GRANTEE shall be entitled to partition, assign, joint venture, or share all or any portion of this easement with any other public agency or utility including, but not limited to, any agency supplying water or sewer services or facilities to the public as GRANTEE may determine in its sole discretion without paying any additional compensation to GRANTOR or GRANTOR's heirs, successors, or assigns, therefor.

GRANTOR agrees that no other easement or easements shall be granted on, under, or over this easement without obtaining the prior written consent of GRANTEE.

GRANTEE may at any time increase its use of the easement, change the location of pipelines or other facilities within the boundaries of the easement right of way, or modify the size of existing pipelines or other improvements as it may determine in its sole discretion from time to time without paying any additional compensation to GRANTOR or GRANTOR's heirs, successors, or assigns, provided GRANTEE does not expand its use of the easement beyond the easement boundaries described above.

It is also understood and agreed by the parties that the GRANTOR and the GRANTOR's heirs, successors, or assigns, shall not increase or decrease or permit to be increased or decreased the existing ground elevations of the above-described easement which exists at the time this document is executed without obtaining the prior written consent of the GRANTEE.

In the event of any dispute involving this Agreement, whether or not litigation is commenced, or if any arbitration proceeding, administrative proceeding or litigation in law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions or performance of this easement, the prevailing party shall be entitled to an award of all attorney's fees and the costs of the proceeding, which shall be determined by the court or the presiding officer having authority to make this determination.

GRANTOR expressly warrants and represents that GRANTOR has the power to grant this easement in accordance with its terms.

In Witness Whereof, the GRANTOR has executed this Easement this 30<sup>th</sup> day of July, 1989.

Executed in the Presence of: DEL RAYO PROPERTIES, a Partnership

[Signature]  
Witness.

By: Eugene V. Klein, a General Partner

[Signature]  
Witness.

R/W No.	1107564
DRAWN BY	<u>[Signature]</u>
CHECKED BY	
ACCT. NO.	SD-001-361-04
DATE	October 12, 1983/mb

DELAWARE COUNTY, PENNSYLVANIA

STATE OF California }  
County of San Diego } ss

PARTNERSHIP FORM

On this 30 day of July A.D., 1984 before me, Darlene Minchin  
a Notary Public in and for the said County and State, residing therein, duly commissioned and sworn, personally appeared, Eugene V. Klein  
known to me to be one of the partners of the partnership that  
executed the within instrument, and acknowledged to me that such partnership executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first  
above written.



*Darlene Minchin*  
Notary Public in and for said County and State.

GENERAL FORM

STATE OF ..... }  
County of ..... } ss

On this ..... day of ..... A.D., 19....., before me, .....  
a Notary Public in and for the said County and State, residing therein, duly commissioned and sworn, personally appeared.....  
personally known to me to be the person..... whose name ..... subscribed to the within Instrument, and duly  
acknowledged to me that..... executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first  
above written.

.....  
Notary Public in and for said County and State.

CORPORATION FORM

STATE OF ..... }  
County of ..... } ss

On this ..... day of .....  
a Notary Public in and for the said County and State, re  
and .....  
of the .....  
the Corporation that executed the within instrument, &  
behalf of the Corporation therein named, and acknowle

In Witness Whereof, I have hereunto set my hand  
above written.

This is to certify that the interest in real property  
conveyed by the deed or grant dated 30 July 1984  
from Del Rayo Properties, a California  
Limited Partnership  
to the Olivenhain Municipal Water District, a political  
corporation and/or governmental agency, is hereby accepted,  
by the undersigned officer or agent on behalf of the Board  
of Directors pursuant to authority conferred by Resolutions  
of the Olivenhain Municipal Water District adopted on  
April 6, 1981, and the grantee's consent to recordation  
thereof by its duly authorized officer.

Dated 1 August 1984  
By Shelma M. Miller  
Secretary

STATE OF CALIFORNIA, SAN DIEGO COUNTY, VERA L. IVEY

EXHIBIT "A"

## Parcel 1:

All that portion of the Southerly 20.00 feet of said Block "K" lying Easterly of the Easterly line of that certain 60.00 foot wide strip of land as described in Easement Deed to the County of San Diego, filed in the Office of the County Recorder of said San Diego County June 28, 1982, as File/Page No. 82-198956 of Official Records (Rancho Diegueno Road).

## Parcel 2:

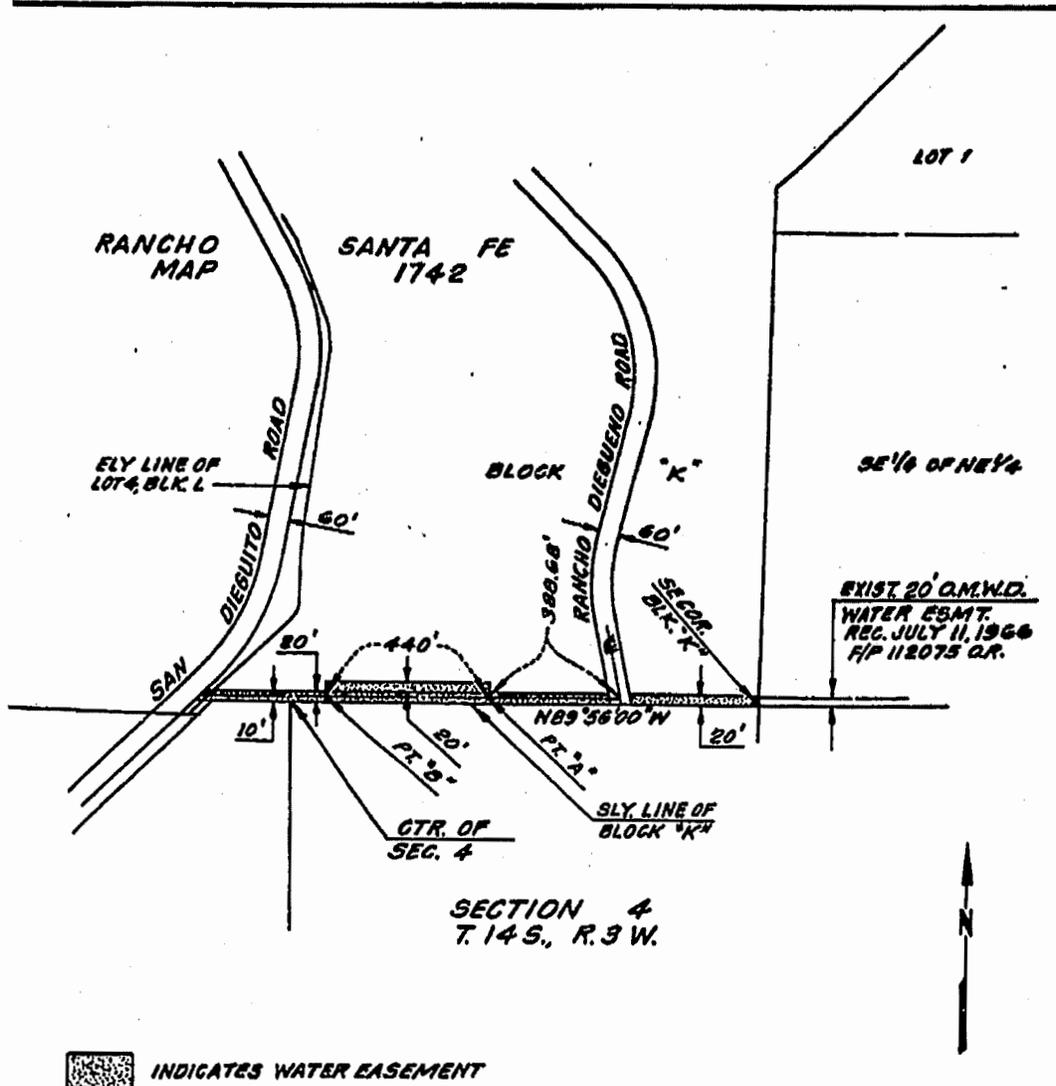
All those portions of said Block "K", and of Lot 4, Block "L" included within a strip of land 20.00 feet of even width, the center line of said 20.00 foot wide strip of land being described as follows:

Beginning at the intersection of the center line of that certain 60.00 foot wide strip of land as described in Easement Deed to the County of San Diego, filed in the Office of the County Recorder of said San Diego County June 28, 1982, as File/Page No. 82-198956 of Official Records (Rancho Diegueno Road), and the Northerly line of the Southerly 10.00 feet of said Block "K"; thence along said Northerly line, North  $89^{\circ}56'00''$  West 388.68 feet to a point herein-after referred to as Point "A"; thence continuing along said Northerly line, North  $89^{\circ}56'00''$  West 440.00 feet to a point hereinafter referred to as Point "B"; thence continuing along said Northerly line, and along the Westerly prolongation of said Northerly line, North  $89^{\circ}56'00''$  West to the Southeasterly line of that certain 60.00 foot wide strip of land as described in Easement Deed to the County of San Diego, filed in the Office of the County Recorder of said San Diego County January 12, 1981, as File/Page No. 81-009850 of Official Records (San Dieguito Road).

EXCEPTING from the 20.00 foot wide strip of land described in Parcel 2 above, that portion thereof lying within said Rancho Diegueno Road.

## Parcel 3:

All that portion of said Block "K" included within a strip of land 20.00 feet of even width, the Southerly line of said 20.00 foot wide strip of land being the Northerly line of that portion of the 20.00 foot wide strip of land described in Parcel 2 above which lies between the points designated therein as Point "A" and Point "B".



<b>PROJECT: EXTENSION NO. 125</b>		
<b>REFERENCES:</b>	<b>PLAT</b> OF EASEMENTS REQUIRED BY THE OLIVENHAIN MUNICIPAL WATER DISTRICT	ACCT. NO. <u>SD-001-361-04</u>
VALVE MAP: <u>F-12</u>		R/W NO. <u>1107564</u>
I.D. NO. <u>4</u>	 <b>Soles Engineering Corporation</b> CONSULTING ENGINEERS / ARCHITECTS	TAX PAR. <u>302-082-14, 15</u>
SCALE: <u>1" = 400'</u>		BASE MAP <u>11</u>
		DATE <u>OCT 12, 1983</u>

RECORDS DEPARTMENT, VERMILION COUNTY, MISSOURI

# **EXHIBIT C**



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of San Diego }

On 1/7/09 before me, Kenneth C Shook, Notary Public  
Date Here insert Name and Title of the Officer

personally appeared Firovzo Memarzadeh  
Name(s) of Signor(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Kenneth C Shook  
Signature of Notary Public



Place Notary Seal Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: Quitclaim Deed

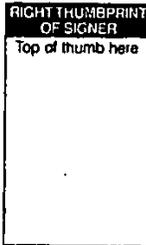
Document Date: 1/6/09 Number of Pages: 2

Signer(s) Other Than Named Above: None

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

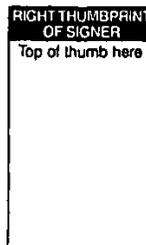
- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

5782

3

EXHIBIT A

The land referred to herein is situated in the State of California, County of San Diego and is described as follows:

PARCEL A:

Lot 2 of County of San Diego Tract No. 4343, in the County of San Diego, State of California, according to Map Thereof No. 11708, filed in the Office of the County Recorder of San Diego County, on January 14, 1987

PARCEL B:

An easement for ingress and egress over, under, through and across Lot 12 (shown as Katz Corte and Pinto Corte) of County of San Diego Tract No. 4343 in the County of San Diego, State of California, according to Map Thereof No. 11708, filed in the Office of the County Recorder of San Diego County, on January 14, 1987

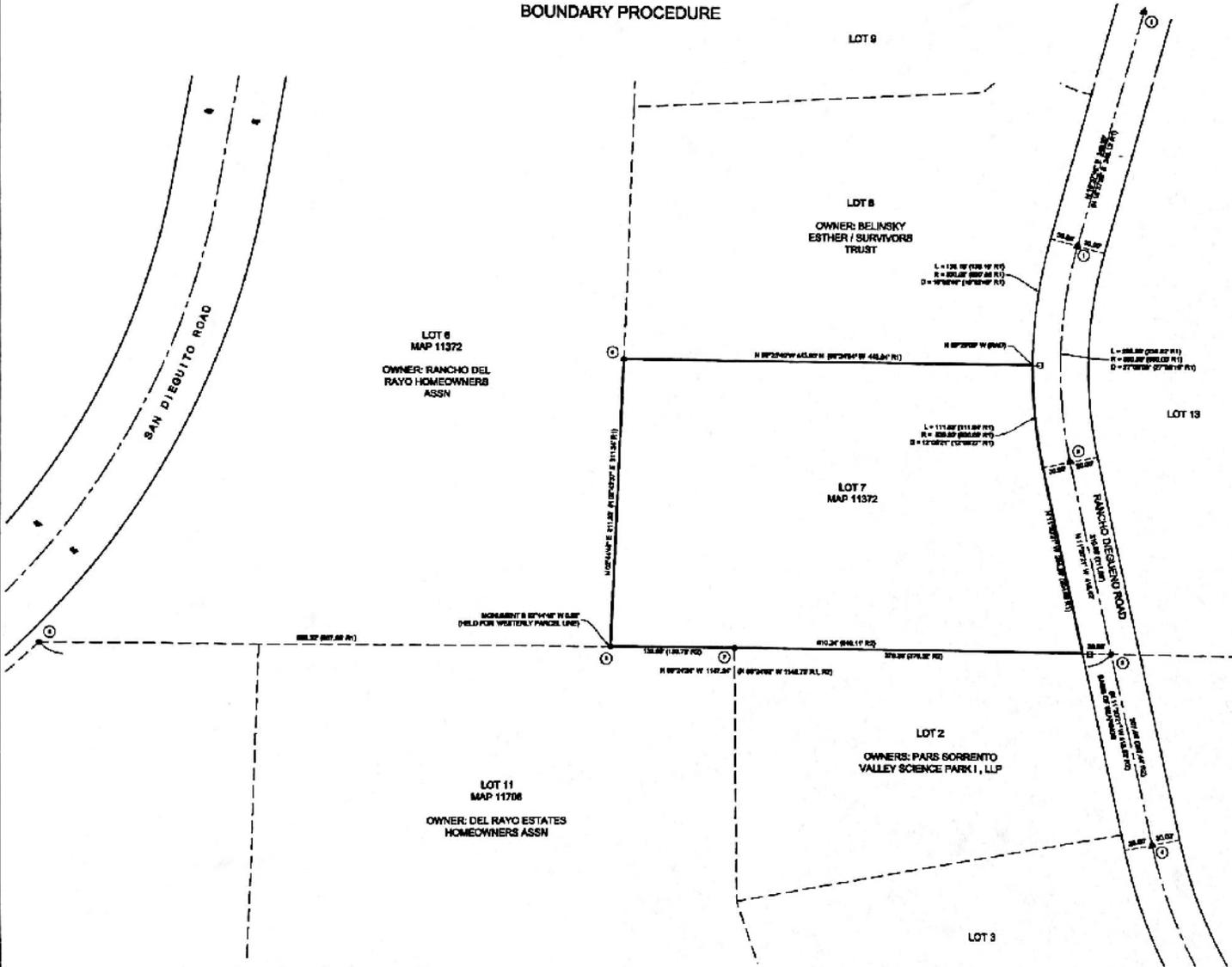
# **EXHIBIT D**

# EXHIBIT D

## Page 1

### ALTAINSPS LAND TITLE SURVEY BOUNDARY PROCEDURE

SHEET 1 OF 3 SHEETS  
PLSA JOB # 2010



**CERTIFICATION**  
TO: LYNET ENTERPRISES, LLC, FIRST AMERICAN TITLE COMPANY  
THIS IS TO CERTIFY THAT THE MAP OR PLAN AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2011 MEASUREMENT STANDARDS FOR ALTERNATE LAND TITLE SURVEYS, CORRECTLY SET, RUN AND ACCEPTED BY A.L.T.A. AND WERE, AND INCLUDES ITEMS 1, 2, 4, 5, 6, 10 AND 15 OF TABLE 1 THEREOF. THE FIELD WORK WAS COMPLETED ON 07/15/2010.

*Paul E. Gockel*  
PAUL E. GOCKEL, PLS 8888      JULY 15, 2010      DATE

PAUL E. GOCKEL  
 LICENSE NO. 15188  
 STATE OF CALIFORNIA

**NEEDS CHECK**  
1. PROCEDURE OF SURVEY  
2. IMPROVEMENTS, EPOCHMENTS, EXCEPTIONS & EXCLUSIONS

**SURVEY NOTES**  
1. THIS PROPERTY CONTAINS 3.571 ACRES, 148,971 SQUARE FEET.  
2. THE ADDRESS FOR THIS SITE IS 8855 RANCHO DEL RAYO, RANCHO SANTA FE.  
3. THE BASIS OF BEARINGS FOR THIS SURVEY IS THE CENTERLINE OF RANCHO DEL RAYO ROAD PER MAP NO. 11306, L.S. 11172077 AC.  
4. THE BOUNDARIES AND DIMENSIONS OF THE SURVEYED PARCELS SHOWN HEREON WERE BASED ON A FIELD SURVEY. RECORD DIMENSIONS MAY VARY. THE DIMENSIONS OF ADJACENT PARCELS WERE OBTAINED FROM RECORDS OR FIELD DATA, AND ARE TO BE USED FOR PLANNING PURPOSES ONLY.

**TITLE REPORT**  
RECORD DOCUMENTS AND TITLE WORK WERE PROVIDED TO THE SURVEYOR BY FIRST AMERICAN TITLE COMPANY, CREDIT NO. 0295858 DATED AS OF 04/21/10.

**LEGAL DESCRIPTION**  
LOT 7 OF COUNTY OF SAN DIEGO TRACT NO. 4713, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 11372, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 9, 1999.

**REFERENCES**  
P1 - MAP 11372 CORRECTED BY CDD DDC, SEP 24TH REC. SEPT. 24, 2007  
P2 - MAP 11 REC. CORRECTED BY CDD DDC, SEP 26TH REC. MAY 28, 2007  
P3 - RECORD OF SURVEY NO. 888

- MONUMENTS**
- ① 8" X 8" STREET MONUMENT STAMPED "ICE 2007" PER FIG. 1, HELD AS POINT ON STREET CENTERLINE
  - ② 4" X 4" STREET MONUMENT PER FIG. 1, 80 PUNCH, MEASURED CENTER OF 8" BORE DIA. 11' 23 1/2" W 1.82 PER FIG. 1, HELD AS POINT ON STREET CENTERLINE
  - ③ 2" PEX PIPE WITH NAE, OMB BARRING, ACCEPTED AS POINT ON SUBURBANE LINE OF MAP 11372 PER FIG. 1
  - ④ 8" X 8" STREET MONUMENT STAMPED "ICE 2007" PER FIG. 1, HELD AS POINT ON STREET CENTERLINE
  - ⑤ 2" PEX PIPE WITH PLASTIC CAP, SLUGGABLE, ACCEPTED AS POINT #1
  - ⑥ 2" PEX PIPE WITH NAE, OMB BARRING, ACCEPTED AS POINT #2
  - ⑦ 8" SQUARE STEEL PILE, NO RECORD.

- LEGEND**
- PROPERTY LINE
  - RIGHT-OF-WAY LINE
  - CENTERLINE
  - - - - - ADJACENT PROPERTY LINE
  - - - - - THE LINE / REFERENCE LINE
  - ⊙ FOUND MONUMENT AS INDICATED
  - ⊙ FOUND 8" X 8" STREET MONUMENT
  - ( ) RECORD BOUNDARY DATA AS INDICATED
  - ⊙ SET 8" X 8" BARRING OMB L.S. 8888 IN TOP OF CONCRETE CURB AT 67 1/2' OFFSET TO RIGHT-OF-WAY LINE ALONG EXTENSION OF PROPERTY LINE, TO BE SET AT COUNTY FIELD OF A RECORD OF SURVEY

SCALE: 1" = 50'  
 0 50 100 150 200

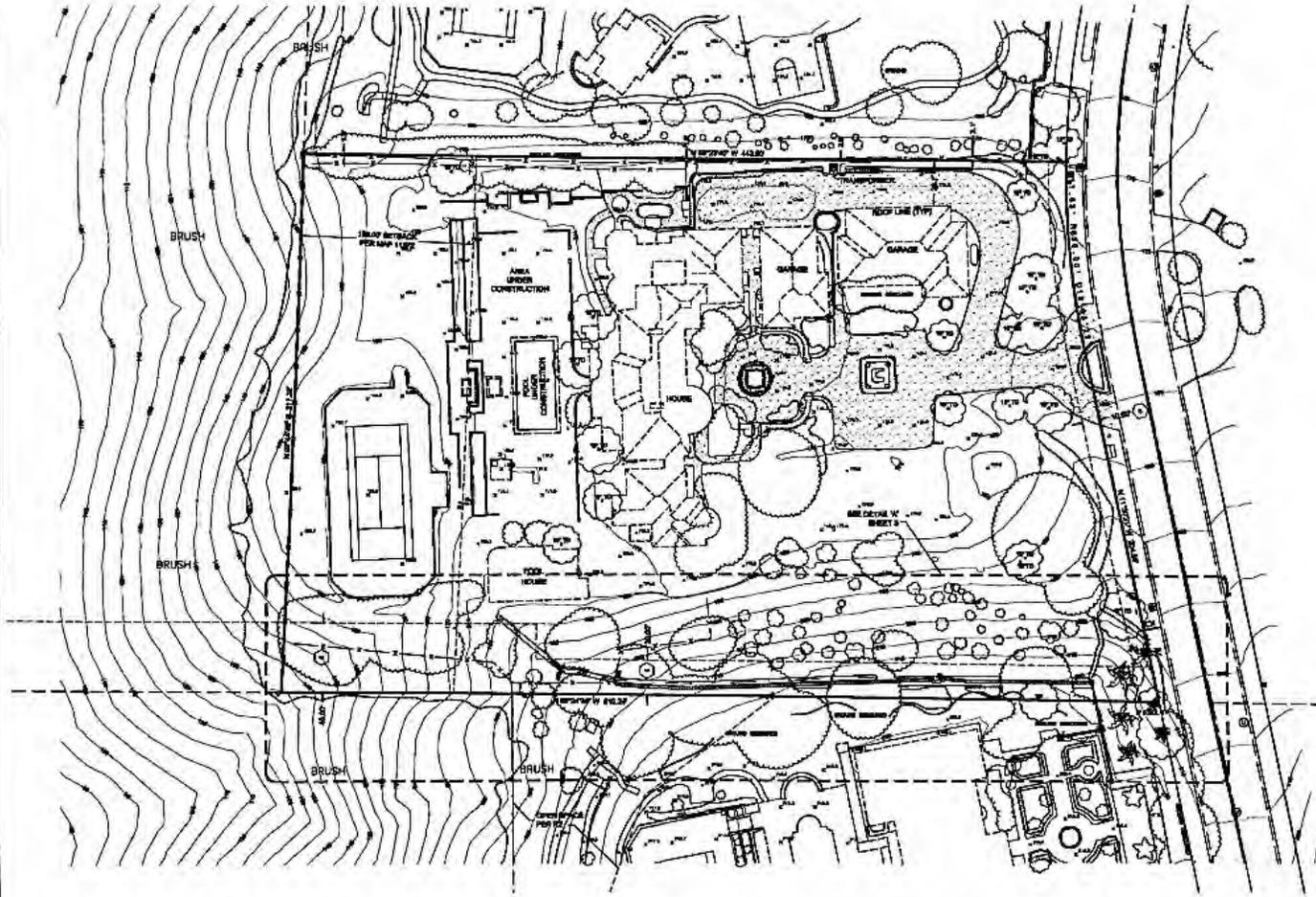
**PASCO LARET SUTTER**  
 SURVEYING & ASSOCIATES  
 PLS 6526 0212 | PLS4ENHANCED.COM

# EXHIBIT D

## Page 2

### ALTAINSPS LAND TITLE SURVEY TOPOGRAPHIC SURVEY AND EASEMENTS

SHEET 2 OF 3 SHEETS  
FLSA JOB # 2216



- EXCEPTIONS AND DISCLOSURES**
- ① AN EASEMENT TO CLEAR BRUSH, PUBLIC WATER DUCTS FOR FIRE LINE OR PIPELINES FOR ANY AND ALL PURPOSES, TOGETHER WITH EDDY PICTURES AND APPURTENANCES, INCLUDING, BUT NOT LIMITED TO, ELECTRIC FOR POWER TRANSMISSION AND COMMUNICATION PURPOSES, AND SECTORIAL EASEMENTS IN THE DOCUMENT RECORDED SEPTEMBER 11, 2014 AS INSTRUMENT NO. 14-00088 OF PUBLIC RECORDS.
  - ② AN EASEMENT TO RUN UNDER ONE OR SEVERAL FOR PUBLIC AND UNDERGROUND PUBLIC UTILITIES AND ACCESSORY PURPOSES IN THE DOCUMENT RECORDED WHICH IS, SAID AS INSTRUMENT NO. 09-00088 OF PUBLIC RECORDS.
- ITEMS 1, 2, 3, 4, 6, 7 AND 8 ARE NOT SHOWN HEREIN.

- SURVEY NOTES**
1. ELEVATIONS SHOWN HEREIN WERE BASED ON POLKO BENCH PEG AS BENCHMARK OBSERVED AND GAN CHECKED. ELEVATION IS 173.85 MGS BM.
  2. THE LOCATIONS OF UNDERGROUND UTILITY LINES AND/OR STRUCTURES AS SHOWN HEREIN WERE BASED ON COMPILED AERIAL AERIAL OVERHEAD (AHO) RECORD INFORMATION PROVIDED TO THE SURVEYOR. NO DISCLOSURES WERE MADE DURING THE COURSE OF THIS SURVEY TO LOCATE UNDERGROUND UTILITIES. LOCATIONS OF UNDERGROUND UTILITIES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL UNDERGROUND UTILITIES MAY EXIST.
  3. AREAS SHOWN UNDER TREE COVER AS "UNDETERMINED UNCLARIFIED" MAY HAVE FEATURES NOT SURVEYED AND NOT SHOWN HEREIN SOME AREAS WERE NOT ACCESSIBLE AT THE TIME OF THE FIELD SURVEY.
  4. AERIAL MAPPING FROM APRIL 4, 1978, PROVIDED BY BUNNENCO AERIAL SERVICES.

**LEGEND**

———	PROPERTY LINE	⊠	METER - WATER
———	RIGHT-OF-WAY LINE	⊠	PIPE - SEWER
———	EXISTING EASEMENT	⊠	PIPE - WASTEWATER
———	PROPOSED PROPERTY LINE	⊠	VALVE - WASTEWATER
———	DISCREPANT LINE	⊠	WALL
———	POLE	⊠	UTILITY BOX
———	WALKING OVERPASS	⊠	WELL
———	BOUNDARY CONTAINMENT LINE	⊠	W/ - UNKNOWN
———	SPOT ELEVATION	⊠	BOLLARD
———	CONCRETE	⊠	BIKE
———	ASPHALT	⊠	TREE - OCEANUM
———		⊠	TREE - PALM
———		⊠	TREE - CONIFERUS
———		⊠	VEGETATION

VICINITY MAP

SCALE 1" = 10'

**PASCO LARET SUTER & ASSOCIATES**  
PL 400324212 | PLS@ENGINEERING.COM

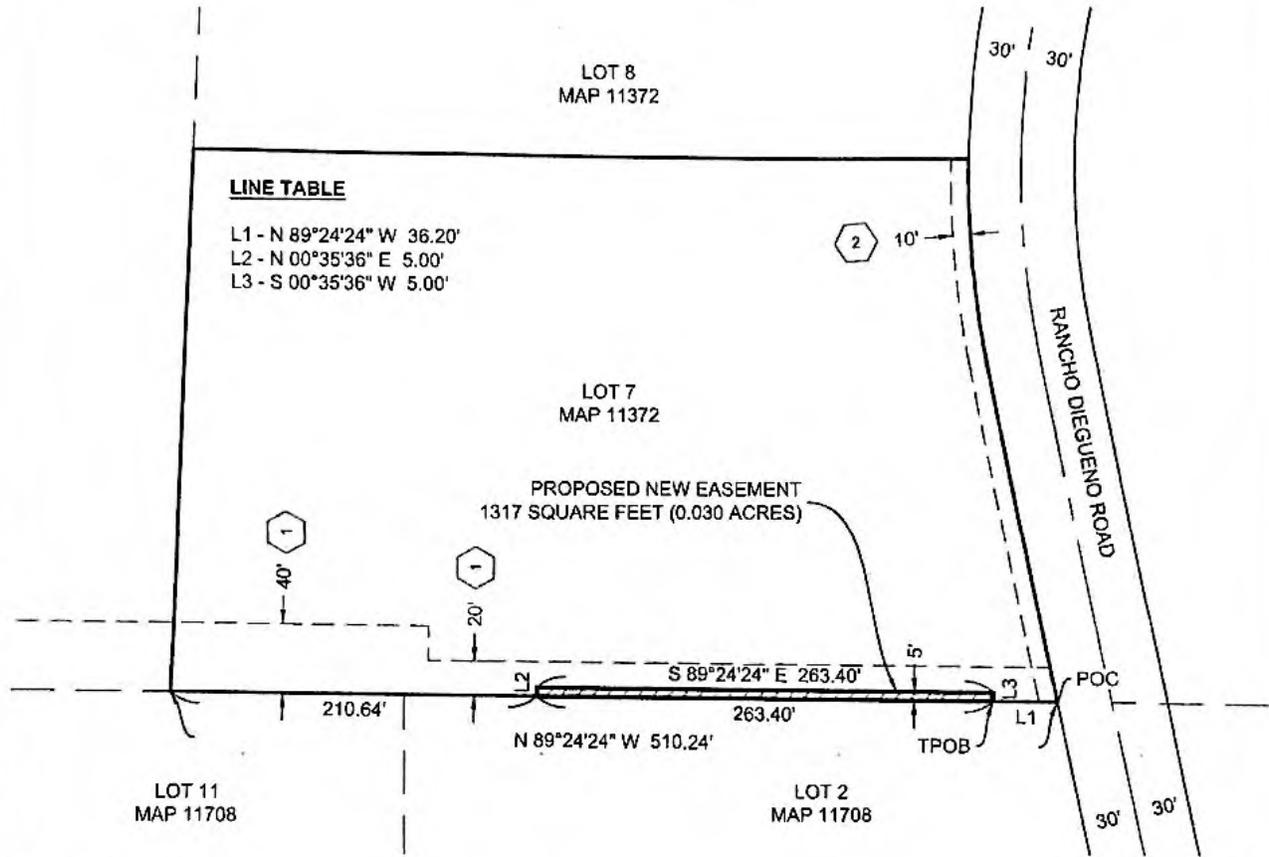


# **EXHIBIT E**

# EXHIBIT E

## Page 1 Plat Map

### FIVE FOOT EASEMENT PLAT



**LINE TABLE**

L1 - N 89°24'24" W 36.20'  
 L2 - N 00°35'36" E 5.00'  
 L3 - S 00°35'36" W 5.00'

**EXISTING EASEMENTS**

- 1 OLIVENHAIN MUNICIPAL WATER DISTRICT EASEMENT, RECORDED SEPTEMBER 11, 1984 AS INSTRUMENT NO. 84-343880 OF OFFICIAL RECORDS.
- 2 SAN DIEGO GAS & ELECTRIC UTILITY EASEMENT, RECORDED MARCH 18, 1987 AS INSTRUMENT NO. 87-139795 OF OFFICIAL RECORDS.

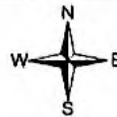
**LEGEND**

	PROPERTY LINE		ADJOINING PROPERTY LINE
	RIGHT-OF-WAY LINE		EXISTING EASEMENT LINE
	CENTER LINE		PROPOSED NEW EASEMENT

**PASCO LARET SUITER**  
**& ASSOCIATES**  
 San Diego | Solana Beach | Orange County  
 Phone 858.259.8212 | www.plsaengineering.com

SCALE = 1" = 100'

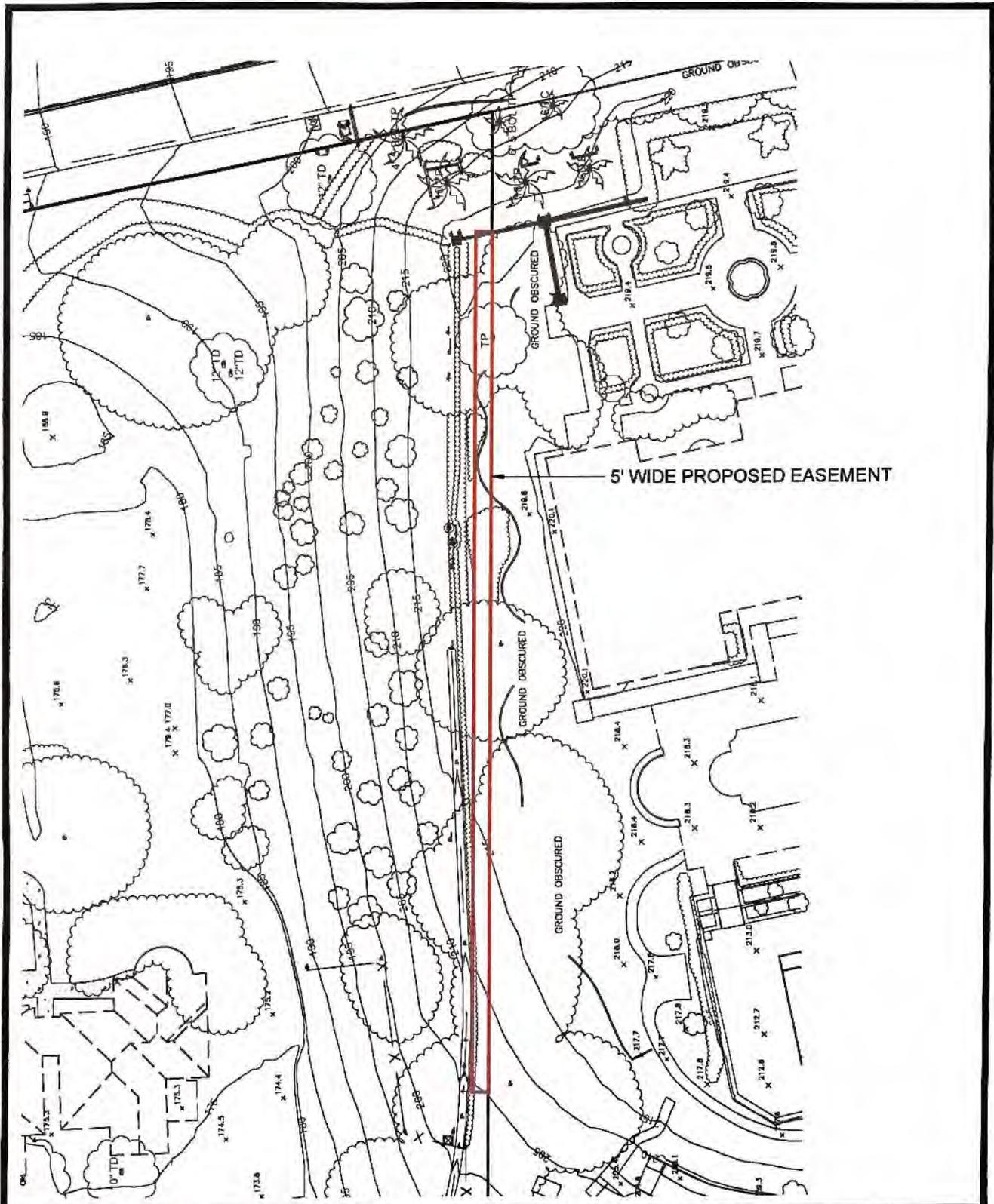
PLSA 2916



PROPOSED NEW  
EASEMENT

SHEET 2 OF 2

**EXHIBIT E**  
**Page 2 Detail Map**



**PASCO LARET SUITER**  
**& ASSOCIATES**  
 San Diego | Solana Beach | Orange County  
 Phone 858.259.8212 | www.plsaengineering.com

SCALE = 1" = 40'  
 PLSA 2916

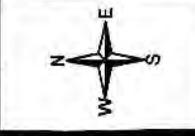


EXHIBIT  
 SHEET 1 OF 1

**EXHIBIT E**

**FIVE FOOT EASEMENT  
DESCRIPTION**

THAT PORTION OF LOT 7 OF SAN DIEGO TRACT NO 4413, IN THE COUNTY OF SAN DIEGO,  
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 11372, FILED  
IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 21, 1985 BEING  
DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 7;  
THENCE ALONG THE SOUTHERLY LINE OF SAID LOT, NORTH 89°24'24" WEST 36.20 FEET TO THE  
**TRUE POINT OF BEGINNING**;  
THENCE CONTINUING ALONG SAID SOUTHERLY LINE, NORTH 89°24'24" WEST 263.40 FEET;  
THENCE LEAVING SAID SOUTHERLY LINE, NORTH 00°35'36" EAST 5.00 FEET;  
THENCE PARALLEL WITH SAID SOUTHERLY LINE, SOUTH 89°24'24" EAST 263.40 FEET;  
THENCE SOUTH 00°35'36" WEST 5.00 FEET TO THE **TRUE POINT OF BEGINNING**.

CONTAINING 1317 SQUARE FEET (0.030 ACRES)

EXHIBIT "D" ATTACHED HERETO AND MADE A PART HEREOF.



*Gary D. Mellom*  
\_\_\_\_\_  
GARY D. MELLOM, PLS 8537

6.11.2021  
DATE: \_\_\_\_\_

<b>PASCO LARET SUITER</b> & ASSOCIATES San Diego   Solana Beach   Orange County Phone 858.259.8212   www.plsaengineering.com			PROPOSED NEW EASEMENT
	PLSA 2916		SHEET 1 OF 2

# **EXHIBIT F**

RECORDING REQUESTED BY:

Parker & Riggs LLP

When Recorded Mail to:

David M. Parker, Esq.  
Parker & Riggs LLP  
110 West A Street  
San Diego, CA 92101

A.P.N. 302-303-06-00  
303-041-09-00

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The undersigned grantor(s) declare  
Documentary Transfer Tax is \$-0- (Easement Agreement)

---

**EXCLUSIVE EASEMENT AGREEMENT**

---

**THIS EASEMENT AGREEMENT** ("Agreement") is entered into by and between Lynxt Enterprises, LLC, a Delaware limited liability company (the "Grantor") on the one hand, and PARS Sorrento Valley Science Park I, LP, a California limited partnership. (the "Grantee"), on the other hand. Grantor and Grantee are referred to from time to time hereafter individually as a "Party" and collectively as the "Parties." This Agreement is made with reference to the following facts:

**RECITALS**

- A. Grantor is the owner of the real property commonly known as 5973 Rancho Diegueno Road, Rancho Santa Fe, California which is identified by Assessor's Parcel Number 302-303-06-00 (hereafter referred to as the "Servient Tenement") and more particularly described as:

LOT 7 OF COUNTY OF SAN DIEGO TRACT NO. 4413, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 11372, FLED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, ON NOVEMBER 21, 1985.

- B. Grantee is the owner of the real property commonly known as 5975 Rancho Diegueno Road, Rancho Santa Fe, California which is identified by Assessor's Parcel Number 303-041-09-00 (hereafter referred to as the "Dominant Tenement") and more particularly described as:

PARCEL A:

LOT 2 OF COUNTY OF SAN DIEGO TRACT NO. 4343, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 11708, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, ON JANUARY 14, 1987.

PARCEL B:

AN EASEMENT FOR INGRESS AND EGRESS OVER, UNDER, THROUGH AND ACROSS LOT 12 (SHOWN AS KATZ CORTE AND PINTO CORTE) OF COUNTY OF SAN DIEGO TRACT NO. 4343, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 11708, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, JANUARY 14, 1987.

- C. The Dominant Tenement and Servient Tenement are contiguous properties located in Rancho Santa Fe, San Diego County, California.

NOW, THEREFORE, in consideration of the facts set forth in the recitals above which are hereby incorporated herein by this reference as though set forth in full Grantor and Grantees agree as follows:

1. **Grant of Easement.** Subject to the terms of this Agreement, Grantor hereby grants to Grantee an exclusive easement over, along and across the Servient Tenement, hereinafter referred to as the "Easement," for landscaping, irrigation, lighting, and the construction and maintenance of a fence as more particularly described below, subject to the terms of this Agreement.
2. **Character of Easement.** The Easement is for the benefit of, and is appurtenant to, the Dominant Tenement, shall run with the land, and benefit and burden all successors in interest to the Grantor and Grantees.
3. **Description and Location of Easement.** The area of the Easement is legally described in **Exhibit "A"** and depicted in **Exhibit "B"** hereto, both of which are attached hereto and incorporated herein by this reference (the "Easement Area"). The Easement Area is for exclusive use by PARS, its invitees, licensees, successors, and assigns.
4. **Secondary Easement.** This Easement granted in this Agreement includes the incidental rights to maintain, accommodate, remove and/or repair or replace the existing landscaping, trees, irrigation, lights and improvements including but not limited to mow curbs, turf, bushes, trees, drainage facilities, slopes, embankments, and all other components, provided that such appurtenances including without limitation all facilities, devices, instruments, and other components are located wholly within the Easement Area described in **Exhibit "A"** hereto and depicted in **Exhibit "B"** hereto.
5. **This Easement is Subject to The Easement in Favor of Olivenhain Municipal Water**

**District.** Grantor and Grantee acknowledge that the Easement Area is also burdened by an easement benefitting the Olivenhain Municipal Water District evidenced by Document No. 84-343880 recorded September 11, 1984 in the Official Records of San Diego County (the "OMWD Easement"). Grantee acknowledges and agrees to be subject to the OMWD Easement as to the Easement Area. Grantee's fence shall be the only fence in the Easement Area.

6. **Term.** The Easement granted in this Agreement is an appurtenant easement which shall run with the land, shall burden the Servient Tenement, shall benefit the Dominant Tenement, and shall exist in perpetuity.
7. **Indemnification.** PARS agrees to indemnify and defend Lynxt, its successors and assigns, and OMWD against any and all claims, actions, or demands, costs or expense, including reasonable attorney's fees and costs, including expert costs, arising out of or in any way connected to any activities of PARS, its successors, assigns or invitees arising out of its use of the Lynxt Property and the New Five Foot Easement, excluding therefrom claims resulting from the negligence or willful misconduct of Lynxt.
8. **Dispute Resolution, Arbitration & Attorneys' Fees.** The Parties shall attempt in good faith to resolve any dispute or claim arising out of or relating to this Agreement promptly by negotiation. Any Party may give the other Party written notice of any dispute not resolved in the normal course of discussion between them. Within 15 days after delivery of the notice, the receiving Party shall submit to the other a written response. The notice and response shall include with reasonable particularity a statement of each Party's position and a summary of arguments supporting that position. Within 30 days after delivery of the notice, the Parties shall meet and confer either in person or by telephone and shall attempt in good faith to resolve any such dispute.

The Parties agree that any dispute or claim arising out of or relating to this Agreement which is not resolved through the negotiation process described above, shall be decided by neutral, binding arbitration in San Diego County. This Agreement and the rights of the Parties hereunder shall be governed by and construed in accordance with the laws of the State of California. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the Parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act.

In any arbitration arising out of or related to this Agreement, the arbitrator(s) shall award to the prevailing party, if any, the costs and attorneys' fees reasonably incurred by the prevailing party in connection with the arbitration. If the arbitrator(s) determine a Party to be the prevailing party under circumstances where the prevailing party won on some but not all of the claims and counterclaims, the arbitrator(s) may award the prevailing party an appropriate percentage of the costs and attorneys' fees reasonably incurred by the prevailing

party in connection with the arbitration.

Notwithstanding anything to the contrary contained herein, should either Party commence an arbitration, litigation, or other proceeding arising out of or relating to this Agreement without first engaging fully and in good faith in the negotiation process described above, then the Party who failed or refused to engage in the negotiation process shall not be entitled to any award of attorneys' fees.

9. **Modification.** Any modification or amendment to this Agreement must be in writing and signed by all Parties. This Agreement may not be modified or amended orally or by a course of conduct. Moreover, the Easement granted herein may not be modified, altered or extended in any manner other than by a written instrument signed by all Parties.
10. **Waiver.** Any waiver of this Agreement must be in writing and signed by all Parties. No provision of this Agreement may be waived orally or by a course of conduct.
11. **Entire Agreement.** This Agreement constitutes the entire Agreement between Grantor and Grantees relating to the above Easement. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. Any amendment to this Agreement shall be of no force and effect unless and until it is reduced to a writing executed by all Parties, or their successors in interest. If any term or covenant is found to be unenforceable for any reason, the remaining terms and covenants shall remain enforceable.
12. **Binding Effect.** This Agreement, and every term and covenant set forth herein, shall be deemed to be covenants running with and touching and concerning the land described herein, and shall be binding upon, and inure to the benefit of, the respective heirs, executors, administrators, successors, and assigns of Grantor and Grantees. Wherever the terms "Grantor" and "Grantee" have been used in this Agreement, said terms are used to include the Parties' heirs, executors, administrators, successors, and assigns. The Parties hereto expressly agree that the covenants, obligations and undertakings contained in this Agreement are not personal in nature, but instead, are intended to be covenants running with and touching and concerning the land and binding on successors such that after such time as any Party no longer owns an interest in the properties that are the subject of this Agreement, the successors to such Party, and not the original Party, to this Agreement shall be bound by its

terms and have personal responsibility for the obligation created therein.

**GRANTOR:**

LYNXT ENTERPRISES, LLC

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**GRANTEE:**

PARS SORRENTO VALLEY SCIENCE PARK I, LP, a  
California limited partnership

By: PARS SVSP, INC., a Delaware Corp., its General Partner

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
By: Firouz D, Memarzadeh, President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California            )  
  )  
County of \_\_\_\_\_)

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California        )  
  )  
County of \_\_\_\_\_)

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,  
personally appeared \_\_\_\_\_, who proved to me on the basis of  
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within  
instrument and acknowledged to me that he/she/they executed the same in his/her/their  
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California  
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

**EXHIBIT A TO  
EASEMENT AGREEMENT**

**EXHIBIT A**  
**TO EASEMENT AGREEMENT**

**FIVE FOOT EASEMENT**  
**DESCRIPTION**

THAT PORTION OF LOT 7 OF SAN DIEGO TRACT NO 4413, IN THE COUNTY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 11372, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 21, 1985 BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 7;  
THENCE ALONG THE SOUTHERLY LINE OF SAID LOT, NORTH 89°24'24" WEST 36.20 FEET TO THE **TRUE POINT OF BEGINNING**;  
THENCE CONTINUING ALONG SAID SOUTHERLY LINE, NORTH 89°24'24" WEST 263.40 FEET;  
THENCE LEAVING SAID SOUTHERLY LINE, NORTH 00°35'36" EAST 5.00 FEET;  
THENCE PARALLEL WITH SAID SOUTHERLY LINE, SOUTH 89°24'24" EAST 263.40 FEET;  
THENCE SOUTH 00°35'36" WEST 5.00 FEET TO THE **TRUE POINT OF BEGINNING**.

CONTAINING 1317 SQUARE FEET (0.030 ACRES)

EXHIBIT "D" ATTACHED HERETO AND MADE A PART HEREOF.



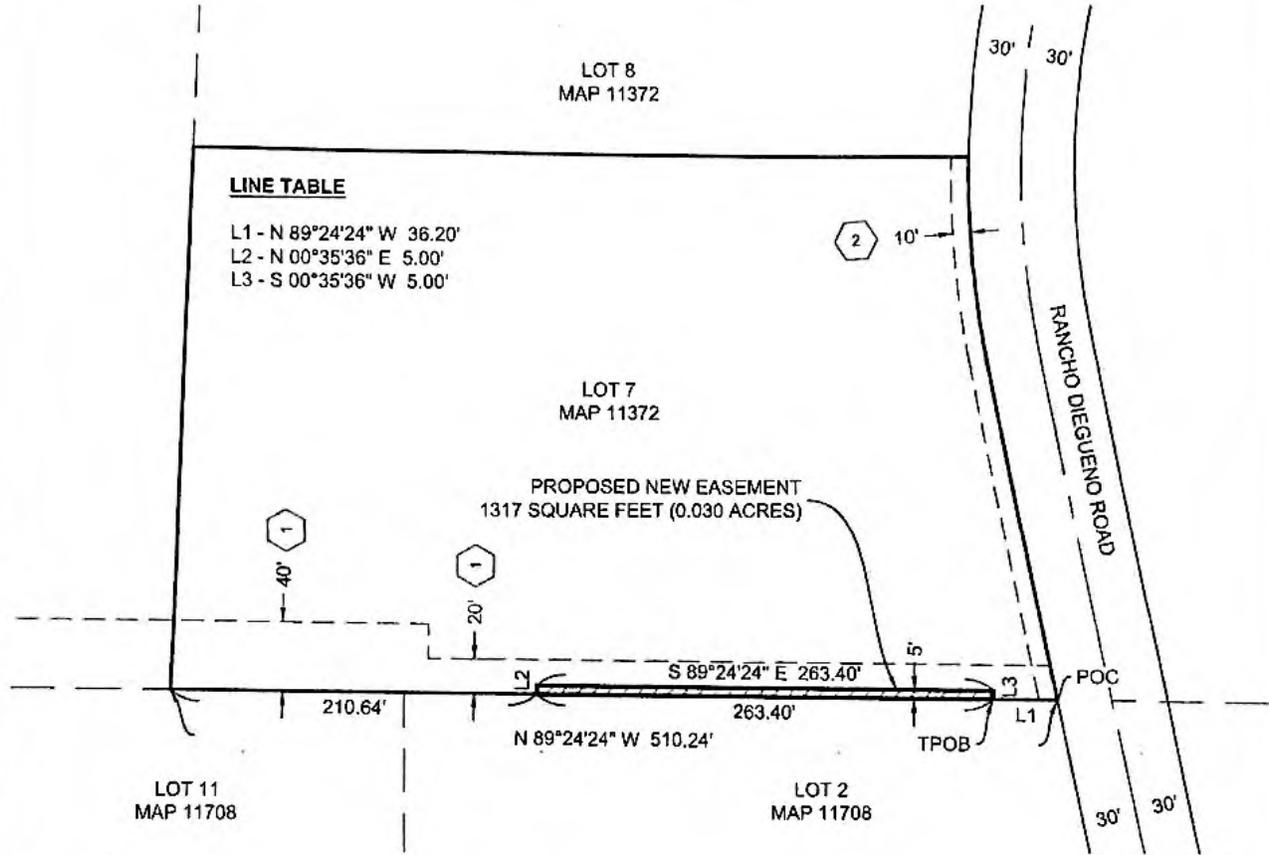
*Gary D. Mellom*  
\_\_\_\_\_  
GARY D. MELLOM, PLS 8537

6.11.2021  
\_\_\_\_\_  
DATE:

**EXHIBIT B TO  
EASEMENT AGREEMENT**

**EXHIBIT B**  
**TO EASEMENT AGREEMENT**  
**Page 1 Plat Map**

**FIVE FOOT EASEMENT  
 PLAT**



**LINE TABLE**

L1 - N 89°24'24" W 36.20'  
 L2 - N 00°35'36" E 5.00'  
 L3 - S 00°35'36" W 5.00'

**EXISTING EASEMENTS**

- 1 OLIVENHAIN MUNICIPAL WATER DISTRICT EASEMENT, RECORDED SEPTEMBER 11, 1984 AS INSTRUMENT NO. 84-343880 OF OFFICIAL RECORDS.
- 2 SAN DIEGO GAS & ELECTRIC UTILITY EASEMENT, RECORDED MARCH 18, 1987 AS INSTRUMENT NO. 87-139795 OF OFFICIAL RECORDS.

**LEGEND**

	PROPERTY LINE		ADJOINING PROPERTY LINE
	RIGHT-OF-WAY LINE		EXISTING EASEMENT LINE
	CENTER LINE		PROPOSED NEW EASEMENT

**PASCO LARET SUITER**  
**& ASSOCIATES**  
 San Diego | Solana Beach | Orange County  
 Phone 858.259.8212 | www.plsaengineering.com

SCALE = 1" = 100'

PLSA 2916



PROPOSED NEW  
 EASEMENT

SHEET 2 OF 2

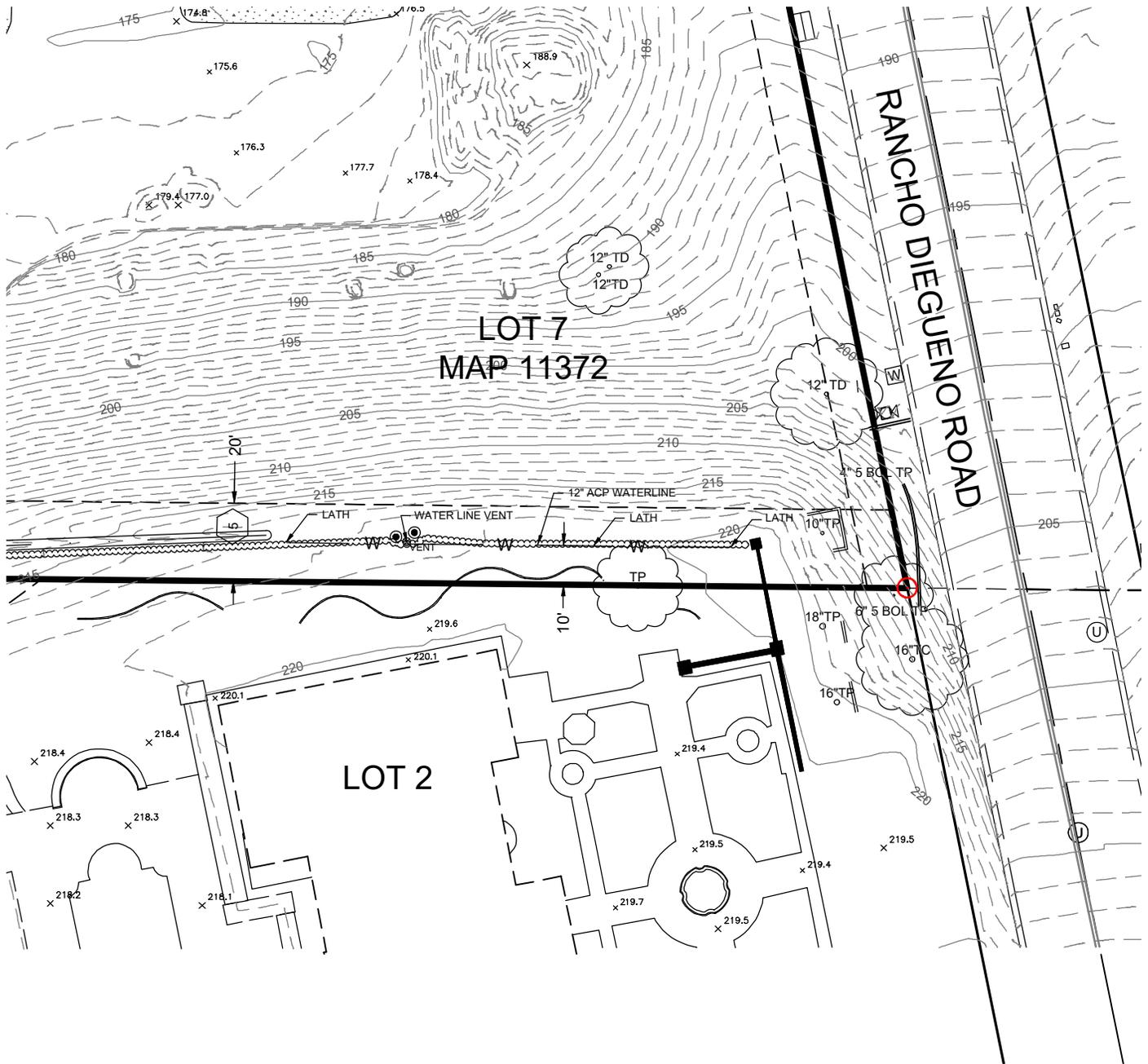


# **EXHIBIT G**



# **EXHIBIT H**

# EXHIBIT



5 OLIVENHAIN MUNICIPAL WATER DISTRICT, REC. SEPTEMBER 11, 1984 AS INST. NO. 84-343880, O.R.

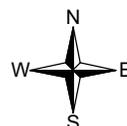
ASSUMING WATER LINE LOCATION PER FOUND AND PLOTTED LOCATION OF WOODEN LATH MARKED 12" ACP. LATH WERE LOCATED APPROXIMATELY 10' NORTHERLY OF PROPERTY LINE. (AUGUST 2022)

8/30/2022

**PASCO LARET SUITER**  
 & ASSOCIATES  
 San Diego | Encinitas | Orange County  
 Phone 858.259.8212 | www.plsaengineering.com

SCALE = 1" = 40'

PLSA 2916



WATERLINE EXHIBIT

SHEET 1 OF 1

# **EXHIBIT I**

## FENCE & GATE SPECIFICATIONS – ALL FINISHED PRODUCTS WILL BE POWDER COATED DARK BRONZE COLOR

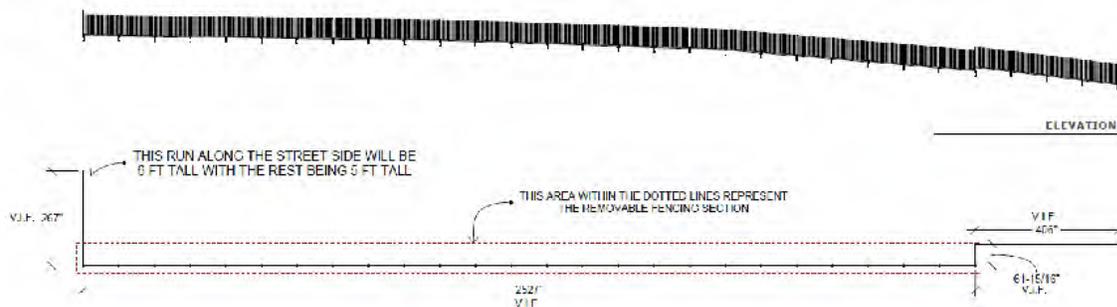
### FENCES (see schematics below)

#### A. Fence 1

- 250 ft of fence (216 ft removable + 34 ft stationary) parallel to the property line with the following specifications:
  - ~~3"x2" C Channel~~ 3"x1" rectangular tube pickets with 2" spacing (~~actual measurement of pickets are 3"x1.5"~~)
  - 5' height with 3"x2" square rectangular tube posts with steel welded caps on top and bottom
  - There will be two 1"x1" square tubing straps welded behind the fence 4" from the top and 4" from the bottom. All square tubing will be with steel welded caps on both ends.
  - The removable fence will be 5 ft away from the property line.
  - The stationary fence will be on the property line.
  - Transition between removable and stationary fences will be via a 5 ft dog leg removable fence of the same specifications as above.
  - All fence panels will be 7-ft-80" wide (unless field installation only allows otherwise) and will be welded to a post on one side and screwed to the post on the opposing side

#### B. Fence 2

- 22.5 ft of fence (5 ft removable + 17.5 ft stationary) in place of the existing masonry wall with the following specifications:
  - 3"x2" square 1" rectangular tube pickets with 2" spacing with steel welded caps on top and bottom
  - 6' height with 3"x2" square rectangular tube posts with steel welded caps on top and bottom
  - There will be two 1"x1" square tubing straps welded behind the fence 4" from the top and 4" from the bottom. All square tubing will be with steel welded caps on both ends.
  - The removable fence will be 5 ft away from the property line along the line of the existing masonry wall.
  - The stationary fence will be on the line of the existing masonry wall.



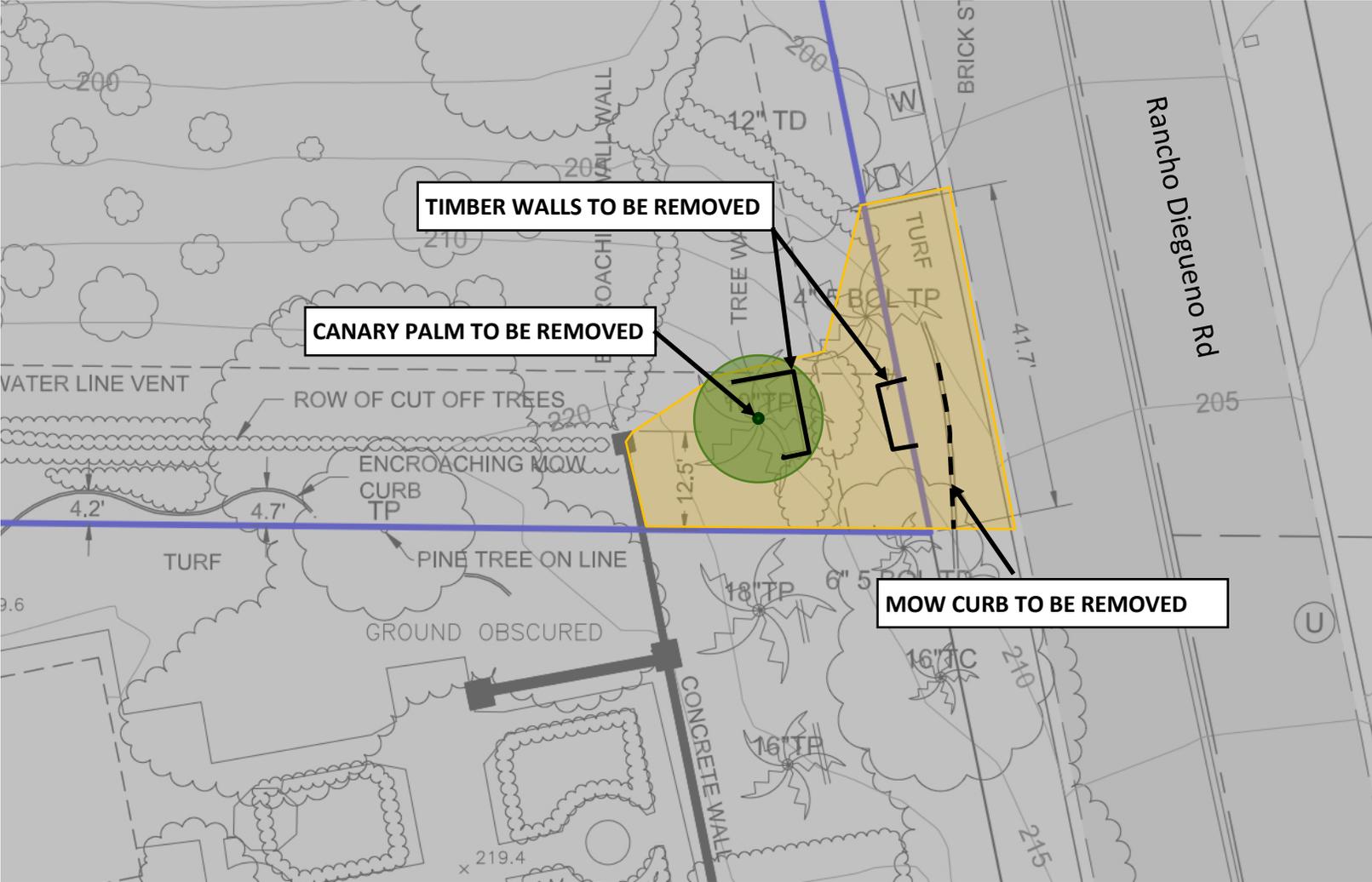
SEE ATTACHED SAMPLE FENCE PHOTOS





# **EXHIBIT J**

# EXHIBIT J



# **EXHIBIT K**

1 David M. Parker, Esq. (SBN 211078)  
Karen B. King, Esq. (SBN 167568)

2 **PARKER & ZUBKOFF LLP**  
110 West A Street, Suite 615  
3 San Diego, California 92101  
Telephone: (619) 233-8292  
4 Facsimile: (619) 233-8636

5 Attorneys for PARS Sorrento Valley Science Park 1, LP

6  
7  
8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
9 **COUNTY OF SAN DIEGO – NORTH COUNTY DIVISION**

10 LYNXT ENTERPRISES, LLC, a Delaware  
limited liability company,

11 Plaintiff,

12 v.

13 PARS SORRENTO VALLEY SCIENCE PARK  
14 1, LP, a California limited partnership; and  
DOES 1 through 20, inclusive,

15 Defendants,

16 and

17 OLIVENHAIN MUNICIPAL WATER  
18 DISTRICT, a California public agency,

19 Nominal Defendant.

Case No. 37-2019-00008861-CU-OR-NC

**STIPULATION FOR COURT TO RETAIN  
JURISDICTION; [PROPOSED] ORDER  
THEREON**

Filed: February 15, 2019  
Judge: Hon. Earl H. Maas, III  
Department: N-28  
Trial Date: February 25, 2022

20 **AND RELATED CROSS-ACTION**  
21

22 1. The parties to this action, plaintiff and cross-defendant Lynxt Enterprises, LLC  
23 (“Lynxt”), defendant and cross-complainant PARS Sorrento Valley Science Park 1, LP (“PARS”),  
24 and nominal defendant Olivenhain Municipal Water District (“OMWD”) (hereinafter referred to  
25 individually as a “Stipulating Party” and collectively as the “Stipulating Parties), do hereby  
26 stipulate as follows:

27 2. On or about February 15, 2019, Lynxt filed a verified complaint for damages in the  
28 San Diego County Superior Court, Case No. 37-2019-00008861-CU-OR-NC. Lynxt amended the

1 complaint twice and the current operative complaint is the second amended complaint for trespass,  
2 interference with easement, and declaratory relief. PARS filed a cross-complaint seeking to quiet  
3 title to equitable protective interests and for declaratory relief.

4 3. The Stipulating Parties have entered into a Settlement Agreement which resolves all  
5 disputes between the Stipulating Parties. Pursuant to the terms of the Settlement Agreement, the  
6 Stipulating Parties agree to a dismissal with prejudice of the entire action. However, the Settlement  
7 Agreement has executory provisions which have not been fully performed as of the date of this  
8 Stipulation for the court to retain jurisdiction.

9 4. The Settlement Agreement calls for the Court to retain jurisdiction to enforce it  
10 pursuant to the provisions of California Code of Civil Procedure section 664.6, as more specifically  
11 set forth in the Settlement Agreement. The Stipulating Parties hereby request the Court issue the  
12 Proposed Order Retaining Jurisdiction, attached hereto and submitted herewith, pursuant to the  
13 provisions of California Code of Civil Procedure Section 664.6.

14 5. This Stipulation for the court to retain jurisdiction may be executed in any number of  
15 counterparts, including by way of facsimile, electronically, or digitally, and each of which shall be  
16 deemed to be an original and all of which, collectively, shall be deemed to be one and the same  
17 instrument.

18 6. The Stipulating Parties hereto, and each of them, acknowledge that this Stipulation  
19 for the court to retain jurisdiction is executed voluntarily by all of them and with the authority and  
20 permission of each client. The Stipulating Parties hereto acknowledge that this Stipulation has been  
21 negotiated and executed without any duress or undue influence on the part or on behalf of any of  
22 them. The Stipulating Parties further acknowledge that each client has had the opportunity to be  
23 represented in the negotiations for, and in the performance of, this Stipulation for the court to retain  
24 jurisdiction by counsel of their own choice, and that they have read this Stipulation for the court to  
25 retain jurisdiction and have had the opportunity to have it fully explained to them by their counsel,

26 ///

27 ///

28 ///

1 and that they are fully aware of the contents of this Stipulation for the court to retain jurisdiction  
2 and of its legal effect.

3 **IT IS SO STIPULATED.**

4 LYNXT ENTERPRISES, LLC

5  
6 Dated: \_\_\_\_\_

Signed: \_\_\_\_\_

7 By: \_\_\_\_\_

8 Its: \_\_\_\_\_

9 PARS SORRENTO VALLEY SCIENCE PARK 1, LP

10 Dated: \_\_\_\_\_

Signed: \_\_\_\_\_

11 By: \_\_\_\_\_

12 Its: \_\_\_\_\_

13 OLIVENHAIN MUNICIPAL WATER DISTRICT

14  
15 Dated: \_\_\_\_\_

Signed: \_\_\_\_\_

16 By: \_\_\_\_\_

17 Its: \_\_\_\_\_

18 **ORDER**

19 **BASED ON THE FOREGOING STIPULATION AND GOOD CAUSE APPEARING,**

20 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that this Court shall retain  
21 jurisdiction to enforce the terms of the Settlement Agreement entered into between and among  
22 plaintiff and cross-defendant Lynxt Enterprises, LLC, defendant and cross-complainant PARS  
23 Sorrento Valley Science Park 1, LP, and nominal defendant Olivenhain Municipal Water District,  
24 and, pursuant to the terms of California Code of Civil Procedure section 664.6 upon a showing of  
25 default or other non-compliance with any other term of the Settlement Agreement, notwithstanding  
26 any dismissals entered in this Lawsuit.

27  
28 Dated: \_\_\_\_\_

\_\_\_\_\_  
Judge of the Superior Court



May 10, 2024 09:27 AM

OFFICIAL RECORDS  
JORDAN Z. MARKS,  
SAN DIEGO COUNTY RECORDER  
FEES: \$128.00 (SB2 Atkins: \$75.00)

PAGES: 14

RECORDING REQUESTED BY:

Parker & Riggs LLP

When Recorded Mail to:

David M. Parker, Esq.  
Parker & Riggs LLP  
110 West A Street  
San Diego, CA 92101

A.P.N. 302-303-06-00  
303-041-09-00

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The undersigned grantor(s) declare  
Documentary Transfer Tax is \$-0- (Easement Agreement) R&T §11911

**EXCLUSIVE EASEMENT AGREEMENT**

**THIS EASEMENT AGREEMENT** ("Agreement") is entered into by and between Lynxt Enterprises, LLC, a Delaware limited liability company (the "Grantor") on the one hand, and PARS Sorrento Valley Science Park I, LP, a California limited partnership. (the "Grantee"), on the other hand. Grantor and Grantee are referred to from time to time hereafter individually as a "Party" and collectively as the "Parties." This Agreement is made with reference to the following facts:

**RECITALS**

A. Grantor is the owner of the real property commonly known as 5973 Rancho Diegueno Road, Rancho Santa Fe, California which is identified by Assessor's Parcel Number 302-303-06-00 (hereafter referred to as the "Servient Tenement") and more particularly described as:

LOT 7 OF COUNTY OF SAN DIEGO TRACT NO. 4413, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 11372, FLED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, ON NOVEMBER 21, 1985.

B. Grantee is the owner of the real property commonly known as 5975 Rancho Diegueno Road, Rancho Santa Fe, California which is identified by Assessor's Parcel Number 303-041-09-00 (hereafter referred to as the "Dominant Tenement") and more particularly described as:

PARCEL A:

LOT 2 OF COUNTY OF SAN DIEGO TRACT NO. 4343, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 11708, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, ON JANUARY 14, 1987.

PARCEL B:

AN EASEMENT FOR INGRESS AND EGRESS OVER, UNDER, THROUGH AND ACROSS LOT 12 (SHOWN AS KATZ CORTE AND PINTO CORTE) OF COUNTY OF SAN DIEGO TRACT NO. 4343, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 11708, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, JANUARY 14, 1987.

- C. The Dominant Tenement and Servient Tenement are contiguous properties located in Rancho Santa Fe, San Diego County, California.

**NOW, THEREFORE**, in consideration of the facts set forth in the recitals above which are hereby incorporated herein by this reference as though set forth in full Grantor and Grantees agree as follows:

1. **Grant of Easement.** Subject to the terms of this Agreement, Grantor hereby grants to Grantee an exclusive easement over, along and across the Servient Tenement, hereinafter referred to as the "Easement," for landscaping, irrigation, lighting, and the construction and maintenance of a fence as more particularly described below, subject to the terms of this Agreement.
2. **Character of Easement.** The Easement is for the benefit of, and is appurtenant to, the Dominant Tenement, shall run with the land, and benefit and burden all successors in interest to the Grantor and Grantees.
3. **Description and Location of Easement.** The area of the Easement is legally described in **Exhibit "A"** and depicted in **Exhibit "B"** hereto, both of which are attached hereto and incorporated herein by this reference (the "Easement Area"). The Easement Area is for exclusive use by PARS, its invitees, licensees, successors, and assigns.
4. **Secondary Easement.** This Easement granted in this Agreement includes the incidental rights to maintain, accommodate, remove and/or repair or replace the existing landscaping, trees, irrigation, lights and improvements including but not limited to mow curbs, turf, bushes, trees, drainage facilities, slopes, embankments, and all other components, provided that such appurtenances including without limitation all facilities, devices, instruments, and other components are located wholly within the Easement Area described in **Exhibit "A"** hereto and depicted in **Exhibit "B"** hereto.



5. **This Easement is Subject to The Easement in Favor of Olivenhain Municipal Water District.** Grantor and Grantee acknowledge that the Easement Area is also burdened by an easement benefitting the Olivenhain Municipal Water District evidenced by Document No. 84-343880 recorded September 11, 1984 in the Official Records of San Diego County (the "OMWD Easement"). Grantee acknowledges and agrees to be subject to the OMWD Easement as to the Easement Area. .
6. **Term.** The Easement granted in this Agreement is an appurtenant easement which shall run with the land, shall burden the Servient Tenement, shall benefit the Dominant Tenement, and shall exist in perpetuity.
7. **Indemnification.** PARS agrees to indemnify and defend Lynxt, its successors and assigns and OMWD, against any and all claims, actions, or demands, costs or expense, including reasonable attorney's fees and costs, including expert costs, arising out of or in any way connected to any activities of PARS, its successors, assigns or invitees arising out of its use of the Lynxt Property and the New Five Foot Easement, excluding therefrom claims resulting from the negligence or willful misconduct of Lynxt.
8. **Dispute Resolution, Arbitration & Attorneys' Fees.** The Parties shall attempt in good faith to resolve any dispute or claim arising out of or relating to this Agreement promptly by negotiation. Any Party may give the other Party written notice of any dispute not resolved in the normal course of discussion between them. Within 15 days after delivery of the notice, the receiving Party shall submit to the other a written response. The notice and response shall include with reasonable particularity a statement of each Party's position and a summary of arguments supporting that position. Within 30 days after delivery of the notice, the Parties shall meet and confer either in person or by telephone and shall attempt in good faith to resolve any such dispute.

The Parties agree that any dispute or claim arising out of or relating to this Agreement which is not resolved through the negotiation process described above, shall be decided by neutral, binding arbitration in San Diego County. This Agreement and the rights of the Parties hereunder shall be governed by and construed in accordance with the laws of the State of California. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the Parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act.

In any arbitration arising out of or related to this Agreement, the arbitrator(s) shall award to the prevailing party, if any, the costs and attorneys' fees reasonably incurred by the prevailing party in connection with the arbitration. If the arbitrator(s) determine a Party to be the prevailing party under circumstances where the prevailing party won on some but not all



of the claims and counterclaims, the arbitrator(s) may award the prevailing party an appropriate percentage of the costs and attorneys' fees reasonably incurred by the prevailing party in connection with the arbitration.

Notwithstanding anything to the contrary contained herein, should either Party commence an arbitration, litigation, or other proceeding arising out of or relating to this Agreement without first engaging fully and in good faith in the negotiation process described above, then the Party who failed or refused to engage in the negotiation process shall not be entitled to any award of attorneys' fees.

9. **Modification.** Any modification or amendment to this Agreement must be in writing and signed by all Parties. This Agreement may not be modified or amended orally or by a course of conduct. Moreover, the Easement granted herein may not be modified, altered or extended in any manner other than by a written instrument signed by all Parties.
10. **Waiver.** Any waiver of this Agreement must be in writing and signed by all Parties. No provision of this Agreement may be waived orally or by a course of conduct.
11. **Entire Agreement.** This Agreement constitutes the entire Agreement between Grantor and Grantees relating to the above Easement. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. Any amendment to this Agreement shall be of no force and effect unless and until it is reduced to a writing executed by all Parties, or their successors in interest. If any term or covenant is found to be unenforceable for any reason, the remaining terms and covenants shall remain enforceable.
12. **Binding Effect.** This Agreement, and every term and covenant set forth herein, shall be deemed to be covenants running with and touching and concerning the land described herein, and shall be binding upon, and inure to the benefit of, the respective heirs, executors, administrators, successors, and assigns of Grantor and Grantees. Wherever the terms "Grantor" and "Grantee" have been used in this Agreement, said terms are used to include the Parties' heirs, executors, administrators, successors, and assigns. The Parties hereto expressly agree that the covenants, obligations and undertakings contained in this Agreement are not personal in nature, but instead, are intended to be covenants running with and touching and concerning the land and binding on successors such that after such time as any Party no longer owns an interest in the properties that are the subject of this Agreement, the successors to such Party, and not the original Party, to this Agreement shall be bound by its

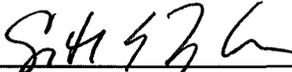


terms and have personal responsibility for the obligation created therein.

**GRANTOR:**

LYNX ENTERPRISES, LLC

Dated: 4-17-24

By:   
Name: CYNTHIA E. TAYLOR  
Its: MANAGING MEMBER

**GRANTEE:**

PARS SORRENTO VALLEY SCIENCE PARK I, LP, a  
California limited partnership

By: PARS SVSP, INC., a Delaware Corp., its General Partner

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
By: Firouz D, Memarzadeh, President

terms and have personal responsibility for the obligation created therein.

**GRANTOR:**

LYNXT ENTERPRISES, LLC

Dated: \_\_\_\_\_

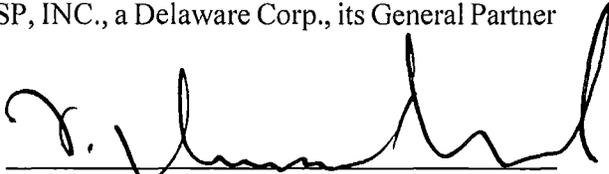
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**GRANTEE:**

PARS SORRENTO VALLEY SCIENCE PARK I, LP, a  
California limited partnership

By: PARS SVSP, INC., a Delaware Corp., its General Partner

Dated: 4/22/2024

By:   
By: Firouz D, Memarzadeh, President



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

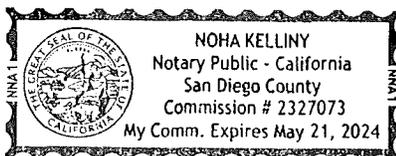
State of California )  
 )  
County of San Diego )

On 04/17/2024 before me, Noha Kelliny, Notary Public, personally appeared Cynthia E. Taylor, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Noha Kelliny  
Notary Public



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of San Diego )

On 4-22-24 before me, Catherine M. Levie, Notary Public, personally appeared Firouz D. Memarzadeh who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he she/they executed the same in his her/their authorized capacity(ies), and that by his her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.  
Catherine M. Levie  
Notary Public



*m*

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
 )  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public



**EXHIBIT A TO  
EASEMENT AGREEMENT**

A handwritten mark or signature, possibly initials, located in the bottom right corner of the page.

**EXHIBIT A**  
**TO EASEMENT AGREEMENT**

**FIVE FOOT EASEMENT**  
**DESCRIPTION**

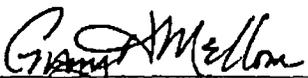
THAT PORTION OF LOT 7 OF SAN DIEGO TRACT NO 4413, IN THE COUNTY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 11372, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 21, 1985 BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 7;  
THENCE ALONG THE SOUTHERLY LINE OF SAID LOT, NORTH 89°24'24" WEST 36.20 FEET TO THE **TRUE POINT OF BEGINNING**;  
THENCE CONTINUING ALONG SAID SOUTHERLY LINE, NORTH 89°24'24" WEST 263.40 FEET;  
THENCE LEAVING SAID SOUTHERLY LINE, NORTH 00°35'36" EAST 5.00 FEET;  
THENCE PARALLEL WITH SAID SOUTHERLY LINE, SOUTH 89°24'24" EAST 263.40 FEET;  
THENCE SOUTH 00°35'36" WEST 5.00 FEET TO THE **TRUE POINT OF BEGINNING**.

CONTAINING 1317 SQUARE FEET (0.030 ACRES)

EXHIBIT "D" ATTACHED HERETO AND MADE A PART HEREOF.



  
GARY D. MELLOM, PLS 8537

DATE: 6.11.2021

**PASCO LARET SUITER**  
**& ASSOCIATES**  
San Diego | Solana Beach | Orange County  
Phone 858.259.8212 | www.plsaengineering.com

PLSA 2916

PROPOSED NEW  
EASEMENT

SHEET 1 OF 2

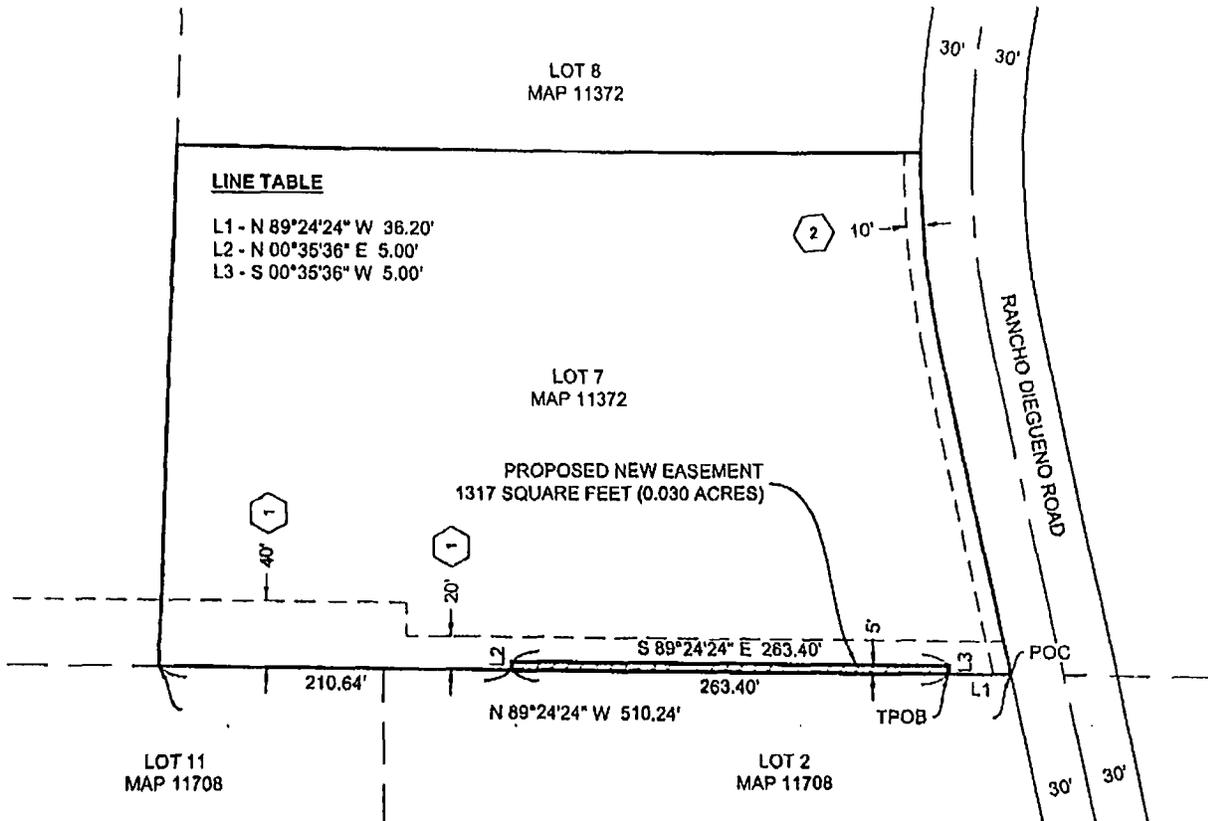


**EXHIBIT B TO  
EASEMENT AGREEMENT**

A handwritten mark or signature in the bottom right corner of the page, consisting of a stylized, cursive-like scribble.

**EXHIBIT B**  
**TO EASEMENT AGREEMENT**  
**Page 1 Plat Map**

**FIVE FOOT EASEMENT  
 PLAT**



**EXISTING EASEMENTS**

- 1 OLIVENHAIN MUNICIPAL WATER DISTRICT EASEMENT, RECORDED SEPTEMBER 11, 1984 AS INSTRUMENT NO. 84-343880 OF OFFICIAL RECORDS.
- 2 SAN DIEGO GAS & ELECTRIC UTILITY EASEMENT, RECORDED MARCH 18, 1987 AS INSTRUMENT NO. 87-139795 OF OFFICIAL RECORDS.

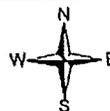
**LEGEND**

	PROPERTY LINE		ADJOINING PROPERTY LINE
	RIGHT-OF-WAY LINE		EXISTING EASEMENT LINE
	CENTER LINE		PROPOSED NEW EASEMENT

**PASCO LARET SUITER**  
**& ASSOCIATES**  
 San Diego | Solana Beach | Orange County  
 Phone 858.259.8212 | www.plsazengineering.com

SCALE = 1" = 100'

PLSA 2916



PROPOSED NEW  
 EASEMENT

SHEET 2 OF 2





# Memo

Date: March 18, 2026  
To: Olivenhain Municipal Water District Board of Directors  
From: Erik Harp, IT and Telemetry Supervisor  
Via: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER ENTERING INTO AGREEMENTS WITH KYOCERA DOCUMENT SOLUTIONS AND US BANK FOR MANAGED PRINT SERVICES IN THE AMOUNT OF \$2,543.13 PER MONTH FOR 60 MONTHS 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 entering into two Professional Services Agreements (PSA) with Kyocera Document Solutions (Kyocera) and US Bank in the amount of \$2,543.13 per month for 60 months of district-wide managed print services.

## Recommendation

Staff recommends approval of the PSAs with Kyocera and US Bank in the amount of \$2,542.13 per month for 60 months, and authorization for the General Manager to sign on behalf of OMWD.

## Alternative(s)

The Board could direct staff to:

- Reject all proposals and readvertise for proposals to perform managed print services
- Proceed in a manner as otherwise directed by the Board

## **Background**

At the March 28, 2012, Board meeting, OMWD staff was approved to migrate from a “purchase and own” system of operating copiers and printers to a Managed Print Services (also called Cost per Copy) system. In the Managed Print Services (MPS) system, OMWD leases hardware from a hardware vendor (Kyocera) through a financing company (US Bank). The hardware vendor is bound by the agreement to cover all maintenance and service for the equipment and to provide toner as needed. OMWD makes its payments through the leasing firm, which sends a portion of the lease payment to the hardware vendor in consideration of the maintenance services.

With the MPS operating model, if a copier or printer fails, OMWD staff contacts Kyocera, a support request is made, and a service technician from Kyocera is dispatched to the site. This relieves OMWD IT staff of most maintenance and troubleshooting tasks for our fleet of copiers and printers. This program has helped OMWD meet its business needs and allowed IT staff to devote more time to other duties.

## **Fiscal Impact**

The newly proposed monthly payments will be approximately \$521.00 more than the current agreement and are planned for and will be included in each annual budget. The monthly payment is shared proportionally across each department at OMWD and totals \$152,587.57 over five years.

## **Discussion**

In January 2026, a Request for Proposals (RFP) for Managed Print Services was issued via the online bid management system, PlanetBids, per OMWD’s Administrative Code, Article 6.9 A.

A total of seven (7) proposals were received from:

- Circle MSP
- Xerox Business Solutions
- Cannon
- Kyocera Business Solution
- Konica Minolta
- Signa
- Pacific Office Automation

Staff reviewed the proposals and selected Kyocera and US Bank (Option 2 of their proposal) based on proposal strength, lowest responsive price, and experience. Staff recommends approval of new PSAs with Kyocera and US Bank for 60 months at a total cost of \$152,587.57. Staff is available for questions.

Prepared by: Erik Harp, IT and Telemetry Supervisor  
Reviewed by: Jesse Bartlett-May, Operations Manager  
                  Joey Randall, Assistant General Manager  
Approved by: Kimberly A. Thorner, General Manager

*Exhibits:*

- A. Professional Service Agreement*
- B. US Bank Lease Agreement*

**PROFESSIONAL SERVICES AGREEMENT**  
**FOR MANAGED PRINT SERVICES**  
**FOR THE OLIVENHAIN MUNICIPAL WATER DISTRICT**

26AGRXXX

This Agreement is entered into by and between the Olivenhain Municipal Water District, a Municipal Water District organized and operating pursuant to Water Code Sections 71000 *et seq.* (hereinafter the District) and Kyocera Document Solutions, a California corporation organized and operating in the State of California (hereinafter “KYOCERA”).

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

1. The District is a public agency organized and operating pursuant to Water Code Sections 71000 *et seq.*, which provides water, recycled water, and sewer service within certain areas of Northern San Diego County.
2. The District requires the services of a company to provide printer and copier maintenance within the District boundaries.
3. KYOCERA is a ceramic technology company licensed to do business in the State of California with printer and copier maintenance services.
4. The District desires to retain KYOCERA to provide printer and copier maintenance services.

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

1. Services to Be Performed. KYOCERA agrees to perform printer and copier maintenance services. The services to be provided by KYOCERA are more particularly described in the Scope and Cost Proposal attached hereto as Exhibit “A” and incorporated herein by reference. All work performed by KYOCERA shall be subject to review and approval by the District. The District shall have no obligation to approve any work found defective by the District, in its sole discretion.

2. Correction of Defective Work. KYOCERA agrees to correct all labor or materials found defective by the District at its sole cost and expense. All work found defective by the District shall be corrected in the time specified by the District by written notice to KYOCERA.

3. Price for Work. KYOCERA agrees to perform all work described in Exhibit "A" for a total price not to exceed \$141,612.60 plus tax. No increase in this price shall be allowed without the express written consent of the District. The District shall have no obligation to grant this consent and may deny consent to any price increase, in its sole discretion.

4. Payment for Work. KYOCERA shall bill the District monthly for all labor and materials provided during the previous month. All billings shall include a complete description of all work completed during the previous month, including hours and costs of each person performing the work and shall also include a detailed description of progress to date on each task of work described in Exhibit "A". All bills shall be subject to review and approval by the District. Invoices approved by the District will be paid on a monthly basis thirty (30) days after the invoice has been approved by the District. The District shall have no obligation to pay for any work not expressly approved by the District. The District's approval shall not be unreasonably withheld. KYOCERA shall provide the District with any additional information requested by the District from time to time to support any item contained on an invoice no later than seven (7) days after a written request for this information from the District.

5. Extra Work. The District may request additional work or services from KYOCERA from time to time, as the District shall determine, in its sole discretion. KYOCERA shall not commence any extra work without a written change order expressly approved by the District, in writing. Work performed by KYOCERA without an approved change order signed by the District will not be paid for by the District. In the event the District determines that additional work is justified, the parties shall agree on the additional work to be performed and the price to be paid for this additional work prior to commencement of any additional work by KYOCERA. It is understood by the parties that KYOCERA shall not be entitled to any payment for extra work unless the District determines that it desires extra work to be performed and a written change order has been executed by the parties. Attached as Exhibit "B" is the Request

for Additional Work Form required by the District for all requests for additional work or task transfers.

6. Standard of Care. In performing all work and services required by this Agreement, KYOCERA agrees to use the highest degree of skill and expertise ordinarily exercised, under similar circumstances, by a document solutions company with expertise in printer and copier maintenance and the other services described in the Scope and Cost Proposal attached as Exhibit "A". As a material term of this Agreement, KYOCERA warrants and represents that it has secured all licenses required by federal or California law to perform all work and services required by this Agreement. KYOCERA agrees to perform all work required by this Agreement at all times in strict accordance with all applicable federal, state, and local laws and regulations which apply to the labor or materials being provided.

7. Work Performance Standards. KYOCERA agrees to perform all work and services required by this Agreement in a manner which complies with all federal and state health and safety standards and in a manner which avoids damage or injury to any real or personal property of any person or entity, including any real or personal property of the District. KYOCERA agrees to perform the work at all times in a manner which avoids the creation of any trespass or private or public nuisance during conduct of the work.

8. Liability for Work of Agents, Independent Contractors, and Subcontractors. KYOCERA shall be solely liable and responsible for all labor and materials provided by any director, officer, agent, employee, subcontractor, supplier, or independent contractor hired or retained by KYOCERA to perform any work or to provide any materials or supplies. The District shall have no liability whatsoever for any work or services performed or any materials or supplies provided by KYOCERA or its directors, officers, agents, employees, subcontractors, suppliers, or independent contractors.

9. Time for Completion of Services. As a material term of this Agreement, KYOCERA agrees to complete all work and services required by this agreement by no later than April 13, 2031. The breach of this paragraph shall constitute a material breach of this Agreement.

10. District Termination Right. The District shall have the express right to terminate this Agreement at any time without cause by giving seven (7) consecutive days advance written notice to KYOCERA. This Agreement shall be automatically terminated without further action of any party upon expiration of the seven (7) day period. Promptly upon receipt of any termination notice from the District, KYOCERA shall cease all further work and services, except as otherwise expressly directed by the District in the written termination notice. In the event the District exercises its termination right, KYOCERA shall be paid only for work and services performed and approved by the District to the date this Agreement terminates. The District shall have the express right to withhold any payment otherwise due KYOCERA to correct any labor or materials determined to be defective by the District at the time of termination. All plans, maps, drawings, reports, designs, or other writings of any type or nature prepared by KYOCERA as a result of this Agreement shall become and remain the sole property of the District. All such writings shall be provided to the District not later than seven (7) consecutive days after termination of this Agreement for any reason. All labor, supplies, work and materials provided by KYOCERA in conjunction with this Agreement shall become and remain the sole property of the District.

11. Hazardous and Toxic Waste. For purposes of this section, the term “hazardous or toxic waste” means any solid, liquid, or gaseous product classified as a hazardous or toxic waste under any federal, state, or local laws, rules, regulations, or ordinances, and all gas and oil products and by-products of every kind or nature. KYOCERA shall be solely liable and responsible for the proper clean-up and removal of all hazardous or toxic waste used, handled, stored, or spilled by KYOCERA or any director, officer, agent, employee, subcontractor, independent contractor or representative of KYOCERA. KYOCERA shall pay all fees, costs, expenses and fines necessary to clean-up or remediate any hazardous or toxic waste for which KYOCERA is liable under this paragraph in strict accordance with all federal, state and local laws, rules and regulations at KYOCERA’s sole cost and expense. KYOCERA shall not be liable for any hazardous or toxic waste used, handled, stored or spilled by the District or its directors, officers, employees or contractors.

In the event any third party, including any regulatory agency, brings any claim or cause of action against the District to clean-up or remediate any hazardous or toxic waste for which

KYOCERA is liable under this section, KYOCERA shall also indemnify and hold harmless the District and its directors, officers, agents, and employees from all claims, actions, losses, costs, fees, expenses, fines, and penalties, of whatever type or nature, including all costs of defense and attorneys fees, upon written demand for indemnity from the District.

12. Independent Contractor. As a material term of this Agreement, it is expressly agreed between the parties that KYOCERA is performing all work and services for the District pursuant to this Agreement as an independent contractor and not as an agent or employee of the District. The parties further agree and acknowledge that the District expects KYOCERA to make its own independent determination of the means and methods to perform all work required by this Agreement, and will not be directed as to any of these means or methods by the District.

13. Conflicts of Interest Prohibited. As a material term of this Agreement, KYOCERA shall not in any way attempt to use its position to influence any decision of the District in which it knows, or has reason to know, its has a financial interest other than the compensation provided in this agreement. As a material term of this Agreement, KYOCERA warrants and represents that it does not, to the best of its knowledge, have any economic interests which would conflict with any of its duties under this Agreement. KYOCERA agrees not to secure any economic interest during the performance of this Agreement which conflicts with its duties to the District under this Agreement.

14. Breach. The breach of any term or provision of this Agreement by KYOCERA shall constitute a material breach of this Agreement.

15. District Remedies for Breach. In the event KYOCERA breaches any term, covenant, or condition of this Agreement or fails to perform any work or services required by this Agreement, the District shall be entitled to elect all or any of the following remedies at the District's sole option:

15.1 Unilateral Termination. Unilaterally terminate this Agreement by written notice to KYOCERA. Upon election of this remedy by the District, Paragraph 10 governing District Termination Right shall apply; or

15.2 Specific Enforcement. Enforce any provision of this Agreement by specific performance. If this remedy is elected by the District, KYOCERA agrees that specific performance is appropriate and reasonable given the unique and special services being performed by KYOCERA and expressly waives the right to contest the right of the District to seek specific performance in any subsequent action or proceeding between the parties; or

15.3 File suit against KYOCERA for damages arising from breach of this Agreement. In the event the District elects this remedy, it shall be entitled to recover all damages authorized by law; and/or

15.4 The District shall be entitled to withhold such amounts as the District determines are appropriate, in its sole discretion, to complete the work or services required by this Agreement, or to correct any labor or materials resulting from KYOCERA's negligence.

In the event the District is required to pay any sum or amount to complete any labor or materials services required by this Agreement, or to correct any labor or materials resulting from KYOCERA's negligence, amounts paid by the District shall earn interest at the rate of one percent (1%) per month from the date of payment until the District is repaid in full.

16. Insurance. At all times during the term of this Agreement, KYOCERA must maintain a commercial liability insurance policy, workers' compensation insurance, and professional liability insurance in strict accordance with all terms of this paragraph. The insurance required by this paragraph shall be provided as follows:

16.1 Liability Insurance. Following execution of this Agreement, and prior to commencement of any work, KYOCERA shall provide the District with proof of liability insurance coverage with an insurance company licensed to do business in the State of California and acceptable to the District, providing \$1,000,000 of coverage per occurrence and \$2,000,000 minimum aggregate. The liability insurance coverage shall include each of the following types of insurance:

**A. General Liability:**

- |   |   |
|---|---|
| 1. Comprehensive Form                   | 6. Contractual Insurance                                      |
| 2. Premises-Operations                  | 7. Broad form Property Damage, Including Completed Operations |
| 3. Explosion and Collapse Hazard        | 8. Independent Contractors                                    |
| 4. Underground Hazard                   | 9. Personal Liability   |
| 5. Projects/Completed Operations Hazard |   |

**B. Auto Liability**

1. Comprehensive Form
2. Owned
3. Hired

The policy shall include contractual coverage sufficiently broad to insure the matters set forth in the section entitled “Indemnity” in this Agreement. The deductible amount shall not exceed \$5,000.00. Also included in such insurance shall be a “cross-liability” or “severability of interest” clause.

16.2 Workers’ Compensation Insurance. Following execution of this Agreement and prior to commencement of any work, KYOCERA shall submit proof of insurance showing they have obtained, for the period of the agreement, full workers’ compensation insurance coverage for no less than the statutory limits covering all persons whom KYOCERA employs or may employ in carrying out the work under this agreement.

16.3 Professional Liability Insurance. Following execution of this Agreement, and prior to commencement of any work, KYOCERA shall provide the District with proof of professional liability insurance with an insurance provider licensed to do business in the State of California, providing \$1,000,000 of coverage per occurrence and \$2,000,000 minimum aggregate. This insurance shall have a deductible not to exceed \$5,000.

16.4 ACORD Certificate of Liability Insurance and Additional Insured Endorsements. All insurance required by Paragraph 16.1, 16.2, and 16.3 of this agreement shall be submitted on an ACORD Certificate of Liability Insurance. Insurers must be authorized to do business and have an agent for service of process in the State of California and have an ‘A’ financial strength rating and a financial size rating of at least Class VI in accordance with the most current A.M. Best’s Rating Guide. Additional Insured Endorsements must be provided for the Liability Insurance called out in Paragraph 16.1 with the **Olivenhain Municipal Water District (District), the District’s Engineer/Architect, the District’s Representatives, KYOCERA s, and each of the District’s Directors, Officers, Agents, and Employees** named as additional insureds. The insurance must include a Waiver of Subrogation and must be Primary and non-Contributory. The additional insured endorsements must be provided on Form CG 20 10 10 01. The insurance certificate and endorsements shall be cancelable with notice delivered to the District in accordance with the policy provisions.

17. Job Site Safety. KYOCERA shall be solely liable and responsible for complying with all federal, state and local laws, rules and regulations pertaining to job safety for all agents, employees, subcontractors, suppliers, and independent contractors retained by KYOCERA to perform any work or services or to provide any materials required by this Agreement. However, KYOCERA shall not be liable or responsible for overall job site safety or the job site safety for any workers or agents employed by any construction contractor performing any work for the District on any construction project.

18. Indemnity. As a material term of this Agreement, KYOCERA agrees to hold harmless, indemnify, and defend the District and its directors, officers, employees, agents, and representatives from and against any and all demands, liability, claims, suits, actions, damages, costs, fees, expenses, fines, and penalties, of whatever type or nature, including, but not limited to, reasonable attorney fees, to the extent arising out of, pertaining to, or relating to the willful misconduct, recklessness, or negligence of KYOCERA , including its directors, officers, employees, agents, subcontractors, sub-consultants, suppliers, independent contractors, or other persons and entities employed or utilized by KYOCERA in the performance of this Agreement. In the event that any administrative proceeding, litigation or arbitration is instituted naming the

District or any other indemnified parties as a defendant, the District and such other indemnified parties shall be entitled to appoint their own independent counsel to represent them, and KYOCERA agrees to pay all reasonable attorneys fees, expert fees and costs, and litigation costs associated with this defense within thirty (30) days of any billing; provided however, that the KYOCERA's obligation shall be limited as provided by Civil Code Section 2782.8 to the extent that the KYOCERA establishes its proportionate percentage of fault by stipulation of all the parties to the proceeding or a final adjudicatory determination.

19. Miscellaneous Provisions.

19.1 California Law Governs. This Agreement shall be governed by California law.

19.2 Jurisdiction and Venue. In the event of any legal or equitable proceeding to enforce or interpret the terms and conditions of this Agreement, the parties agree that jurisdiction and venue shall lie only in the federal or state courts in or nearest to the North County Judicial District, County of San Diego, State of California.

19.3 Modification. This Agreement may not be altered in whole or in part except by a written modification approved by the Board of Directors of the District and executed by all the parties to this Agreement.

19.4 Attorneys' Fees. In the event any arbitration, action or proceeding is initiated to challenge, invalidate, enforce or interpret any of the terms of this Agreement, the prevailing party shall be entitled to all attorneys' fees, all expert fees and costs, and all litigation fees, costs, and expenses in addition to any other relief granted by law. This provision shall apply to the entire Agreement.

19.5 Entire Agreement. This Agreement, together with all exhibits attached hereto, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, or agreements, whether or not such correspondence, memoranda or agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement and its exhibits. KYOCERA warrants and represents that no District representative has made any oral representations or oral

agreements not contained in this Agreement. KYOCERA further warrants and represents that KYOCERA has not relied upon any oral statements or promises made by any District representative or agent in executing this Agreement. The parties mutually declare that this Agreement and its exhibits constitute a final, complete and integrated agreement between the parties.

19.6 Prohibition on Assignment. KYOCERA shall not be entitled to assign or transfer all or any portion of its rights or obligations in this Agreement without obtaining the express prior written consent of the District. The District shall have no obligation to give its consent to any assignment and may deny any requested assignment, in its sole discretion.

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

19.8 Unenforceable Provisions. The terms, conditions, and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement, as so interpreted, is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.

19.9 Representation of Capacity to Contract. Each party to this Agreement represents and warrants that he or she has the authority to execute this Agreement on behalf of the entity represented by that individual. This representation is a material term of this Agreement.

19.10 Opportunity to be Represented by Independent Counsel. Each of the parties to this Agreement warrants and represents that it has been advised to consult independent counsel of its own choosing and has had a reasonable opportunity to do so prior to executing this Agreement.

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

shall occur unless the waiver is expressly stated in writing and signed by the person for the party having the authority to expressly waive the benefit or provision, in writing. No oral waivers shall be effective against either party.

19.12 No Joint Venture and No Third Party Beneficiaries. Nothing in this Agreement is intended to create a joint venture, partnership or common enterprise relationship of any kind between the District and KYOCERA. No third parties shall be construed as beneficiaries of any term, covenant or provision of this Agreement.

19.13 Time of Essence. The parties agree that time is of the essence as to all matters specified in this Agreement. The parties mutually declare that this is a material term of this Agreement.

19.14 Notices. All letters, statements, or notices required pursuant to this Agreement shall be deemed effective upon receipt when personally served, transmitted by facsimile machine, or sent certified mail, return receipt requested, to the following addresses or facsimile numbers:

To: "KYOCERA"  
Kyocera Document Solutions  
Attn: Michael Graves  
14101 Alton Parkway  
Irvine, California 92618

To: "District"  
Olivenhain Municipal Water District  
Attn: General Manager  
1966 Olivenhain Road  
Encinitas, California 92024

19.15 Effective Date. The effective date of this Agreement executed in counterparts in Olivenhain, California, within the North County Judicial District, County of San Diego, State of California, is \_\_\_\_\_, 2026.

Dated: \_\_\_\_\_, 2026

Olivenhain Municipal Water District,  
a public agency

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

Dated: \_\_\_\_\_, 2026

Kyocera Document Solutions

By: \_\_\_\_\_  
Michael Graves  
President

**Exhibit "A"**  
**Scope and Cost Proposal**

## **Kyocera Document Solutions West Cost Proposal and Payment Schedule**

### **Option 2 Mixed Existing Equipment and New Equipment**

Monthly Payment for 60-month Fair Market Lease Program \$2,360.21 + tax\*

\*Includes full maintenance – service and supplies for 10,000 black and 12,000 color images. Overages billed quarterly at \$.0065/image black and \$.043/image full color. Adjustments to included volume can be made at any time during the term of this agreement at these same rates. Excludes paper, staples and supplies shipping charges.

*Please see equipment configuration below.*

#### **Desktop Printer Models**

- (27) New Kyocera ECOSYS PA4500x 47 pages per minute black printer
  - One 500-sheet letter/legal paper drawer
  - One 100-sheet fold-down multi-purpose paper tray
  
- (3) New Kyocera ECOSYS PA3500cx 32 pages per minute black and color printer
  - One 550-sheet letter/legal paper drawer
  - One 100-sheet fold-down multi-purpose paper tray
  
- (1) Currently Placed Kyocera Ecosys P3155dn 55 Pages per minute black printer
  - One 500-sheet letter/legal paper drawer
  - One 100-sheet fold-down multipurpose paper tray

#### **Desktop Multi-Function Models**

- (2) New Kyocera Taskalfa 4500ci 47 pages per minute black and color printer/copier/scanner/fax
  - 100-sheet dual scan document processor
  - One 550-sheet letter/legal paper drawer
  - One 100-sheet fold-down multi-purpose paper tray
  - Seven-inch customizable color touch screen interface

#### **All Taskalfa Floor- Standing Color Multi-Function Printers**

- (4) Currently Placed Kyocera Taskalfa 5053ci 25 pages per minute black and color MFP
- (1) New Kyocera Taskalfa MZ5001ci 32 pages per minute black and color MFP
- (4) New Kyocera Taskalfa MZ3501ci 50 pages per minute black and color MFP

- Added Taskalfa to replace off contract MFP in IT office
- 10.1-inch customizable color touch screen interface
- 270-sheet dual scan document processor
- Dual 500-sheet universal paper drawers
- Dual 1,500-sheet letter-only paper drawers
- One 150-sheet multi-purpose paper tray
- 4,000-sheet finisher
  - 2/3 hole-punch unit
  - Booklet Folder/Tri-fold unit
- Fax System 14 with Network Fax Drive

## Kyocera Document Solutions West Cost Proposal and Payment Schedule (Cont.)

- a. No One-Time Costs
- b. Delivery and Complete Installation of new devices to be signed-off on by OMWD team. No additional costs.
- c. Kyocera will handle the complete installation and configuration of KM Net Viewer as well as Kyocera Fleet Services. No additional costs.
- d. Consulting regarding this project will be included at no additional costs.
- e. Initial end-user training as well as on-going whenever it is requested. For annual training, Kyocera and OMWD teams can schedule this on day one.
- f. Project managers from the Kyocera team will be Brandon Nelson and Kirt Simmons.
- g. There is no software licensing fees or annual service fees associated with KM Net Viewer and Kyocera Fleet Services.
- h. There are no third-party products required for new systems.
- i. There are no and will never be any costs associated with vendor travel.
- j. Absolutely no other one-time costs associated with this Kyocera program aside from shipping costs for supplies.
- k. As is now the case, there are no additional annual service fees outside of the monthly lease payments and quarterly overage invoices when applicable.
- l. There are no and will never be any costs associated with vendor travel.
- m. No other one-time costs associated with this program.
- n. Our maintenance program continues to provide all travel, labor, parts and supplies **except for** paper, staples and shipping costs.
- o. There will be no escalations in the service pricing over the entire 3- or 5-year term.

**EXHIBIT "B"**

<b>Olivenhain Municipal Water District Request for Additional Work (Includes Authorization to Perform Additional Services and Inter-Task Transfers)</b>
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Consultant name \_\_\_\_\_ Request # \_\_\_\_\_

Project name \_\_\_\_\_ Date Required \_\_\_\_\_

Project Task	Current Budget	Change	Revised Budget
			\$0.00
			\$0.00
			\$0.00
<b>Total Contract Change Amount</b>		\$0.00	\$0.00

Original Project Budget	\$0.00
Prior requests approved	\$0.00
This request	
<b>Revised Project Budget</b>	\$0.00

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

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

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

**OMWD use only below this line**

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

N/A \_\_\_\_\_  
 Workorder number(s) to charge \_\_\_\_\_ OMWD Record No. \_\_\_\_\_

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**Original to General Manager**

Copies to

Originating Dept.  Consultant  Project Acct



APPLICATION NO.

AGREEMENT NO.



EQUIPMENT FINANCE

## Value Lease Agreement

Document Solutions

Send Account Inquiries to: 1310 Madrid Street, Suite 101 • Marshall, MN 56258 • Phone: (800) 328-5371 • Fax: (800) 328-9092  
 Send Payments to: P.O. Box 790448 • St. Louis, MO 63179-0448

The words "Lessee," "you" and "your" refer to Customer. The words "Lessor," "we," "us" and "our" refer to U.S. Bank Equipment Finance, a division of U.S. Bank National Association ("U.S. Bank Equipment Finance").

## CUSTOMER INFORMATION

FULL LEGAL NAME			STREET ADDRESS	
Olivenhain Municipal Water District			1966 Olivenhain Rd	
CITY	STATE	ZIP	PHONE	FAX
Encinitas	CA	92024	760-753-6466	
BILLING NAME (IF DIFFERENT FROM ABOVE)			BILLING STREET ADDRESS	
Same as above				
CITY	STATE	ZIP	E-MAIL	
EQUIPMENT LOCATION (IF DIFFERENT FROM ABOVE)				

## SUPPLIER INFORMATION

FULL LEGAL NAME			STREET ADDRESS	
Kyocera Document Solutions West			14101 Alton Pkwy	
CITY	STATE	ZIP	PHONE	FAX
Irvine	CA	92618	800-996-9591	

## EQUIPMENT DESCRIPTION

MAKE/MODEL/ACCESSORIES	SERIAL NO.	STARTING METER	NOT FINANCED UNDER THIS AGREEMENT
Kyocera ECOSYS PA4500x (27)			<input type="checkbox"/>
Kyocera ECOSYS PA3500cx (3)			<input type="checkbox"/>
Kyocera TaskAlfa MA4500ci (2)			<input type="checkbox"/>
Kyocera TaskAlfa MZ3501ci (4)			<input type="checkbox"/>
Kyocera TaskAlfa MZ5001ci			<input type="checkbox"/>

together with all replacements, parts, repairs, additions, and accessions incorporated therein or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.

 See attached Schedule A

 See attached Billing Schedule

## TERM AND PAYMENT INFORMATION

60 Payments\* of \$ 2360.21 *If you are exempt from sales tax, attach your certificate.* *\*plus applicable taxes*  
 The payment ("Payment") period is monthly unless otherwise indicated.

Payment includes 10000 B&W pages per month Overages billed monthly at \$ .0065 per B&W page\*  
 Payment includes 12000 Color pages per month Overages billed monthly at \$ .043 per Color page\*

## END OF TERM OPTIONS

You may choose one of the following options, which you may exercise at the end of the term, provided that no event of default under this Agreement has occurred and is continuing. If no box is checked and initialed, Fair Market Value will be your end of term option. Fair Market Value means the value of the Equipment in continued use.

Purchase all of the Equipment for its Fair Market Value, renew this Agreement, or return the Equipment.

Purchase all of the Equipment for \$1.00. At the end of the term, title to the Equipment will automatically transfer to you, AS IS, WHERE IS, with no warranties of any kind.

\_\_\_\_ Customer's Initials

\_\_\_\_ Customer's Initials

Upon acceptance of the Equipment, THIS AGREEMENT IS NONCANCELABLE, IRREVOCABLE AND CANNOT BE TERMINATED.

## LESSOR ACCEPTANCE

U.S. Bank Equipment Finance		
LESSOR	SIGNATURE	TITLE DATED

## CUSTOMER ACCEPTANCE

BY SIGNING BELOW OR AUTHENTICATING AN ELECTRONIC RECORD HEREOF, YOU CERTIFY THAT YOU HAVE REVIEWED AND DO AGREE TO ALL TERMS AND CONDITIONS OF THIS AGREEMENT ON THIS PAGE AND ON PAGE 2 ATTACHED HERETO.

	<b>X</b>	
CUSTOMER (as referenced above)	SIGNATURE	TITLE DATED

FEDERAL TAX I.D. # \_\_\_\_\_ PRINT NAME \_\_\_\_\_

## DELIVERY &amp; ACCEPTANCE CERTIFICATE

You certify and acknowledge that all of the Equipment listed above: 1) has been received, installed and inspected; and 2) is fully operational and unconditionally accepted. Upon you signing below, your promises in this Agreement will be irrevocable and unconditional in all respects. You understand and agree that we have paid for the purchase of the Equipment from Supplier and you may contact Supplier for any warranty rights, which we transfer to you for the term of this Agreement (or until you default).

	<b>X</b>	
CUSTOMER (as referenced above)	SIGNATURE	TITLE ACCEPTANCE DATE

- 1. AGREEMENT:** You agree to lease from us the goods ("Equipment") and, if applicable, finance certain software, software license(s), software components and/or professional services in connection with software (collectively, the "Financed Items," which are included in the word "Equipment" unless separately stated) from software licensor(s) and/or supplier(s) (collectively, the "Supplier"), all as described in this Agreement and in any attached schedule, addendum or amendment hereto ("Agreement"). You represent and warrant that you will use the Equipment for business purposes only. You agree to all of the terms and conditions contained in this Agreement, which, with the acceptance certification, is the entire agreement between you and us regarding the Equipment and which supersedes any purchase order, invoice, request for proposal, response or other related document. This Agreement becomes valid upon execution by us. If any provision of this Agreement is declared unenforceable, the other provisions herein shall remain in full force and effect to the fullest extent permitted by law.
- 2. OWNERSHIP; PAYMENTS; TAXES AND FEES:** We own the Equipment, excluding any Financed Items. Ownership of any Financed Items shall remain with Supplier thereof. You will pay all Payments, as adjusted, when due, without notice or demand and without abatement, set-off, counterclaim or deduction of any amount whatsoever. If any part of a Payment is more than 5 days late, you agree to pay a late charge of 10% of the Payment which is late or, if less, the maximum charge allowed by law. The Payment may be adjusted proportionately upward or downward: (i) if the shipping charges or taxes differ from the estimate given to you; and/or (ii) to comply with the tax laws of the state in which the Equipment is located. You shall pay all applicable taxes, assessments and penalties related to this Agreement, whether levied or assessed on this Agreement, on us (except on our income) or, you or on the Equipment, its lease, sale, ownership, possession, use or operation. If we pay any taxes or other expenses that are owed hereunder, you agree to reimburse us when we request. You agree to pay us a yearly processing fee of up to \$50 for personal property taxes we pay related to the Equipment. You agree to pay us a fee of up to \$50 for filing and/or searching costs required under the Uniform Commercial Code ("UCC") or other laws. You agree to pay us an origination fee of up to \$125 for all closing costs. We may apply all sums received from you to any amounts due and owed to us under the terms of this Agreement. If for any reason your check is returned for insufficient funds, you will pay us a service charge of \$30 or, if less, the maximum charge allowed by law. We may make a profit on any fees, estimated tax payments and other charges paid under this Agreement.
- 3. EQUIPMENT; SECURITY INTEREST:** At your expense, you shall keep the Equipment: (i) in good repair, condition and working order, in compliance with applicable laws, ordinances and manufacturers' and regulatory standards; (ii) free and clear of all liens and claims; and (iii) at your address shown on page 1, and you agree not to move it unless we agree in writing. You grant us a security interest in the Equipment to secure all amounts you owe us under this Agreement or any other agreement with us ("Other Agreements"), except amounts under Other Agreements which are secured by land and/or buildings. You authorize and ratify our filing of any financing statement(s) to show our interest. You will not change your name, state of organization, headquarters or residence without providing prior written notice to us. You will notify us within 30 days if your state of organization revokes or terminates your existence.
- 4. INSURANCE; COLLATERAL PROTECTION; INDEMNITY; LOSS OR DAMAGE:** You agree to keep the Equipment fully insured against all risk, with us named as lender's loss payee, in an amount not less than the full replacement value of the Equipment until this Agreement is terminated. You also agree to maintain commercial general liability insurance with such coverage and from such insurance carrier as shall be satisfactory to us and to include us as an additional insured on the policy. You will provide written notice to us within 10 days of any modification or cancellation of your insurance policy(s). You agree to provide us certificates or other evidence of insurance acceptable to us. If you do not provide us with acceptable evidence of property insurance within 30 days after the start of this Agreement, we may, at our sole discretion, charge you a monthly property damage surcharge of up to .0035 of the Equipment cost as a result of our credit risk and administrative and other costs, as would be further described on a letter from us to you. We may make a profit on this program. NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF RESPONSIBILITY FOR LIABILITY INSURANCE ON THE EQUIPMENT. We are not responsible for, and you agree to hold us harmless and reimburse us for and to defend on our behalf against, any claim for any loss, expense, liability or injury caused by or in any way related to delivery, installation, possession, ownership, leasing, manufacture, use, condition, inspection, removal, return or storage of the Equipment. All indemnities will survive the expiration or termination of this Agreement. You are responsible for any loss, theft, destruction or damage to the Equipment ("Loss"), regardless of cause, whether or not insured. You agree to promptly notify us in writing of any Loss. If a Loss occurs and we have not otherwise agreed in writing, you will promptly pay to us the unpaid balance of this Agreement, including any future Payments to the end of the term plus the anticipated residual value of the Equipment, both discounted to present value at 2%. Any proceeds of insurance will be paid to us and credited against the Loss. You authorize us to sign on your behalf and appoint us as your attorney-in-fact to endorse in your name any insurance drafts or checks issued due to a Loss.
- 5. ASSIGNMENT; YOU SHALL NOT SELL, TRANSFER, ASSIGN, ENCUMBER, PLEDGE OR SUBLEASE THE EQUIPMENT OR THIS AGREEMENT, without our prior written consent.** You shall not consolidate or merge with or into any other entity, distribute, sell or dispose of all or any substantial portion of your assets other than in the ordinary course of business, without our prior written consent, and the surviving, or successor entity or the transferee of such assets, as the case may be, shall assume all of your obligations under this Agreement by a written instrument acceptable to us. No event shall occur which causes or results in a transfer of majority ownership of you while any obligations are outstanding hereunder. We may sell, assign, or transfer this Agreement without notice to or consent from you. You agree that if we sell, assign or transfer this Agreement, our assignee will have the same rights and benefits that we have now and will not have to perform any of our obligations. **You agree that our assignee will not be subject to any claims, defenses, or offsets that you may have against us.** This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.
- 6. DEFAULT AND REMEDIES:** You will be in default if: (i) you do not pay any Payment or other sum due to us or you fail to perform in accordance with the covenants, terms and conditions of this Agreement or any other agreement with us or any of our affiliates or fail to perform or pay under any material agreement with any other entity; (ii) you make or have made any false statement or misrepresentation to us; (iii) you or any guarantor dies, dissolves, liquidates, terminates existence or is in bankruptcy; (iv) you or any guarantor suffers a material adverse change in its financial, business or operating condition; or (v) any guarantor defaults under any guaranty for this Agreement. If you are ever in default, at our option, we can cancel this Agreement and require that you pay the unpaid balance of this Agreement, including any future Payments to the end of term plus the anticipated residual value of the Equipment, both discounted to present value at 2%. We may recover default interest on any unpaid amount at the rate of 12% per year. Concurrently and cumulatively, we may also use any remedies available to us under the UCC and any other law and we may require that you immediately stop using any Financed Items. If we take possession of the Equipment, you agree to pay the costs of repossession, moving, storage, repair and sale. The net proceeds of the sale of any Equipment will be credited against what you owe us under this Agreement and you will be responsible for any deficiency. In the event of any dispute or enforcement of our rights under this Agreement or any related agreement, you agree to pay our reasonable attorneys' fees (including any incurred before or at trial, on appeal or in any other proceeding), actual court costs and any other collection costs, including any collection agency fee. **WE SHALL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES FOR ANY DEFAULT, ACT OR OMISSION BY ANYONE.** Any delay or failure to enforce our rights under this Agreement will not prevent us from enforcing any rights at a later time. You agree that this Agreement is a "Finance Lease" as defined by Article 2A of the UCC and your rights and remedies are governed exclusively by this Agreement. You waive all rights under sections 2A-508 through 522 of the UCC. If interest is charged or collected in excess of the maximum lawful rate, we will refund such excess to you, which will be your sole remedy.
- 7. INSPECTIONS AND REPORTS:** We have the right, at any reasonable time, to inspect the Equipment and any documents relating to its installation, use, maintenance and repair. Within 30 days after our request (or such longer period as provided herein), you will deliver all requested information (including tax returns) which we deem reasonably necessary to determine your current financial condition and faithful performance of the terms hereof. This may include: (i) compiled, reviewed or audited annual financial statements (including, without limitation, a balance sheet, a statement of income, a statement of cash flow, a statement of changes in equity and notes to financial statements) within 120 days after your fiscal year end, and (ii) management-prepared interim financial statements within 45 days after the requested reporting period(s). Annual statements shall set forth the corresponding figures for the prior fiscal year in comparative form, all in reasonable detail without any qualification or exception deemed material by us. Unless otherwise accepted by us, each financial statement shall be prepared in accordance with generally accepted accounting principles consistently applied and shall fairly and accurately present your financial condition and results of operations for the period to which it pertains. You authorize us to obtain credit bureau reports for credit and collection purposes and to share them with our affiliates and agents.
- 8. END OF TERM:** Unless the purchase option is \$1.00, at the end of the initial term, this Agreement shall renew for successive 12-month renewal term(s) under the same terms hereof unless you send us written notice between 90 and 150 days before the end of the initial term or at least 30 days before the end of any renewal term that you want to purchase or return the Equipment, and you timely purchase or return the Equipment. You shall continue making Payments and paying all other amounts due until the Equipment is purchased or returned. As long as you have given us the required written notice, if you do not purchase the Equipment, you will return all of the Equipment to a location we specify, at your expense, in retail re-saleable condition, full working order and complete repair. **YOU ARE SOLELY RESPONSIBLE FOR REMOVING ANY DATA THAT MAY RESIDE IN THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO HARD DRIVES, DISK DRIVES OR ANY OTHER FORM OF MEMORY.**
- 9. USA PATRIOT ACT NOTICE; ANTI-TERRORISM AND ANTI-CORRUPTION COMPLIANCE:** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each customer who opens an account. When you enter into a transaction with us, we ask for your business name, address and other information that will allow us to identify you. We may also ask to see other documents that substantiate your business identity. You and any other person who you control, own a controlling interest in, or who owns a controlling interest in or otherwise controls you in any manner ("Representatives") are and will remain in full compliance with all laws, regulations and government guidance concerning foreign asset control, trade sanctions, embargoes, and the prevention and detection of money laundering, bribery, corruption, and terrorism, and neither you nor any of your Representatives is or will be listed in any Sanctions-related list of designated persons maintained by the U.S. Department of Treasury's Office of Foreign Assets Control or successor or the U.S. Department of State. You shall, and shall cause any Representative to, provide such information and take such actions as are reasonably requested by us in order to assist us in maintaining compliance with anti-money laundering laws and regulations.
- 10. MISCELLANEOUS:** Unless otherwise stated in an addendum hereto, the parties agree that: (i) this Agreement and any related documents hereto may be authenticated by electronic means; (ii) the "original" of this Agreement shall be the copy that bears your manual, facsimile, scanned or electronic signature and that also bears our manually or electronically signed signature and is held or controlled by us; and (iii) to the extent this Agreement constitutes chattel paper (as defined by the UCC), a security interest may only be created in the original. You agree not to raise as a defense to the enforcement of this Agreement or any related documents that you or we executed or authenticated such documents by electronic or digital means or that you used facsimile or other electronic means to transmit your signature on such documents. Notwithstanding anything to the contrary herein, we reserve the right to require you to sign this Agreement or any related documents hereto manually and to send to us the manually signed, duly executed documents via overnight courier on the same day that you send us the facsimile, scanned or electronic transmission of the documents. You agree to execute any further documents that we may request to carry out the intents and purposes of this Agreement. Whenever our consent is required, we may withhold or condition such consent in our sole discretion, except as otherwise expressly stated herein. From time to time, Supplier may extend to us payment terms for Equipment financed under this Agreement that are more favorable than what has been quoted to you or the general public, and we may provide Supplier information regarding this Agreement if Supplier has assigned or referred it to us. All notices shall be mailed or delivered by facsimile transmission or overnight courier to the respective parties at the addresses shown on this Agreement or such other address as a party may provide in writing from time to time. By providing us with a telephone number for a cellular phone or other wireless device, including a number that you later convert to a cellular number, you are expressly consenting to receiving communications, including but not limited to prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system, from us and our affiliates and agents at that number. This express consent applies to each such telephone number that you provide to us now or in the future and permits such calls for non-marketing purposes. Calls and messages may incur access fees from your cellular provider. You authorize us to make non-material amendments (including completing and conforming the description of the Equipment) on any document in connection with this Agreement. Unless stated otherwise herein, all other modifications to this Agreement must be in writing and signed by each party or in a duly authenticated electronic record. This Agreement may not be modified by course of performance.
- 11. WARRANTY DISCLAIMERS:** WE ARE LEASING THE EQUIPMENT TO YOU "AS-IS." YOU HAVE SELECTED SUPPLIER AND THE EQUIPMENT BASED UPON YOUR OWN JUDGMENT. WE DO NOT TAKE RESPONSIBILITY FOR THE INSTALLATION OR PERFORMANCE OF THE EQUIPMENT. SUPPLIER IS NOT AN AGENT OF OURS AND WE ARE NOT AN AGENT OF SUPPLIER, AND NOTHING SUPPLIER STATES OR DOES CAN AFFECT YOUR OBLIGATIONS HEREUNDER. **YOU WILL MAKE ALL PAYMENTS UNDER THIS AGREEMENT REGARDLESS OF ANY CLAIM OR COMPLAINT AGAINST ANY SUPPLIER, LICENSOR OR MANUFACTURER, AND ANY FAILURE OF A SERVICE PROVIDER TO PROVIDE SERVICES WILL NOT EXCUSE YOUR OBLIGATIONS TO US UNDER THIS AGREEMENT. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, OF, AND TAKE ABSOLUTELY NO RESPONSIBILITY FOR, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, CONDITION, QUALITY, ADEQUACY, TITLE, DATA ACCURACY, SYSTEM INTEGRATION, FUNCTION, DEFECTS, INFRINGEMENT OR ANY OTHER ISSUE IN REGARD TO THE EQUIPMENT, ANY ASSOCIATED SOFTWARE AND ANY FINANCED ITEMS.** SO LONG AS YOU ARE NOT IN DEFAULT UNDER THIS AGREEMENT, WE ASSIGN TO YOU ANY WARRANTIES IN THE EQUIPMENT GIVEN TO US.
- 12. LAW; JURY WAIVER:** This Agreement will be governed by and construed in accordance with Minnesota law. You consent to jurisdiction and venue of any state or federal court in Minnesota and waive the defense of inconvenient forum. For any action arising out of or relating to this Agreement or the Equipment, **BOTH PARTIES WAIVE ALL RIGHTS TO A TRIAL BY JURY.**
- 13. MAINTENANCE AND SUPPLIES:** You have elected to enter into a separate arrangement with Supplier for maintenance, inspection, adjustment, parts replacement, drums, cleaning material required for proper operation and toner and developer ("Arrangement"). You agree to pay all amounts owing under this Agreement regardless of any claim you have against Supplier relating to the Arrangement. Supplier will be solely responsible for performing all services and providing all supplies under the Arrangement. You agree not to hold Lessor (if different from Supplier) or any assignee of this Agreement responsible for Supplier's obligations under the Arrangement. As a convenience to you, we will provide you with one invoice covering amounts owing under this Agreement and the Arrangement. If necessary, Supplier's obligations to you under the Arrangement may be assigned by us. You agree to pay a monthly supply freight fee to cover the costs of shipping supplies to you. Each month, you are entitled to produce the minimum number of pages shown on page 1 for each applicable page type. Regardless of the number of pages made, you will never pay less than the minimum Payment. You agree to provide periodic meter readings on the Equipment. You agree to pay the applicable overage charge for each metered page that exceeds the applicable minimum number of pages. Pages made on equipment marked as not financed under this Agreement will be included in determining your page and overage charges. At the end of the first year of this Agreement, and once each successive 12-month period thereafter, the maintenance and supplies portion of the Payment and the overage charges may be increased by a maximum of 15% of the existing payment or charge. In order to facilitate an orderly transition, the start date of this Agreement will be the date the Equipment is delivered to you or a date designated by us, as shown on the first invoice. If a later start date is designated, in addition to all Payments and other amounts due hereunder, you agree to pay us a transitional payment equal to 1/30th of the Payment, multiplied by the number of days between the date the Equipment is delivered to you and the designated start date. The first Payment is due 30 days after the start of this Agreement and each Payment thereafter shall be due on the same day of each month.



EQUIPMENT FINANCE

TERMS AND CONDITIONS
ADDENDUM

AGREEMENT #
3276524

Addendum to Agreement # 3276524 and any future supplements/schedules thereto, between OLIVENHAIN MUNICIPAL WATER DISTRICT, as Customer and U.S. Bank Equipment Finance, a division of U.S. Bank National Association ("U.S. Bank Equipment Finance"), as Lessor/Secured Party ("Agreement").

The parties wish to amend the above-referenced Agreement as follows:

Allocation of Monthly Payment Amount:

- a. The combined monthly Payment listed in this Agreement is \$2,360.21, plus applicable taxes. The parties agree to the following allocation of the monthly Payment:
i.) The Equipment Portion of the Payment owed to Lessor pursuant to this Agreement: \$1,564.71, plus applicable taxes.
ii.) The Maintenance and Supplies Portion of the Payment owed to Kyocera/Supplier pursuant to the Arrangement: \$795.50, plus applicable taxes.

As a convenience to Customer, Lessor will provide Customer with one invoice covering amounts owing under this Agreement and the Arrangement/Kyocera Agreement.

b. The Equipment portion (\$1,564.71, plus applicable taxes) of the Payment is subject to the terms and conditions of Agreement # 3276524. Except as stated in the State & Local Government Addendum, the Equipment portion of the Payment cannot be cancelled or terminated.

c. The Maintenance and Supplies portion (\$795.50, plus applicable taxes) of the Payment, as further outlined in Paragraph 13, is subject to the terms and conditions of the separate agreements between Customer/Lessee and Kyocera/Supplier (hereinafter referenced jointly as "Arrangement") with respect to delivery, installation, and maintenance of the leased Equipment.

The terms and conditions of this Agreement are separate and stand-alone from the Arrangement, and apply to the corresponding Payment portion that is combined on page 1 of the Value Lease Agreement # 3276524, as a convenience to Customer.

Paragraph 2. OWNERSHIP; PAYMENTS; TAXES AND FEES:

Sentences 9 and 10, as stated below, have been removed in their entirety:

- "You agree to pay us a fee of up to \$50 for filing and/or searching costs required under the Uniform Commercial Code ("UCC") or other laws."
"You agree to pay us an origination fee of up to \$125 for all closing costs."

Paragraph 13. MAINTENANCE AND SUPPLIES:

Sentence 13, as stated below, has been removed in its entirety:

"At the end of the first year of this Agreement, and once each successive 12-month period thereafter, the maintenance and supplies portion of the Payment and the overage charges may be increased by a maximum of 15% of the existing payment or charge."

By signing this Addendum, Customer acknowledges the above changes to the Agreement and authorizes Lessor/Secured Party to make such changes. In the event of any conflict between this Addendum and the Agreement, this Addendum shall prevail. In all other respects, the terms and conditions of the Agreement remain in full force and effect and remain binding on Customer.

U.S. Bank Equipment Finance

Lessor/Secured Party

Signature

Title

Date

OLIVENHAIN MUNICIPAL WATER DISTRICT

Customer

X

Signature

Title

Date

NOTE: CAPITALIZED TERMS IN THIS DOCUMENT ARE DEFINED AS IN THE AGREEMENT, UNLESS SPECIFICALLY STATED OTHERWISE.



EQUIPMENT FINANCE

CALIFORNIA JUDICIAL REFERENCE ADDENDUM

AGREEMENT # 3276524

Addendum to Agreement # 3276524 and any future supplements/schedules thereto, between OLIVENHAIN MUNICIPAL WATER DISTRICT, as Customer and U.S. Bank Equipment Finance, a division of U.S. Bank National Association ("U.S. Bank Equipment Finance"), as Lessor/Secured Party ("Agreement"). The words "you" and "your" refer to Customer. The words "we," "us" and "our" refer to Lessor/Secured Party.

The parties wish to amend the above-referenced Agreement by adding the following language:

- 1. Any and all disputes, claims and controversies arising out of, connected with or relating to the Agreement or the transactions contemplated thereby (individually, a "Dispute") that are brought before a forum in which pre-dispute waivers of the right to trial by jury are invalid under applicable law shall be subject to the terms contained in this Addendum in lieu of the jury trial waiver otherwise provided in the Agreement. Disputes may include, without limitation, tort claims, counterclaims, claims brought as class actions, claims arising from schedules, supplements, exhibits or other documents to the Agreement executed in the future, disputes as to whether a matter is subject to judicial reference, or claims concerning any aspect of the past, present or future relationships arising out of or connected with the Agreement.
2. Any and all Disputes shall be heard by a referee and resolved by judicial reference pursuant to California Code of Civil Procedure ("CCCP") §§ 638 et seq. The referee shall be a retired California state court judge or an attorney licensed to practice law in the State of California with at least 10 years' experience practicing commercial law. The parties shall not seek to appoint a referee that may be disqualified pursuant to CCCP §641 or 641.2 without the prior written consent of all parties. If the parties are unable to agree upon a referee within 10 calendar days after one party serves a written notice of intent for judicial reference upon the other parties, then the referee will be selected by the court in accordance with CCCP § 640(b).
3. The referee shall render a written statement of decision and shall conduct the proceedings in accordance with the CCCP, the Rules of Court, and the California Evidence Code, except as otherwise specifically agreed by the parties and approved by the referee. The referee's statement of decision shall set forth findings of fact and conclusions of law. The decision of the referee shall be entered as a judgment in the court in accordance with the provisions of CCCP §§644 and 645. The decision of the referee shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the superior court.
4. Notwithstanding the preceding agreement to submit Disputes to a judicial referee, the parties preserve, without diminution, certain rights and remedies at law or equity and under the Agreement that such parties may employ or exercise freely, either alone or in conjunction with or during a Dispute. Each party shall have and hereby reserves the right to proceed in any court of proper jurisdiction or by self-help to exercise or prosecute the following remedies, as applicable: (A) all rights to foreclose against any real or personal property or other security by exercising a power of sale granted in the Agreement or under applicable law or by judicial foreclosure and sale, including a proceeding to confirm the sale, (B) all rights of self-help including peaceful occupation of property and collection of rents, setoff, and peaceful possession of property, (C) obtaining provisional or ancillary remedies including injunctive relief, sequestration, garnishment, attachment, appointment of receiver and in filing an involuntary bankruptcy proceeding, and (D) when applicable, a judgment by confession of judgment. Preservation of these remedies does not limit the power of a judicial referee to grant similar remedies that may be requested by a party in a Dispute. No provision in the Agreement regarding submission to jurisdiction and/or venue in any court is intended or shall be construed to be in derogation of the provisions in this Addendum for judicial reference of any Dispute. The parties do not waive any applicable federal or state substantive law except as provided herein.
5. If a Dispute includes multiple claims, some of which are found not subject to this Addendum, the parties shall stay the proceedings of the claims not subject to this Addendum until all other claims are resolved in accordance with this Addendum. If there are Disputes by or against multiple parties, some of which are not subject to this Addendum, the parties shall sever the Disputes subject to this Addendum and resolve them in accordance with this Addendum.
6. During the pendency of any Dispute that is submitted to judicial reference in accordance with this Addendum, each of the parties to such Dispute shall bear equal shares of the fees charged and costs incurred by the referee in performing the services described in this Addendum. The compensation of the referee shall not exceed the prevailing rate for like services. The prevailing party shall be entitled to reasonable court costs and legal fees, including customary attorneys' fees, expert witness fees, paralegal fees, the fees of the referee and other reasonable costs and disbursements charged to the party by its counsel, in such amount as is determined by the referee.
7. In the event of any challenge to the legality or enforceability of this Addendum, the prevailing party shall be entitled to recover the costs and expenses from the non-prevailing party, including reasonable attorneys' fees, incurred by it in connection therewith.
8. THIS ADDENDUM CONSTITUTES A "REFERENCE AGREEMENT" BETWEEN THE PARTIES WITHIN THE MEANING OF AND FOR PURPOSES OF CCCP § 638.

By signing this Addendum, Customer acknowledges the above changes to the Agreement and authorizes Lessor/Secured Party to make such changes. In the event of any conflict between this Addendum and the Agreement, this Addendum shall prevail. In all other respects, the terms and conditions of the Agreement remain in full force and effect and remain binding on Customer. This Addendum may be executed in multiple counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute one and the same agreement.

U.S. Bank Equipment Finance

Lessor/Secured Party

OLIVENHAIN MUNICIPAL WATER DISTRICT

Customer

X

Signature

Signature

Title

Date

Title

Date

NOTE: CAPITALIZED TERMS IN THIS DOCUMENT ARE DEFINED AS IN THE AGREEMENT, UNLESS SPECIFICALLY STATED OTHERWISE.



Addendum to Agreement # 3276524 and any future supplements/schedules thereto, between OLIVENHAIN MUNICIPAL WATER DISTRICT, as Customer and U.S. Bank Equipment Finance, a division of U.S. Bank National Association ("U.S. Bank Equipment Finance"), as Lessor. The words "you" and "your" refer to Customer. The words "we" and "us" refer to Lessor.

**1. The parties wish to amend the above-referenced Agreement by adding the following language:**

**REPRESENTATIONS AND WARRANTIES OF CUSTOMER:** You hereby represent and warrant to us that: (i) you have been duly authorized under the Constitution and laws of the applicable jurisdiction and by a resolution or other authority of your governing body to execute and deliver this Agreement and to carry out your obligations hereunder; (ii) all legal requirements have been met, and procedures have been followed, including public bidding, in order to ensure the enforceability of this Agreement; (iii) this Agreement is in compliance with all laws applicable to you, including any debt limitations or limitations on interest rates or finance charges; (iv) the Equipment will be used by you only for essential governmental or proprietary functions of you consistent with the scope of your authority, will not be used in a trade or business of any person or entity, by the federal government or for any personal, family or household use, and your need for the Equipment is not expected to diminish during the term of this Agreement; (v) you have funds available to pay Payments until the end of your current appropriation period, and you intend to request funds to make Payments in each appropriation period, from now until the end of the term of this Agreement; and (vi) your exact legal name is as set forth on page one of this Agreement.

**INITIAL TERM AND RENEWAL TERM(S):** The term of the Agreement consists of an initial term beginning on the date we pay Supplier and ending at the end of your fiscal year in which we pay Supplier, and a series of renewal terms, each co-extensive with your fiscal year. Except to the extent required by applicable law, if you do not exercise your right to terminate the Agreement under the Non-Appropriation or Renewal paragraph as of the end of any fiscal year, the Agreement will be deemed automatically renewed for the next succeeding renewal term.

An election by you to terminate the Agreement under the Non-Appropriation or Renewal paragraph is not a default.

Notwithstanding anything to the contrary set forth in the Agreement, if we cancel the Agreement following a default by you, we may require that you pay the unpaid balance of Payments under the Agreement through the end of your then-current fiscal year, but we may not require you to pay future Payments due beyond that fiscal year or the anticipated residual value of the Equipment. If we sell the Equipment following a default by you, you will not be responsible for a deficiency, except to the extent of our costs of repossession, moving, storage, repair and sale, and our attorneys' fees and costs.

**NON-APPROPRIATION OR RENEWAL:** If either sufficient funds are not appropriated to make Payments or any other amounts due under this Agreement or (to the extent required by applicable law) this Agreement is not renewed either automatically or by mutual ratification, this Agreement shall terminate and you shall not be obligated to make Payments under this Agreement beyond the then-current fiscal year for which funds have been appropriated. Upon such an event, you shall, no later than the end of the fiscal year for which Payments have been appropriated or the term of this Agreement has been renewed, deliver possession of the Equipment to us. If you fail to deliver possession of the Equipment to us, the termination shall nevertheless be effective but you shall be responsible, to the extent permitted by law and legally available funds, for the payment of damages in an amount equal to the portion of Payments thereafter coming due that is attributable to the number of days after the termination during which you fail to deliver possession and for any other loss suffered by us as a result of your failure to deliver possession as required. You shall notify us in writing within seven days after (i) your failure to appropriate funds sufficient for the payment of the Payments or (ii) to the extent required by applicable law, (a) this Agreement is not renewed or (b) this Agreement is renewed by you (in which event this Agreement shall be mutually ratified and renewed), provided that your failure to give any such notice under clause (i) or (ii) of this sentence shall not operate to extend this Agreement or result in any liability to you.

**SUPPLEMENTS; SEPARATE FINANCINGS:** To the extent applicable, in the event that the parties hereafter mutually agree to execute and deliver any supplement or schedule ("Supplement") under the above-referenced Agreement, such Supplement, as it incorporates the terms and conditions of the Agreement, shall be a separate financing distinct from the Agreement or other Supplements thereto. Without limiting the foregoing, upon the occurrence of an event of default or a non-appropriation event with respect to the Agreement or a Supplement (each, a separate "Contract"), as applicable, we shall have the rights and remedies specified in the Agreement with respect to the Equipment financed and the Payments payable under such Contract, and we shall have no rights or remedies with respect to Equipment financed or Payments payable under any other Contract unless an event of default or non-appropriation event has also occurred under such other Contract.

**2. The parties wish to amend the above-referenced Agreement by restating certain language as follows:**

Any provision in the Agreement stating that you shall indemnify and hold us harmless is hereby amended and restated as follows: "You shall not be required to indemnify or hold us harmless against liabilities arising from this Agreement. However, as between you and us, and to the extent permitted by law and legally available funds, you are responsible for and shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses, damages or losses arising under or related to the Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof, except that you shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses, damages or losses that arise directly from events occurring after you have surrendered possession of the Equipment in accordance with the terms of this Agreement to us or that arise directly from our gross negligence or willful misconduct."

Any provision in the Agreement stating that the Agreement is governed by a particular state's laws and you consent to such jurisdiction and venue is hereby amended and restated as follows: "This Agreement will be governed by and construed in accordance with the laws of the state where you are located. You consent to jurisdiction and venue of any state or federal court in such state and waive the defense of inconvenient forum."

Any provision in the Agreement stating this Agreement supersedes any invoice and/or purchase order is hereby amended and restated as follows: "You agree that the terms and conditions contained in this Agreement, which, with the acceptance certification, is the entire agreement between you and us regarding the Equipment and which supersedes any purchase order, invoice, request for proposal, response or other related document."

Any provision in the Agreement stating that this Agreement shall automatically renew unless the Equipment is purchased, returned or a notice requirement is satisfied is hereby amended and restated as follows: "Unless the purchase option is \$1.00 or \$101.00, you agree to send us written notice at least 30 days before the end of the final renewal term that you want to purchase or return the Equipment, and you agree to so purchase or return the Equipment not later than the end of the final renewal term. If you fail to so purchase or return the Equipment at or before the end of the final renewal term, you shall be a holdover tenant with respect to this Agreement and the Equipment, and this Agreement shall renew on a month-to-month basis under the same terms hereof until the Equipment has been purchased or returned."

Any provision in the Agreement stating that we may assign this Agreement is hereby amended and restated as follows: "We may sell, assign, or transfer this Agreement without notice to or consent from you, and you waive any right you may have to such notice or consent."

Any provision in the Agreement stating that you grant us a security interest in the Equipment to secure all amounts owed to us under any agreement is hereby

amended and restated as follows: "To the extent permitted by law, you grant us a security interest in the Equipment to secure all amounts you owe us under this Agreement and any supplements hereto. You authorize and ratify our filing of any financing statement(s) and the naming of us on any vehicle title(s) to show our interest."

Any provision in the Agreement stating that a default by you under any agreement with our affiliates or other lenders shall be an event of default under the Agreement is hereby amended and restated as follows: "You will be in default if: (i) you do not pay any Payment or other sum due to us under this Agreement when due or you fail to perform in accordance with the covenants, terms and conditions of this Agreement; (ii) you make or have made any false statement or misrepresentation to us; or (iii) you dissolve, liquidate, terminate your existence or are in bankruptcy."

Any provision in the Agreement stating that you shall pay our attorneys' fees is hereby amended and restated as follows: "In the event of any dispute or enforcement of rights under this Agreement or any related agreement, the non-prevailing party shall pay, to the extent permitted by law and to the extent of legally available funds, the prevailing party's reasonable attorney's fees (including any incurred before or at trial, on appeal or in any other proceeding), actual court costs and any other collection costs, including any collection agency fee."

Any provision in the Agreement requiring you to pay amounts due under the Agreement upon the occurrence of a default, failure to appropriate funds or failure to renew the Agreement is hereby amended to limit such requirement to the extent permitted by law and legally available funds.

**3. If your end-of-term option is the purchase of all Equipment for \$1.00 or \$101.00, the following applies:** Unless otherwise required by law, upon your acceptance of the Equipment, title to the Equipment shall be in your name, subject to our interest under this Agreement.

**4. With respect to any "Financed Items," the following provisions shall be applicable to such Financed Items:**

This Addendum concerns the granting to you of certain software and/or software license(s) ("Licensed Software"), the purchase by you of certain software components, including but not limited to, software maintenance and/or support ("Products") and/or the purchase by you of certain implementation, integration, training, technical consulting and/or professional services in connection with software ("Services") (collectively, the "Financed Items") from software licensor(s) and/or supplier(s) (collectively, the "Supplier"), all as further described in the agreement(s) between you and Supplier (collectively, the "Product Agreement"). For essential governmental purposes only, you have requested and we have agreed that instead of you paying the fees pursuant to the Product Agreement to Supplier for the Financed Items, we will satisfy your obligation to pay such fees to Supplier, and in consideration thereof, you shall repay the sums advanced by us to Supplier by promptly making certain installment payments to us, which are included in the Payments set forth in the Agreement.

To the extent permitted by law, you grant us a security interest in the license(s), including without limitation, all of your rights in the Licensed Software granted thereunder, the Products, all rights to payment under the Product Agreement, the Financed Items, and all proceeds of the foregoing to secure all amounts you owe us under this Agreement. You authorize and ratify our filing of any financing statement(s) to show our interest.

**By signing this Addendum, Customer acknowledges the applicable changes noted above are incorporated by reference into the Agreement. In all other respects, the terms and conditions of the Agreement remain in full force and effect and remain binding on Customer. In the event of any conflict between the terms and conditions of the Agreement and this Addendum, the terms and conditions of this Addendum shall control. Customer has caused this Addendum to be executed by its duly authorized officer as of the date below.**

U.S. Bank Equipment Finance  
Lessor

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Ownership of any Licensed Software shall remain with Supplier thereof. All Financed Items shall be provided by a Supplier unrelated to us, and your rights with respect to such Financed Items shall be governed by the Product Agreement between you and Supplier, which shall not be affected by this Agreement. IN NO EVENT SHALL WE HAVE ANY OBLIGATION TO PROVIDE ANY FINANCED ITEMS, AND ANY FAILURE OF SUPPLIER TO PROVIDE ANY FINANCED ITEMS SHALL NOT EXCUSE YOUR OBLIGATIONS TO US IN ANY WAY. YOU HAVE SELECTED SUPPLIER AND THE FINANCED ITEMS BASED UPON YOUR OWN JUDGMENT. WE DO NOT TAKE RESPONSIBILITY FOR THE INSTALLATION OR PERFORMANCE OF THE FINANCED ITEMS. SUPPLIER IS NOT AN AGENT OF OURS AND WE ARE NOT AN AGENT OF SUPPLIER, AND NOTHING SUPPLIER STATES OR DOES CAN AFFECT YOUR OBLIGATIONS HEREUNDER. **YOU WILL MAKE ALL PAYMENTS UNDER THIS AGREEMENT REGARDLESS OF ANY CLAIM OR COMPLAINT AGAINST ANY SUPPLIER, LICENSOR OR MANUFACTURER, AND ANY FAILURE OF A SERVICE PROVIDER TO PROVIDE SERVICES WILL NOT EXCUSE YOUR OBLIGATIONS TO US UNDER THIS AGREEMENT. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE FINANCED ITEMS COVERED BY THE PRODUCT AGREEMENT AND TAKE ABSOLUTELY NO RESPONSIBILITY FOR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR AS TO ANY PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT, CONDITION, QUALITY, ADEQUACY, TITLE, DATA ACCURACY, SYSTEM INTEGRATION, FUNCTION, DEFECTS OR ANY OTHER ISSUE IN REGARD TO THE FINANCED ITEMS.** YOU HEREBY WAIVE ANY CLAIM (INCLUDING ANY CLAIM BASED ON STRICT LIABILITY OR ABSOLUTE LIABILITY IN TORT) THAT YOU MAY HAVE AGAINST US FOR ANY LOSS, DAMAGE (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, LOSS OF DATA OR ANY OTHER DAMAGES) OR EXPENSE CAUSED BY THE FINANCED ITEMS COVERED BY THE PRODUCT AGREEMENT OR A TERMINATION OF THE FINANCED ITEMS PURSUANT TO AN EVENT OF DEFAULT, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE, LOSS, EXPENSE OR COST.

The following shall be additional events of default under the Agreement: (i) you fail to perform in accordance with the covenants, terms and conditions of the Product Agreement, or (ii) the Product Agreement is terminated, suspended, materially restricted or limited.

The following shall be additional remedies we have for your default under the Agreement: We shall have the right to: (a) cause the termination of the Financed Items and you irrevocably consent to such termination of the Financed Items by Supplier; and (b) require you to immediately stop using the Financed Items (regardless of whether you are in default under the Product Agreement) and you shall, at our option, either deliver to us a certification executed by a duly authorized officer certifying that you have ceased use of the Financed Items or deliver the Financed Items to a location designated by us. In the event you are entitled to transfer the right to use the Financed Items to any third party, you hereby agree to transfer any such right to use the Financed Items to any third party selected by us and acknowledge that you shall have no right to fees payable by any third party in connection with such transfer. However, we shall not be required to mitigate our damages caused by a default by transferring any Financed Items to a third party.

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Customer

X  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

# Memo

Date: March 18, 2026

To: Olivenhain Municipal Water District Board of Directors

From: Lindsey Stephenson, Engineering Manager  
Evan DeWindt, Water Treatment Facilities Supervisor  
Tim Schuette, Safety/Risk Compliance Administrator

Via: Kimberly A. Thorner, General Manager

Subject: **CONSIDER OPTIONS FOR POTENTIAL SAFETY, PROCEDURAL, OR CAPITAL IMPROVEMENTS FOR FLUORIDE SYSTEM IMPROVEMENTS AT THE DAVID C. MCCOLLOM WATER TREATMENT PLANT AND PROVIDE DIRECTION TO STAFF**

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## Purpose

The purpose of this agenda item is to consider options for potential safety, procedural, or capital improvements for fluoride system improvements at the David C. McCollom Water Treatment Plant (DCMWTP) per Board direction at its January 2026 meeting, and provide direction to staff.

## Recommendation

Based on continued cost and safety concerns, staff maintains its recommendation to submit an application to the Division of Drinking Water to amend OMWD's drinking water permit to discontinue fluoridation at DCMWTP. Other options are presented for the Board's consideration.

## **Alternative(s)**

The Board can provide other direction to staff as desired and alternatives are provided below.

## **Background**

Title 22 of the California Code of Regulations (CCR), Division 4, Chapter 15, Article 4.1 conditionally requires public water systems with 10,000 or more service connections to fluoridate their drinking water if sufficient funds become available to cover the capital costs required to install a fluoride system and, once the system is installed, funds are also available to cover the associated costs for operations and maintenance for a period of one year or more.

The onus behind the addition of fluoride to a public water supply is to reduce tooth decay. While the Metropolitan Water District of Southern California and the San Diego County Water Authority (SDCWA) are exempt from having to fluoridate because they do not have any retail end-users, each of these agencies currently provides fluoridated treated water to their customers. Out of the 22 SDCWA member agencies, nine have water treatment facilities, and out of those nine, five add fluoride to their finished water. Poway, Santa Fe Irrigation District, San Dieguito Water District, and Oceanside do not fluoridate, but at times receive SDCWA water. In accordance with Section 64433 of the CCR's Title 22, the Division of Drinking Water identified in 2008 a ranking of each agency within the state with more than 10,000 service connections in which the highest ranking agencies were the highest priority to receive funding to begin fluoridating. OMWD was ranked 95th out of a possible 167 positions. The First 5 Commission of San Diego County retained Richard Brady and Associates (RBA) to prepare a Fluoridation Concept Study which evaluated the facilities and capital and operating costs required to implement fluoridation for the five highest priority agencies within San Diego County. OMWD was one of the five evaluated. OMWD staff completed a proposed design for the implementation of fluoride in 2008; however, that project was not constructed as funding for the project from the First 5 Commission was not available.

In June 2011, staff of the First 5 Commission made a recommendation to its board to award funding for the construction of fluoridation facilities at the David C. McCollom Water Treatment Plant. The First 5 staff did not notify OMWD that it was making that recommendation and, as such, OMWD was not able to provide any input into the discussion. The First 5 Commission allocated \$892,000 for capital and first-year operations costs for the proposed fluoridation facilities based on a report prepared by

RBA. The OMWD Board indicated its desire to proceed only if 100% of the funding was made available to OMWD.

During discussions with First 5 in late 2011, staff indicated that the report was outdated and not representative of the facilities necessary to adequately dose and feed fluoridation throughout OMWD. First 5 recommissioned RBA to re-evaluate the necessary costs and identified a revised number of approximately \$1,800,000 for construction and first year operations (\$1,452,384 for capital and \$350,000 for operating costs annually).

In March 2012, the Board discussed the partial funding offered by First 5. Staff proposed that, if OMWD wanted to allocate the additional funds necessary to construct the fluoridation facilities, an increase in the potable water commodity rate of 1% in FY 13 plus another 1% increase in FY 14, in addition to already proposed rate increases would be necessary to pay for the capital, operation, and maintenance costs. Further, the annual anticipated operating cost of \$350,000 in the RBA report would have to be funded from the water operating budget if fluoride were implemented. At the March 2012 board meeting, the Board asked staff and First 5 to come back with additional information and financing alternatives.

In April 2012, the Board decided to proceed with the construction of fluoridation facilities via a change order to a contractor that was onsite at the treatment plant for other work, and to pursue a funding agreement with First 5.

In July 2013, the Board executed a change order from Archer Western to proceed with the construction of the fluoride facilities in the amount of \$1,182,022. It also approved a contract with California Dental Association Foundation to accept \$110,000 in funding, in addition to \$892,384 in funding from First 5, for a total of \$1,002,384 in grant funding. This left a construction-only deficit of \$179,638 that was paid for by OMWD capital funds at the time.

In 2013, the system that was constructed by OMWD was a sodium fluoride (NaF) saturator system including a bag loading system, associated appurtenances, feed water piping to the saturator tank, and modifications to NaF pump room to accommodate a day tank installation and feed pumps, along with required electrical and SCADA upgrades. Additionally, a storage building was constructed for storage of the bags. The system is such that an operator must utilize a crane to lift a 2,200-lb bag (or “supersack”) of fluoride and disperse the granular dry material into the saturator tank. The procedure to hoist the bag and empty it into the saturator tank requires personal protective equipment to be worn, including full body chemical suit, rubber gloves, and a full-face air purifying respirator.

OMWD began fluoridating its water on July 24, 2013. OMWD targets the community water fluoridation level of 0.7 parts per million, or 0.7 mg/L, as recommended by the US Department of Health and Human Services. This target level was reduced by the state in 2015 from its previous 0.8 mg/L level. It is also important to note that some fluoride is naturally occurring; it ranges from 0.2 to 0.4 mg/L in OMWD's source water.

After OMWD began fluoridating, if a customer did not want to drink fluoridated water, they could consider the installation of a home water filter using reverse osmosis or distillation technology or choose to drink bottled water treated through reverse osmosis or distillation.

In 2012 and 2013, there was both significant opposition and support for implementation of fluoride at OMWD. The opposition was particularly fierce and focused. Subsequent to implementation, OMWD has received generally 2 to 3 letters each year in opposition to fluoride (not all of them are from ratepayers). Further, several calls are received annually by our Customer Service Representatives in opposition to fluoride. Finally, our Field Services Technicians estimate about a dozen negative contacts per year by customers in the field.

In September 2024, there was a federal court ruling directing the United States Environmental Protection Agency (EPA) to initiate rulemaking regarding the fluoridation of drinking water in the United States (Food and Water Watch, Inc. v. U.S. Environmental Protection Agency, Case No. 17-cv-02162-EMC). The court in this case held that the plaintiffs established by a preponderance of the evidence that the fluoridation of drinking water at levels typical in the United States poses an unreasonable risk of injury to health of the public within the meaning of the federal Toxic Substances Control Act (TSCA). In accordance with that provision of the TSCA, the federal court directed EPA to engage with a regulatory response. The court's ruling does not dictate precisely what EPA's response must be.

In November 2024, OMWD's General Counsel opined that this federal court ruling does not have an immediate direct impact for OMWD's operations, but instead only directs EPA to initiate what is likely to be a lengthy rulemaking process that may result in changes to warning label requirements, acceptable fluoride uses, or the recommended level of fluoridation of drinking water at a later point in time.

Nevertheless, based on interpretation of current state law, OMWD does not need to continue fluoridating where there is not sufficient funding for operations and maintenance costs from sources other than rates or taxes for a given fiscal year (July 1 –

June 30). An exemption would only be available for a one-year period and staff would need to formally request if funding were available in subsequent years.

The Board received an informational update in February 2025 in which staff indicated the possibility of a lack of funding to continue fluoridation through the upcoming fiscal year. The Board directed staff to further gauge availability of funding for fluoridation. Staff sent correspondence requesting funds for fluoridation to potential funding sources identified by the State Water Resources Control Board (SWRCB), in accordance with the CCR's Title 22 §64433(f)(2): the University of California San Francisco, First 5 California, the California Dental Association, and the County of San Diego. Staff requested a response from these agencies by June 30, 2025.

OMWD received responses from each of these agencies prior to June 30, 2025, indicating a lack of funding availability. Agencies cited being no longer in a position to financially support water fluoridation as they had in the past due to a significant reduction in available funds and no funding programs being available to offset one-time or ongoing operational costs of water fluoridation systems.

In June 2025, staff presented an additional informational update on the status of fluoridation funding, notifying the Board that OMWD could be exempt from fluoridation requirements in accordance with the CCR's Title 22 §64433(f)(2) given that the SWRCB's identified sources are unable to provide sufficient funds to cover the noncapital operation and maintenance costs to fluoridate. Several letters and public speakers advocated at the board meeting for the continued use of fluoride in the water, citing that relative cost savings were not commensurate with the increased risk to public health and impact to oral health.

An additional staff report was presented to the Board in September 2025 on the availability of outside funding to continue fluoridation. The Board directed staff to ensure that customers were made aware of the opportunity to provide public comment when the subsequent staff report was presented to the Board in January 2026.

In January 2026, staff presented a recommendation to submit an application to the State Water Resources Control Board's Division of Drinking Water to amend OMWD's drinking water permit to cease fluoridation at the DCMWTP, based in large part on the concerns raised by DCMWTP operators associated with the safety of loading supersacks of sodium fluoride into the saturator tank, increasing costs, and supply chain issues with 2200 lb. supersacks of fluoride. In response to these concerns, an alternative motion was approved by the Board to suspend fluoridation for no longer than 90 days to identify potential safety, procedural, or capital improvements necessary to improve fluoride

safety and handling concerns at the DCMWTP. Based on this motion, staff has been pursuing multiple avenues to investigate fluoride system safety and handling, with details provided in the Discussion section.

### **Fiscal Impact**

A qualified engineering consultant, Arcadis, was retained under the General Manager's signature authority to identify options for fluoridation system safety improvements and to establish "Level 5" cost estimates for each option. Level 5 estimates are defined by the Association for the Advancement of Cost Engineering (AACE) as those used at the very early stages of project definition for initial screening for viability and decision-making purposes. Following a detailed discussion of each option, the Level 5 cost estimate for each option is identified in the Discussion section.

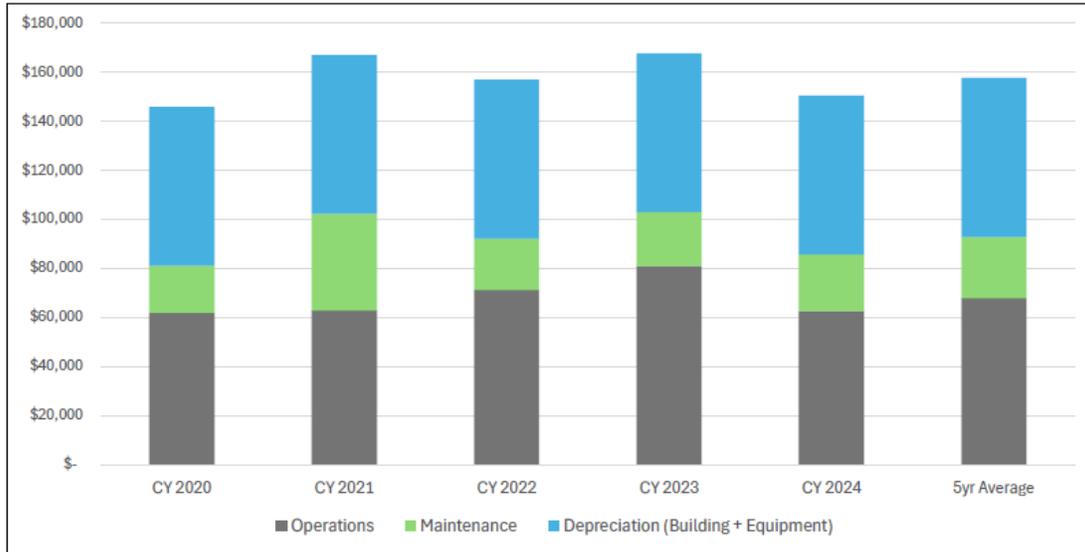
If fluoride is not restarted before April 30, staff must notify the public of the discontinuation of fluoridation in accordance with drinking water permit requirements. As presented in the January 2026 staff report, conducting public notification (of dentists, pediatricians, etc.) will incur minor outside costs for postage and materials, as well as staff time.

If the Board ultimately directs staff to submit an application to the Division of Drinking Water to amend OMWD's drinking water permit to discontinue fluoridation at DCMWTP, there are minimal costs beyond public notification and staff time associated with preparing and submitting an application to amend OMWD's drinking water permit.

Currently, the cost to fluoridate at OMWD on an annual basis, including depreciation, is approximately \$157,440. As presented at the January Board meeting, additional detail on this calculation follows:

**Sodium Fluoride Operational Costs**

	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	5yr Average
<b>Operations</b>	\$ 61,881	\$ 62,829	\$ 71,214	\$ 80,921	\$ 62,601	\$ 67,889
<b>Maintenance</b>	\$ 19,181	\$ 39,279	\$ 20,902	\$ 21,922	\$ 23,092	\$ 24,875
<b>Depreciation (Building + Equipment)</b>	\$ 64,676	\$ 64,676	\$ 64,676	\$ 64,676	\$ 64,676	\$ 64,676
<b>Total O&amp;M + Depreciation</b>	\$ 145,738	\$ 166,785	\$ 156,792	\$ 167,519	\$ 150,369	\$ 157,440



**Discussion**

Since the January 21, 2026, board meeting, staff has been pursuing multiple avenues related to fluoridation safety improvements at the DCMWTP. An update on each avenue is listed below.

***Cessation of Fluoride and Notification Requirements***

Following the January board meeting, DCMWTP operators discontinued the addition of sodium fluoride to the treatment process in order to evaluate safety-related concerns surrounding the process of loading dry sodium fluoride into the system’s saturation tank. Though operators were no longer adding sodium fluoride to the treatment process, treated water leaving the plant continued to be fluoridated to optimal levels while stored reserves of sodium fluoride in the saturation system were depleted. Fluoride was not drained externally due to safety concerns. Sodium fluoride dropped below usable levels on January 30, 2026. At the Board’s direction, the duration of the outage to allow for this safety evaluation is expected to last less than 90 days so as not to trigger notification requirements per §64433.7(c). However, this cessation has lasted longer than 2 days

within a single month, therefore notification has been made to the SWRCB per the requirements of §64433.7(e). OMWD also provides treatment services to a neighboring agency, Vallecitos Water District, and has notified them as well. While the fluoride system is offline, the naturally occurring levels ranging from 0.2 to 0.4 mg/L are still present in the treated water.

If the fluoride system is not placed back in service prior to the 90-day deadline of April 30, the water supplier shall notify the consumers, local health departments, pharmacists, dentists, and physicians in OMWD’s service area per section 4.0 of OMWD’s Fluoride Plan which was prepared in accordance with California Code of Regulations, Title 22, Chapter 15, Article 4.1.

### **Safety Assessment**

As part of the engineering controls review of the sodium fluoride feed system, detailed on-site safety assessment was conducted by OMWD’s Safety/Risk Compliance Administrator to evaluate operational risks associated with supersack delivery, elevated material handling, and product dispensing. The purpose of the assessment was to identify opportunities to further strengthen employee safety, align the process with industry best practices, and evaluate using the National Institute of Occupational Safety and Health (NIOSH) hierarchy of controls whether higher-order controls could reduce reliance on administrative procedures and personal protective equipment (PPE). The hierarchy of controls starts from most effective to least effective in the order of: Elimination, Substitution, Engineering, Administrative, and PPE, as shown in the following Figure 8 from the Arcadis assessment based on the National Institute of Occupational Safety and Health.

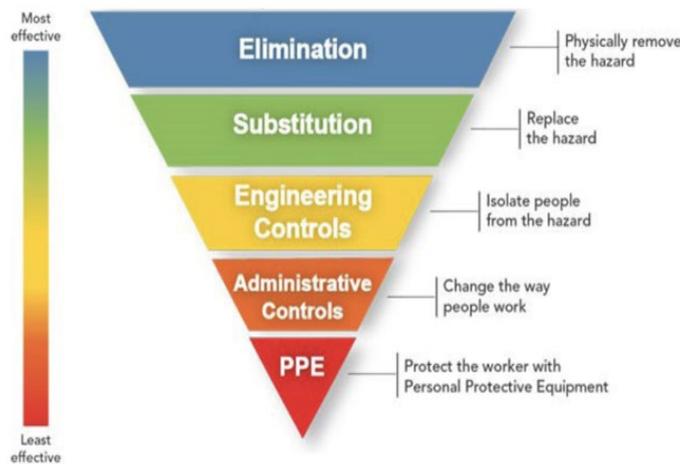


Figure 8: Hierarchy of Controls (source: National Institute of Occupational Safety and Health)

Under this framework, elimination removes the hazard entirely from the workplace. This is the most effective control because it prevents exposure altogether. Substitution replaces a hazardous material, process, or activity with a less hazardous alternative, while engineering controls physically isolate employees from hazards without relying on individual behavior. Administrative controls reduce exposure through procedures, training, scheduling, signage, or work practices. Finally, PPE protects the operator when exposure cannot otherwise be adequately controlled.

The review identified an opportunity to enhance fall protection during the supersack loading phase. The current configuration requires operators to work on an elevated platform while guiding the material into position. Although protective measures are in place, the task requires interaction near an open access point during active material handling. From a risk management perspective, reducing the need for elevated manual guidance would meaningfully improve safety. Options for improvement include redesigning the process to allow ground-level discharge, installing enhanced passive fall protection features, and incorporating mechanical positioning systems that reduce the need for manual intervention at elevation. These types of engineering improvements would reduce exposure while improving operational consistency. This was evaluated by Arcadis and is described further in the Engineering Assessment section below.

The assessment also identified an opportunity to strengthen safeguards associated with suspended load handling. During material discharge, the operator currently performs tasks in close proximity to a suspended supersack. While proper lifting equipment and procedures are used, industry best practice prioritizes minimizing employee interaction with suspended loads wherever feasible. Opportunities for improvement include installation of a fixed bag support or discharge frame that fully supports the load prior to release, incorporation of remote or mechanical release mechanisms, and evaluation of alternative delivery formats that reduce or eliminate suspended load interaction. These engineering enhancements would significantly reduce risk exposure and align the process with higher-level hazard control principles.

Finally, the dispensing of granular sodium fluoride generates fine particulate matter during agitation. The process is performed outdoors, and employees utilize comprehensive protective equipment, including full-body protective suits and respiratory protection. While these measures are appropriate, reliance on PPE represents the final layer of defense in the safety hierarchy. The assessment identified opportunities to further reduce potential airborne exposure through engineering solutions such as partial enclosure of the discharge point, local exhaust ventilation, wind screening, and evaluation of alternative material forms such as liquid solution delivery. Additional considerations include ongoing exposure monitoring, cartridge change-out protocols, and continued

emphasis on heat illness prevention due to outdoor operations and required protective clothing. Further, the use of 50-pound bags of sodium fluoride—which have been employed sporadically in the past when supersacks were unavailable from OMWD’s chemical supplier—requires multiple operators for a longer duration to undertake the task of fluoridation.

Overall, the assessment concluded that the current process incorporates multiple protective measures and does not present uncontrolled hazards; however, meaningful opportunities exist to further reduce risk through engineering enhancements and potential process redesign. Prioritizing higher-order controls would decrease reliance on procedural safeguards and personal protective equipment demonstrate continued commitment to employee safety and industry best practices.

### ***Survey of other Water Treatment Plants***

In addition to developing capital improvement options, Arcadis conducted a survey of other agencies, which is summarized below. Arcadis has performed an initial survey with other agencies throughout California who utilize fluoride and found these agencies use hydrofluorosilicic acid. Only one other agency utilized sodium fluoride as a back up to its acid system.

A total of 56 California agencies were identified and contacted, with responses received from 18 agencies to date. The survey requested information on the chemical form of fluoride used (sodium fluoride versus fluorosilicic acid), feed configuration, WTP size, and safety equipment used at the facility. Of the survey responses received, the survey responses indicate that most responding facilities do not currently fluoridate. Among the facilities that do fluoridate, the most commonly used chemical is 23% hydrofluorosilicic acid.

Staff also called its supplier and confirmed that OMWD is their only purchaser of its 2200 lb. supersacks, likely due to the size of our fluoride system. Most systems that use sodium fluoride are for 10,000 connections or less.

### ***Engineering Assessment***

To align with the safety hierarchy of controls, staff desired to evaluate options for elimination, substitution, and additional engineering controls. The elimination option was recommended by staff in January and is included here for comparison. To assess options

for substitution and additional engineered controls, staff prepared a scope of work and issued a request for proposals on January 29, 2026, in accordance with the Administrative and Ethics Code’s Article 6. A professional services agreement for the work was executed under the General Manager’s authority, and the Arcadis team kicked off the assessment on February 10, conducted a site visit on February 12, met with staff multiple times, developed alternatives to address the safety issues, completed a multi-criteria decision analysis to assess risk with each alternative, and submitted a draft technical memorandum on March 6.

The preliminary options are summarized in the following table from the Arcadis technical memorandum, aligned to the hierarchy of controls, to describe the advantages, disadvantages, cost range, and risk assessment of each alternative.

Table 11: Summary of alternatives, benefits, drawbacks, costs, and MCDA risk score

Alternative	Benefits	Drawbacks	Preliminary Cost Range (USD)	MCDA Risk Score**
1: Smaller Bag Handling	<ul style="list-style-type: none"> <li>Least amount of modifications relative to the other Alternatives</li> <li>No new chemical feed equipment</li> <li>Reduced risk of crushing injuries during material handling</li> <li>Potentially improved procurement lead time and flexibility</li> </ul>	<ul style="list-style-type: none"> <li>Increased overall handling frequency and labor effort</li> <li>Does not decrease PPE and chemical exposure risk</li> </ul>	<\$1M	128
2: Improved Supersack Handling	<ul style="list-style-type: none"> <li>Improved transfer and handling</li> <li>Strengthened containment</li> <li>Reduced spill potential during loading activities</li> <li>Reduced operator exposure risk</li> </ul>	<ul style="list-style-type: none"> <li>Requires additional handling equipment</li> <li>Still involves powdered sodium fluoride handling</li> </ul>	<\$1M*	112
3: New Sodium Fluoride System	<ul style="list-style-type: none"> <li>Automated Chemical Handling</li> <li>Improved operator safety and containment</li> <li>Reduced manual material handling</li> </ul>	<ul style="list-style-type: none"> <li>Requires new equipment and system installation</li> <li>Higher capital cost</li> </ul>	\$1-3M	101
4: Hydrofluorosilicic Acid	<ul style="list-style-type: none"> <li>Reduced dust and spill risk</li> <li>Widely used fluoridation method</li> <li>Liquid chemicals allow automated feed</li> </ul>	<ul style="list-style-type: none"> <li>Corrosive liquid chemical</li> <li>Requires chemical storage tanks and secondary containment</li> <li>Higher capital cost</li> </ul>	\$1-3M	71
<p>*Excluding structural modifications to the existing building. This requires require additional detailed assessment; these findings may push cost higher.</p> <p>**Baseline option MCDA risk score is 173; a lower score indicates that there are overall a favorability of benefits and fewer drawbacks associated with the alternative.</p>				

As these capital costs are not currently included in the 10-year CIP, other existing projects would need to be deferred to allow for sufficient financial and staff resources, or additional financial and staffing resources would need to be identified, to implement these alternatives. The possible existing projects to postpone and possible consequences are the following:

- Groundwater Project – the consequence of project postponement would be less reliable local supply in the future and a resulting increase in project cost
- WTP Basin Rehabilitation Project – the consequence of project postponement would be any failure on the second stage basins would decrease plant capacity and resolving beam safety deficiency continues to be postponed

Alternatively, the Board can consider increasing rates to provide additional financial and staffing resources. Approximate eventual revenue adjustment increases over time for additional capital improvements are noted below:

- >\$1M = up to 1.5%
- \$1M to \$3M = 1.5-4.4%
- \$3M to \$5M = 4.4-7.3%
- >\$5M = 7.3% or higher

Staff and a representative from Arcadis are available to answer any questions.

Prepared by: Lindsey Stephenson, Engineering Manager  
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John Carnegie, Customer Services Manager  
Joey Randall, Assistant General Manager

Approved by: Kimberly A. Thorner, General Manager

*Attachments:*

- *Draft DCMWTP Fluoride Safety and Cost Evaluation (Arcadis)*

**SUBJECT**  
David C. McCollom Water Treatment Plant Fluoride  
Safety and Cost Evaluation

**TO**  
Olivenhain Municipal Water District

**DATE**  
March 10, 2026

**ARCADIS PROJECT NUMBER**  
30322383

**COPIES TO**  
[Copies]

**FROM**  
Arcadis  
Greg Imamura, PE

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# 1. Introduction

At its January 21, 2026 meeting, the Olivenhain Municipal Water District (OMWD) Board of Directors (the Board) temporarily suspended fluoridation for up to 90 days to evaluate worker safety concerns and identify potential procedural and capital improvements for fluoride handling at the David C. McCollom Water Treatment Plant (WTP). This Technical Memorandum (TM) summarizes existing fluoridation practices at the WTP, evaluates feasible safety improvement options, and provides planning level costs to support staff and Board decision-making within the March 2026 timeframe.

The purpose of this TM is to assist OMWD in selecting a safer, cost-effective fluoridation approach for the David C. McCollom WTP. Specifically, the TM:

1. Summarizes current fluoridation practices and observed conditions at the WTP;
2. Evaluates safety improvement options using the Hierarchy of Controls, including elimination, substitution, engineering controls, and administrative or personal protective equipment (PPE) measures, along with associated benefits, drawbacks, and planning level costs for relative comparison;
3. Outlines basic design concepts and implementation considerations to reduce operator exposure risks while maintaining reliable operations and regulatory compliance.
4. Summarizes statewide benchmarking results from a survey of California water agencies to provide context on typical fluoridation chemicals, feed configurations, and safety practices.

Figure 1 presents a high-level Process Flow Diagram of the David C. McCollom WTP, illustrating treatment from raw water introduction through finished water production and solids handling. The process includes:

1. **Influent and Pretreatment:** Blended imported supplies (State Water Project and Colorado River) receive coagulant and pass strainers before membrane treatment.
2. **Membrane Treatment:** A two-stage ultrafiltration (UF) system produces permeate, conveyed by permeate pumps to the finished water facilities.
3. **Chlorine Disinfection:** Sodium hypochlorite is added to further disinfect the water to satisfy the Surface Water Treatment Rule and to maintain disinfectant residual in the distribution system.
4. **Finished-Water Chemical Addition:** Post-treatment chemicals include ammonia (to combine with residual chlorine for chloramination) and sodium hydroxide for stabilization.
5. **Fluoridation Injection Point:** Sodium fluoride is added downstream of the UF system in the finished water train. This location concentrates chemical handling, storage, and operator exposure in the posttreatment area that is the focus of this TM's safety evaluation.
6. **Residuals and Ancillary:** Backwash and clarified solids are processed via a gravity thickener and centrifuge for dewatering; energy recovery and equalization systems provide operational stability.

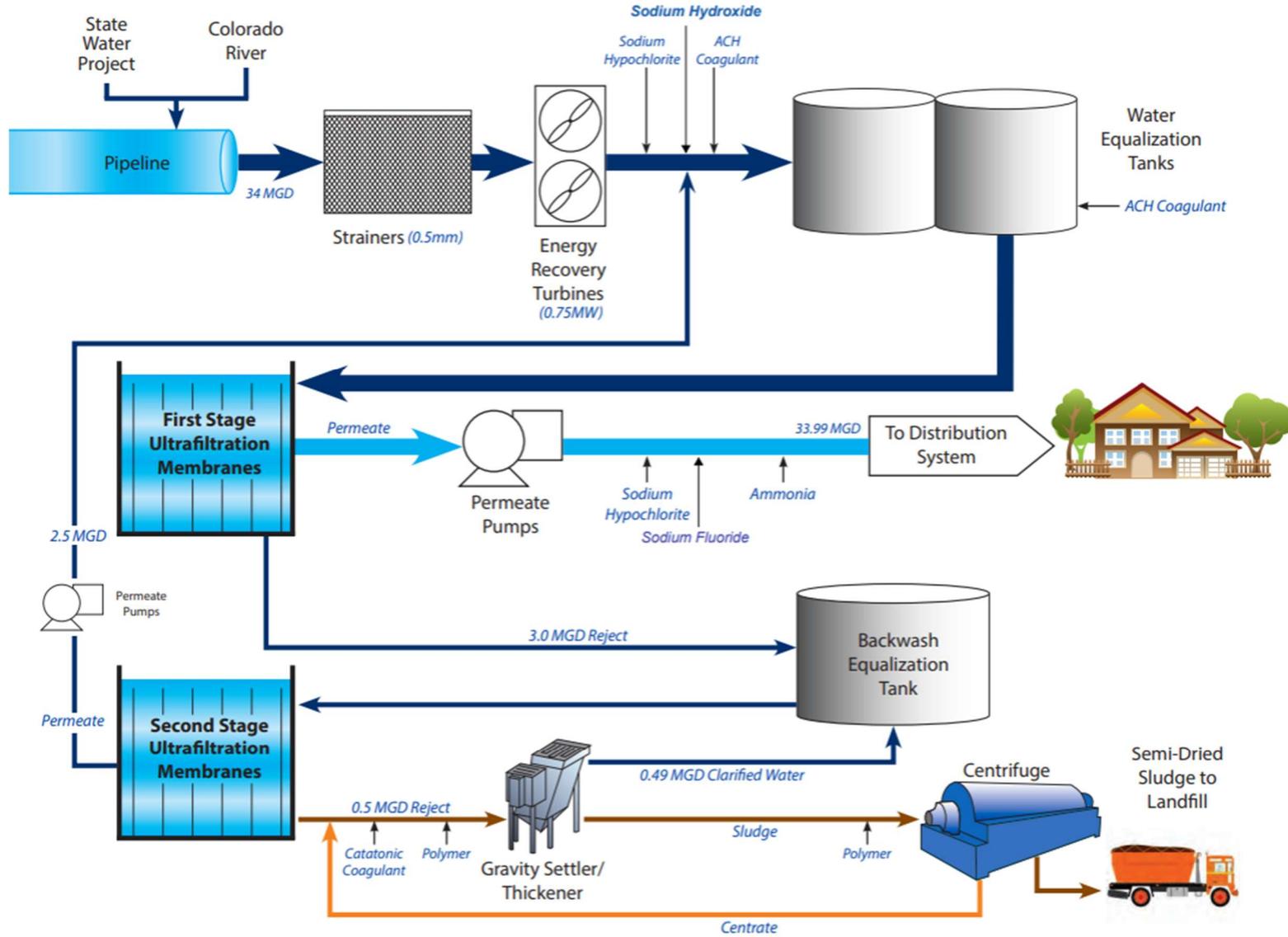


Figure 1: David C. McCollom WTP Process Flow Diagram, Source: OMWD

## 2. Existing Fluoridation Practices and Site Observations

Arcadis reviewed previous evaluations and documentation provided by OMWD, walked the site with OMWD staff, and otherwise worked directly with OMWD to develop an understanding of existing practices.

### 2.1 Overview of Existing Fluoridation System

The David C. McCollom WTP fluoridates with dry feed sodium fluoride using a saturation tank, day tank, and metering pumps configuration, monitored and alarmed through supervisory control and data acquisition (SCADA) with an analyzer at the Ammonia Feed Injection Facility, which serves as the plant's finished water monitoring point. The key elements include:

1. Dry chemical storage: sodium fluoride is delivered primarily in approximately 2,000 pound (lb) to 2,200lb super sacks and stored in a multi-use storage building across the street from the saturator tank (Figure 2). Material is unloaded from delivery trucks and transported by forklift prior to loading into the saturation tank with a dedicated hoist/crane.



Figure 2: Dry chemical storage

2. Saturation tank: One 3,000 gallon (gal) saturation tank (net usable approximately 1,315gal) with a loading funnel is used to produce the sodium fluoride solution (Figure 3 and Figure 4). The tank is on the south side of the treatment plant building, adjacent to the 50% sodium hydroxide (NaOH) storage tank. The saturation tank shares the same secondary containment area as the NaOH. Mixing in the saturation tank is provided via a diffused air system, which promotes consistent dissolution of sodium fluoride and maintains a uniformly saturated solution. The saturation tank level is monitored by a pressure transducer with redundant level switches, integrated into SCADA for input/output. At a WTP flow of 34 million gallons per day (MGD) and typical background fluoride of approximately 0.2mg/L to 0.4mg/L, the usable volume equates to roughly 1.75 days of supply.

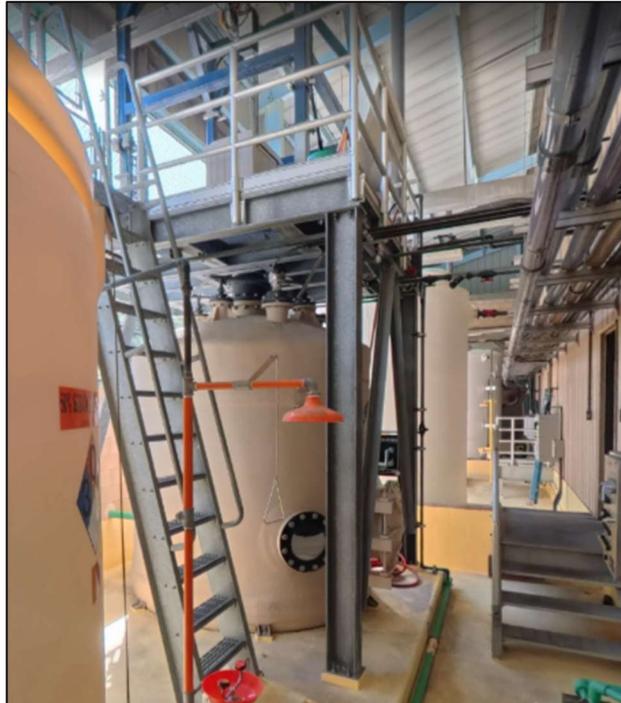


Figure 3: Saturation Tank



Figure 4: Saturation tank loading funnel

3. Transfer pump and day tank: A centrifugal transfer pump, located adjacent to the saturation tank and inside the containment area, conveys the solution to a 400gal day tank (Figure 5). The day tank is in a separate room than the saturation tank. The day tank provides approximately 4.85 hours of supply at 34MGD.



Figure 5: Day tank

4. Chemical feed pumps: Two 106 gallons per hour (gph) metering pumps (duty/standby), located in the same separate room with the day tank, inject at the finished water injection point which is an above ground piping arrangement near the day tank and metering pump room (Figure 6).



Figure 6: Chemical feed pumps

5. Monitoring and control: A Wallace and Tiernan Deplox 3+ online analyzer measures finished-water fluoride near the Ammonia Injection Facility and reports continuously to SCADA for alarming (Figure 7). Dosing is flow-paced in SCADA by subtracting background raw-water fluoride from the target (nominal 0.7mg/L) to set feed rates; daily finished-water and monthly raw/finished grab samples supplement analyzer data.



Figure 7: Analyzer location at Ammonia Injection Facility

## 2.2 Overview of Existing Fluoridation Workflow and Safety Measures

The current sodium fluoride loading workflow involves staging at the platform, removing the saturator lid, setting a loading funnel, and lifting the super sacks by forklift and hoist for dispensing. Operators wear full PPE which includes a chemical suit, gloves, and full-face air purifying respirator. The area is restricted with non-participating staff remaining upwind or out of the area during loading.

The highest-risk loading step occurs when an operator must reach under the suspended approximately 2,200lb super sack to untie and extend the spout into a funnel. When super sacks are unavailable, 50lb bags are used, reducing crushing hazard but increasing physical strain with manual handling and dust exposure. Post-loading, residual granules on the funnel are rinsed into the tank and contaminated pallets are rinsed before disposal. Safety concerns noted for the existing operations are as follows:

- Compliance with regulatory requirements around working at heights. Fall arrest or fall restraint systems should be assessed as well as engineered solutions such as mezzanine pallet receivers should be considered.
- Compliance with regulatory requirements around working under suspended loads would require the installation of an engineered supersack support base.
- Dust generation when unloading supersacks or bags. Supersack dust prevention system recommended.
- Separate containment for the sodium hydroxide and sodium fluoride bulk tanks. The materials can be reactive in the presence of each other.

- Bag integrity (without liners) to prevent leakage. Reported minor leakage noted in storage and transfer. Re-evaluate liners use (including liner support on hoist mechanism to eliminate liner blockage) to prevent bag leakage.
- Environmental exposure on bag transport across sewer and drainage systems. On transport, local isolation of these systems is recommended.
- A safety shower is not available in the storage facility. For toxic materials one should be located within 10 seconds of the contact areas which is within 55ft of straight-line access.
- Isolate the supersack storage area from the maintenance/equipment storage area.
- Strengthen Standard Operating Procedures and support information on respirator cartridge changeout. For simplicity, the cartridge should be changed per shift or use in this application. Decontamination procedure suggested.
- Strengthen Standard Operating Procedures around fall protection during loading of supersacks.
- Forklift spill containment pallets used when transporting supersacks.

## 2.3 Site Observations

A site visit was conducted February 12, 2026 from 12pm to 2pm. Attendees included Evan DeWindt and Lindsey Stephenson from OMWD and Brent Alspach and Ethan Taylor from Arcadis. Stephanie Bishop from Arcadis also joined by video call.

### Chemical Handling

Sodium fluoride is delivered to the facility in 2,000lb to 2,200lb super sacks approximately every five months in batches of 5 to 10 sacks depending on need and shipping restrictions. Upon delivery, super sacks are inspected for tears. Once inspected and approved, super sacks are unloaded and transported using a forklift into the storage building. Depending on system flow and fluoride demand, a new super sack is typically added every 1 to 3 weeks. When a super sack needs to be added to the saturation tank, it is transported via forklift across the street to the chemical storage building. The entire process of transport and loading sodium fluoride into the saturation tank is in open air. The site experiences frequent windy conditions.

### Operational Considerations

The facility has a rated capacity of 34MGD but is currently operating at approximately 20MGD to 23MGD. The fluoride feed system is supported by a day tank with limited storage capacity, providing 4 to 10 hours of operational volume at typical dosing rates. Background fluoride concentrations in the source water range from 0.2mg/L to 0.4mg/L.

### Safety Considerations

Several safety considerations were noted during the process of transporting and loading sodium fluoride into the saturation tank. During forklift transport of the sodium fluoride, operators may be exposed to spill hazards due to hidden tears in the super sacks that were not identified during the delivery inspection. The windy conditions within the transport path and loading area also increases risk to operators and individuals who may inadvertently be down wind of the operation. Additionally, in the event of a spill the impacts would be exacerbated where potential disbursement of powder over a wide area could occur. The San Diego County Water Authority's (SDCWA) Olivenhain Pump Station shares OMWD's Water Treatment Plant's east property line. The pump station is staffed based on SDCWA operational needs and is downwind from the sodium fluoride storage and loading area.

Super sacks are stored in a mixed-use storage area where staff regularly work without PPE. Accessing the top of the saturation tank introduces a fall hazard, as super sacks are hoisted through a chain link fence gate to be suspended over the saturation tank. There is little fall protection for operators aside from two chains blocking the open entrance. In addition, a significant crushing hazard is present when super sacks are suspended above the saturation tank during loading as operators typically reach underneath the super sack to untie and release the sodium fluoride into the saturation tank.

Based on this site visit, Table 1 summarizes the safety hazards that need to be addressed by the improvements.

*Table 1: Hazards to be Addressed by Safety Improvements*

Hazard
Fall
Crushing
Ergonomics
Chemical Exposure
Spill / Containment

### 3. Fluoride Safety Improvement Alternatives

The hierarchy of controls is a structured approach for reducing workplace hazards by prioritizing the most effective protective strategies, starting with elimination, substitution, and engineering controls, followed by administrative measures and, lastly, PPE (Figure 8). It recognizes that layered controls are often needed to provide comprehensive worker protection.

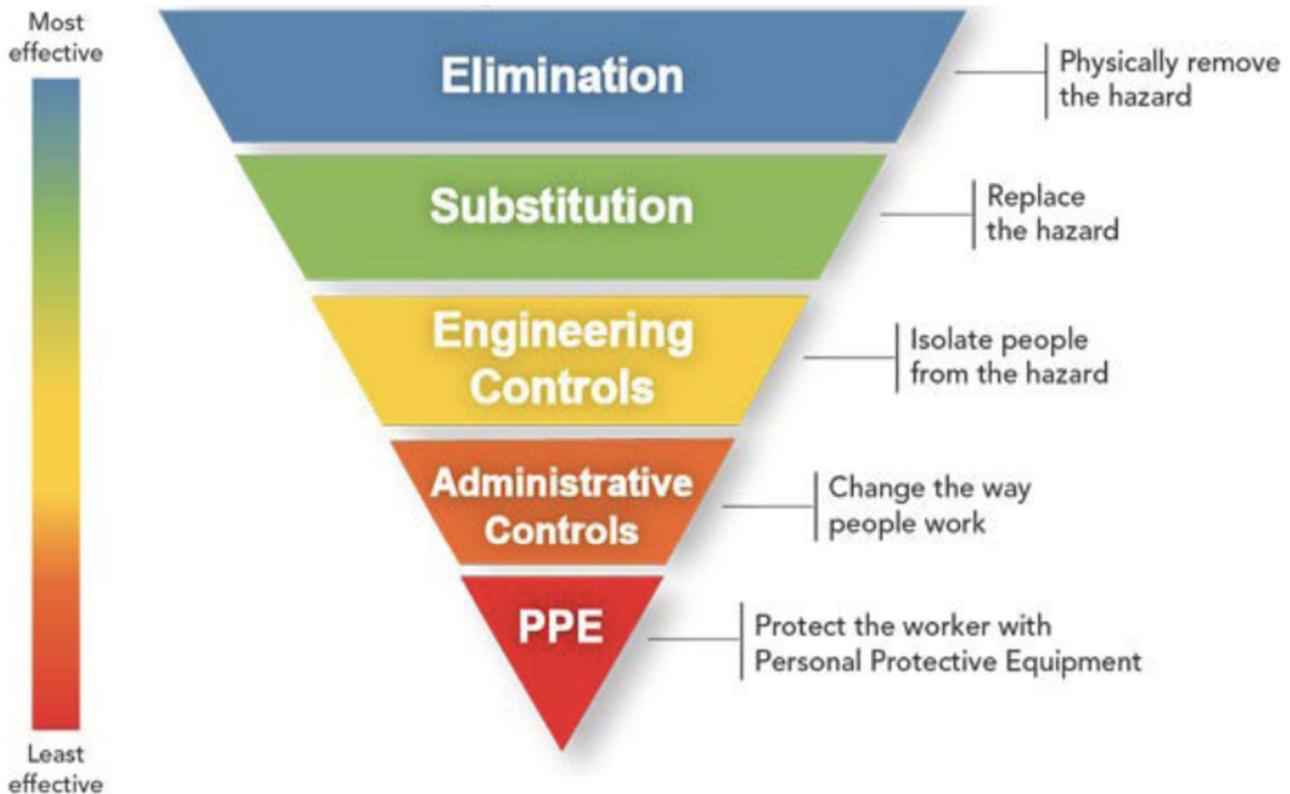


Figure 8: Hierarchy of Controls (source: National Institute of Occupational Safety and Health)

This study specifically evaluates feasible safety improvement options for fluoride operations and handling, and does not evaluate the elimination of fluoride. The fluoride safety improvement alternatives, relative to the current scenario which is described in Section 2, considered include:

- Alternative 1: Smaller Bag Handling
- Alternative 2: Improved Supersack Handling
- Alternative 3: New Sodium Fluoride System
- Alternative 4: Hydrofluorosilicic Acid

Each alternative includes improvements within multiple themes of the hierarchy of controls. Alternatives 1 through 3 continue the use of dry sodium fluoride with additional engineering controls, and Alternative 4 consider substitution to liquid hydrofluorosilicic acid. This study considers hydrofluorosilicic acid as an alternative to dry sodium fluoride because it is an established fluoridation chemical capable of providing equivalent fluoride levels in finished water. Assessing this option allows the plant to determine whether switching to a liquid feed system could reduce chemical handling risks and improve overall operational efficiency.

Alternatives requiring major structural modifications to existing buildings will require further assessment. Based on the client's previous attempts to pursue such improvements and the associated code driven requirements, these measures are considered highly cost prohibitive and further evaluation of the necessary structural modifications and feasibility is required.

### 3.1 Alternative 1: Smaller Bag Handling

Alternative 1 consists of replacing the existing dry sodium fluoride supersacks with 50lb bags, which represents 'substitution' within the hierarchy of controls. The WTP currently utilizes 50lb bags as a backup supply method. This modification would reduce the weight associated with each individual lift during chemical loading operations. By transitioning from supersacks to smaller bags, the single-lift load would be significantly reduced, this would in turn lower the risk of crushing injuries associated with large bulk bag handling. While smaller bags reduce the weight per lift, they increase the total number of bag handling and loading instances required to deliver the same overall quantity of chemical. As a result, overall handling frequency would increase relative to the current supersack configuration. This alternative does not necessarily represent a net safety improvement. While the use of smaller bags reduces crushing hazards associated with supersack handling, it may increase ergonomic strain and repetitive lifting due to the higher number of bags handled. Within the hierarchy of controls, this alternative primarily represents substitution by replacing supersacks with smaller bags, along with additional engineering, administrative, and PPE considerations.

The PPE requirements would remain unchanged, as the chemical composition, dust generation potential, and associated exposure hazards would not differ from the existing dry sodium fluoride system. Similarly, previously identified risks related to chemical exposure, dust inhalation, and spill response would remain the same. The primary risk profile change associated with this alternative is the reduced potential for crushing injuries during material handling.

Operational considerations include increased labor effort due to more frequent bag loading, potential impacts to operator ergonomics, and increased time spent on chemical replenishment activities. These factors may influence staffing needs and operator exposure duration. However, the smaller packing format may offer procurement advantages.

A containment curb would also need to be installed between the caustic tank and the saturator tank to provide physical separation of the chemical areas and improve secondary containment in the event of a spill. Fall protection can be via engineered solutions by using either a mezzanine pallet receiver which will provide 100% fall protection in the existing style of loading or to install engineered 5,000lb capacity fall arrest or fall restraint anchor points and accompanying personnel fall protection PPE. Additional design considerations likely needed to implement a pallet receiver due to space constraints; installation of a pallet receiver may require modifications to the platform to provide room for a pallet of small bags. Alternatively, the crane could be raised to install a railing, however there is likely also not sufficient space to raise the crane without structural modifications.

A summary of how Alternative 1 addresses safety hazards is included in Table 2. Alternative 1 is the least amount of modifications relative to the other Alternatives.

Table 2: Summary of hazards addressed by Alternative 1

Hazard	How Alternative 1 Addresses Hazard
Fall	Addressed through installation of pallet receiver or engineered fall protection system at the loading location. Structural modifications to the platform may be required to install a pallet receiver.
Crushing	Reduced through the use of smaller 50lb bags, lowering potential for crushing injuries compared to handling supersacks.
Ergonomics	Does not address ergonomic strain and may increase repetitive lifting due to higher number of bags handled.
Chemical Exposure	Does not significantly change exposure potential; dry chemical handling and dust generation risks remain similar to the existing system.
Spill/Containment	Minor spills may be easier to manage due to smaller bag quantities.
PPE	Operators would continue to rely on PPE such as gloves, eye protection, and respiratory protection when handling sodium fluoride.

The following items are considered in the planning level costs for relative comparison of Alternative 1:

- No chemical process equipment upgrades
- Containment curb
- Fall protection

This alternative is currently estimated to cost less than one million dollars.

### 3.2 Alternative 2: Improved Supersack Handling

Alternative 2 continues the use of dry sodium fluoride supersacks but incorporates improvements to transfer and containment controls during chemical handling. This alternative represents engineering controls within the hierarchy of controls by improving containment, capturing airborne dust, and reducing the potential for crushing injuries. Under this approach, the existing supersack storage and unloading system would remain in place. However, targeted modifications would be implemented to improve material transfer, strengthen containment, and reduce the potential for spills during loading activities. This alternative is intended to reduce spill potential and operator exposure risk while maintaining the operational efficiency of the current supersack configuration.

This alternative includes installation of a bulk bag discharge containment and dust collection unit mounted above the saturator tank (Figure 9). The unit provides an enclosed access chamber for the supersack discharge spout, allowing operators to connect and open the bag within a sealed environment. This system incorporates a vacuum connection to capture airborne dust particles generated during spout opening and material transfer. By enclosing the discharge point and actively collecting dust, this system reduces airborne particulates and minimizes operator exposure during unloading.



Figure 9: Bulk Bag Discharge Containment and Dust Collection Unit

To accommodate the installation of the containment unit, the existing hoist would need to be raised at least 2ft above its current elevation to provide adequate clearance for the added equipment and maintain proper alignment over the saturator tank (Figure 10). If feasible from a structural standpoint, providing additional clearance by raising the existing hoist at least 4ft would improve operator ergonomics for equipment access. Modifications to the existing hoist and crane system may be required to support the revised lift height and ensure safe operation, which would require additional structural investigation into the existing building and infrastructure. A containment curb would also need to be installed between the caustic tank and the saturator tank to provide physical separation of the chemical areas and improve secondary containment in the event of a spill.

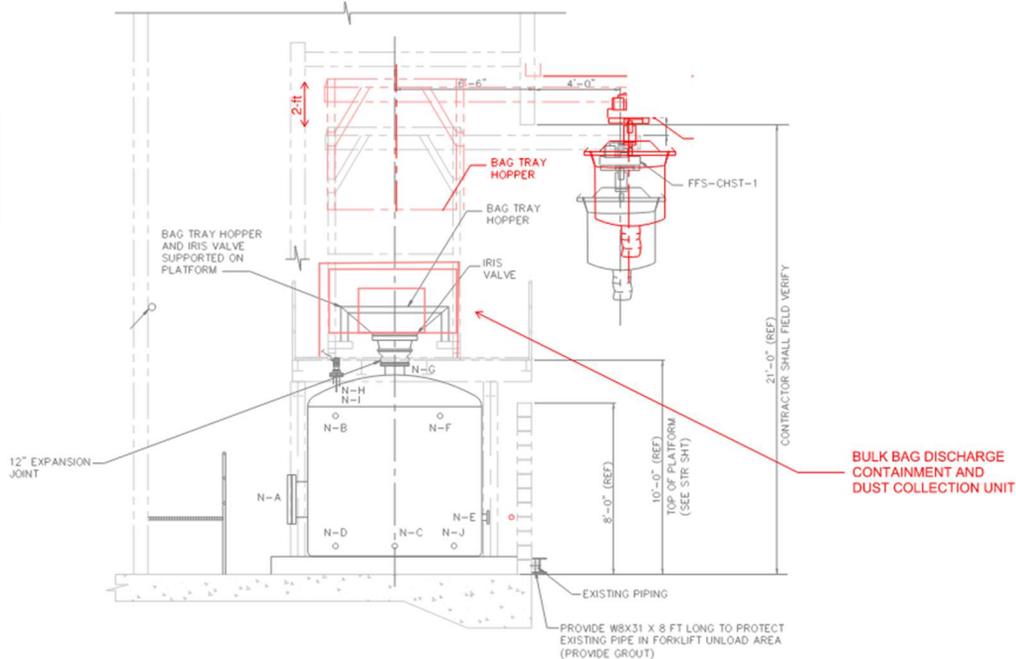


Figure 10: Proposed Hoist Elevation Increase

Fall protection can be implemented via engineered solutions by using either a mezzanine pallet receiver which will provide 100% fall protection in the existing style of loading or installing engineered 5,000lb capacity fall arrest or fall restraint anchor points and employing accompanying personnel fall protection PPE. Additional design considerations likely needed to implement a pallet receiver due to space constraints; installation of a pallet receiver may require modifications to the platform to provide room for a pallet of small bags. Alternatively, the crane could be raised to install a railing, however there is likely also not sufficient space to raise the crane without structural modifications.

A summary of how Alternative 2 addresses safety hazards is included in Table 3.

Table 3: Summary of hazards addressed by Alternative 2

Hazard	How Alternative 2 Addresses Hazard
Fall	Addressed through engineered fall protection measures, including installation of a mezzanine pallet receiver or fall arrest anchor points during supersack loading.
Crushing	Reduced through improved supersack handling equipment and controlled hoist positioning, minimizing uncontrolled bag movement during unloading.
Ergonomics	Improves ergonomics by maintaining bulk supersack handling and reducing repetitive lifting associated with smaller bag handling.
Chemical Exposure	Reduced through installation of a bulk bag discharge containment enclosure and dust collection system that captures airborne particulates during supersack discharge.
Spill/Containment	Improved through installation of a containment curb between the chemical tanks and enclosed discharge area to provide secondary containment in the event of a spill.
PPE	Operators would continue to use standard PPE such as gloves and eye protection during chemical handling. Engineering controls such as the containment enclosure and dust collection system help reduce potential exposure.

The following items are considered in the planning level costs for relative comparison of Alternative 2:

- Dust collection system
- Modifications to raise the hoist
- Containment curb
- Fall protection

This alternative may require structural modifications to the existing building, which will require additional detailed assessment. These findings may push cost higher.

This alternative (*excluding* unknown structural modifications to the existing building) is currently estimated to cost less than one million dollars, but likely more than Alternative 1.

### 3.3 Alternative 3: New Sodium Fluoride System

Alternative 3 consists of constructing a new sodium fluoride building to replace the existing dry chemical handling configuration and eliminate as many of the currently identified risks as possible. This alternative represents engineering controls within the hierarchy of controls by enclosing chemical handling and reducing direct operator interaction with sodium fluoride. Under this approach, a dedicated fluoride building would be constructed on the west side of the site, as shown in Figure 11. All new fluoride storage and feed equipment would be housed within this enclosed structure.



Figure 11: Proposed Location of the New Sodium Fluoride Building and Unloading Dock

The new sodium fluoride building would include designated storage areas for both bulk supersacks and 50lb bags, along with new sodium fluoride handling and mixing equipment, day tank, and metering pumps located within the building. The existing day tank and metering pumps could be relocated from the existing day tank and metering pump room adjacent to the injection point if age and condition warrant continued use. The handling and mixing equipment would include:

- Bulk Bag Unloader
- 50lb Bag Unloading Station
- Screw Feeder
- Wetting Cone with Eductor
- Solution Tank
- Transfer Pump

An unloading dock would also be provided adjacent to the new building to provide ease of handling and reduce risk of spills. Figure 12 depicts a representative example of the proposed equipment for Alternative 3.



*Figure 12: Representative Example of Proposed Equipment for New Sodium Fluoride System*

The existing saturator tank and elevated platform would be demolished. By relocating chemical handling operations to a ground-level, enclosed structure, operators would be able to remain on a single working level during bulk bag unloading. This would eliminate the need to climb stairs while handling supersacks and remove the associated fall risk present in the current configuration.

Relocating fluoride storage and equipment also eliminates the potential for chemical leakage over the existing drain located in the current unloading area. In addition, demolition of the existing saturator platform removes the risk of a spill from the fluoride saturation tank within the co-located containment area with the sodium hydroxide tank. Separating these systems into dedicated containment areas reduces the potential for cross-contamination and improves overall spill control.

The existing fluoride injection point would remain in its current location. New piping would be routed from the proposed building, across the existing asphalt driveway, and tied back into the existing injection point. This approach maintains the current treatment location while relocating upstream storage and feed infrastructure into a safer and more controlled environment.

Ancillary items such as power, controls, etc would also need to be incorporated.

A summary of how Alternative 3 addresses safety hazards is included in Table 4.

Table 4: Summary of hazards addressed by Alternative 3

Hazard	How Alternative 3 Addresses Hazard
Fall	Eliminated by relocating chemical handling operations to a ground-level structure, removing the need for operators to access elevated platforms.
Crushing	Reduced through installation of bulk bag unloading equipment designed for controlled supersack handling.
Ergonomics	Improved through ground level unloading and dedicated handling equipment, reducing awkward lifting and operator strain.
Chemical Exposure	Reduced through use of enclosed sodium fluoride handling and feed equipment within a dedicated building, limiting operator exposure to airborne particulates during unloading and transfer.
Spill/Containment	Improved through installation of dedicated containment areas and separation of fluoride and sodium hydroxide systems.
PPE	PPE such as gloves and eye protection would still be required for chemical handling, although the enclosed system reduces routine operator exposure.

The following items are considered in the planning level costs for relative comparison of Alternative 3:

- Demolition of the existing saturator platform
- Equipment cost: bulk bag unloader, 50lb bag unloading station, screw conveyor, eductor, solution tank and transfer pump
- Relocation of equipment
- Prefabricated metal building and foundation
- Loading dock

This alternative is currently estimated to cost between one and three million dollars.

### 3.4 Alternative 4: Hydrofluorosilicic Acid

Alternative 4 consists of converting the existing fluoridation system from dry sodium fluoride to liquid hydrofluorosilicic acid. Under this approach, the current dry chemical storage, supersack handling, and manual bag loading process would be eliminated and replaced with hydrofluorosilicic acid liquid storage and feed system (Figure 13).

Hydrofluorosilicic acid would be delivered to the facility via tanker truck and transferred through a fill connection to a bulk fluoride storage tank located within a contained area. From the bulk storage tank, a transfer pump would convey the chemical to a fluoride day tank that provides approximately 30 hours of storage under average conditions.

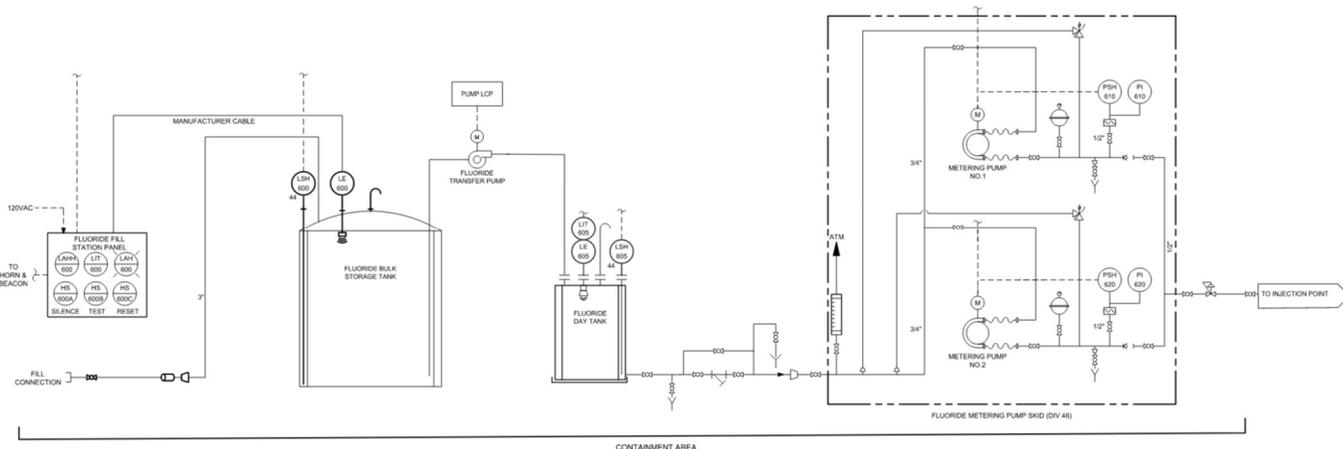


Figure 13: Process Flow Diagram for Proposed Hydrofluorosilicic Acid Substitution

Chemical feed to the treatment process would be provided by metering pumps arranged in a duty/standby configuration. The metering pumps would deliver hydrofluorosilicic acid from the day tank to the existing fluoride injection point.

A new prefabricated building would be constructed in the area shown in Figure 14 to house the storage and feed equipment. Because of the corrosive nature of the chemical, a building with partially open sides is preferred to reduce corrosion and HVAC requirements. An unloading containment area would also be required for deliveries. New piping would be installed between the proposed acid storage and feed equipment and the existing injection location. Ancillary support systems, such as power and controls, would also be required.



Figure 14: Proposed Location of the New Hydrofluorosilicic Acid Building and Unloading Containment

By converting to a bulk liquid chemical system, this alternative eliminates manual bag handling, supersack unloading, and saturator operations associated with the current dry sodium fluoride system. Removal of the elevated dry chemical handling equipment also eliminates fall hazards and reduces exposure to dust generated during dry chemical transfer.

This alternative introduces handling of corrosive liquid chemical and would require new storage, transfer, and feed infrastructure designed for hydrofluorosilicic acid, including appropriate materials of construction, secondary

containment, and safety provisions. This alternative represents substitution within the hierarchy of controls framework by replacing dry sodium fluoride with hydrofluorosilicic acid.

A summary of how Alternative 4 addresses safety hazards is included in Table 5.

Table 5: Summary of hazards addressed by Alternative 4

Hazard	How Alternative 4 Addresses Hazard
Fall	Eliminated by removing elevated dry chemical handling equipment and relocating operations to ground-level liquid chemical storage and feed systems.
Crushing	Eliminated by removing manual bag and supersack handling associated with dry sodium fluoride systems.
Ergonomics	Improved by eliminating manual bag and supersack unloading activities.
Chemical Exposure	Eliminate dust exposure by replacing dry sodium fluoride with liquid hydrofluorosilicic acid system.
Spill/Containment	Managed through installation of bulk liquid storage tanks, secondary containment, and controlled chemical transfer systems designed for hydrofluorosilicic acid.
PPE	Operators would rely on standard chemical handling PPE such as gloves, eye protection, and a chemical suit when working with hydrofluorosilicic acid.

The following items are considered in the planning level costs for relative comparison of Alternative 4:

- Removal of dry chemical handling equipment
- Equipment cost: fluoride bulk storage tank, fluoride transfer pump, fluoride day tank, two metering pumps
- Prefabricated metal building and foundation
- Unloading containment area

This alternative is currently estimated to cost between one and three million dollars.

## 4. Multi-Criteria Decision Analysis (MCDA)

### 4.1 MCDA Process Overview

Four categories of risk type were identified and assigned a weighting based on the relative importance of each category to OMWD, and evaluation criteria were developed to evaluate the benefits and drawbacks of each alternative described in Section 3. Table 6 includes the evaluation criteria and associated risk type and weighting.

Table 6: Summary of evaluation criteria and associated risk type and weighting

Risk Type	Evaluation Criteria	Weighting
<b>Transport / Environmental</b>	Impact on neighboring community (from site transport only - traffic, spill risk, noise, air blown particles)	15%
	Lead time / delivery duration	
	Waste stream impacts (empty containers, sludge)	
	Storm drain impacts (contamination if spill during transport)	
<b>Operations / Health &amp; Safety</b>	Inhalation exposure risk - system loading	50%
	Working at heights risk/compliance	
	Ingestion exposure risk - system loading	
	Worker exposure in storeroom	
	Supersack unloading dust generation	
	Bag dust generation - unloading	
	Working under suspended load compliance	
	Ergonomic risk (lifting, positioning, manual handling effort)	
	Physical injury risk (crush, tip, slip, splash)	
	PPE requirements	
	Ease of maintenance (cleaning, calibration, repairs)	
	Respirator cartridge maintenance and changeout	
	Complexity of operating procedures and required training	
Footprint and space requirements		
<b>Resilience</b>	Consistency of dose control / accuracy	5%
	Supplier reliability	
	Equipment reliability	
<b>Financial</b>	Infrastructure compatibility (piping, storage, power, SCADA)	30%
	Capital cost of system upgrades	

In addition to the evaluation criteria from Table 6, the following criteria may be considered to incorporate in future analyses and when sufficient data is available:

- Resilience: Sensitivity to market/price volatility
- Financial:
  - Long-term operations and maintenance costs
  - Expected equipment lifespan
  - Operator and maintenance labor time (hrs/week)

A score was assigned to each evaluation criteria and alternatives pairing, using the methodology depicted in Table 7 and Table 8. The rating matrix compares the likelihood and severity of a risk occurring on a scale of 1-3-5-7-9 with a corresponding increasing impact. The likelihood and severity scoring are multiplied to get a calculated risk priority number (risk) to determine the significance of the condition assessed. The risk number is multiplied by the weighting factor to arrive at the MCDA (Table 9) Alternatives impact comparison scores.

Table 7: Health and Safety Risk Assessment Rating and Definition

(L) Likelihood of occurrence	Rating	(S) Severity of occurrence
<b>Highly unlikely</b> - unforeseeable, very short exposure time. Not credible. May occur once in life of one plant in the company.	<b>1</b>	<b>Minor accident</b> - First aid or Near Miss. Complies with Occupational Safety and Health Administration (OSHA) / legal requirements and industry best practices.
<b>Unlikely</b> - Not reasonable foreseeable, short exposure time. Multiple simultaneous failures. May occur once in the life of the plant.	<b>3</b>	<b>Recordable injury/ Incident/ Stop Work Event-</b> Complies with OSHA/ legal requirements and industry best practices.
<b>Possible</b> - May occur if control measures insufficiently robust. Credible scenario but considered unlikely. May occur a few times in life of the plant.	<b>5</b>	<b>Major injury, disability</b> - results in lasting effect, some disability, cannot immediately return to work (Lost Time Accident). Complies with OSHA/ legal requirements, but does not meet accepted industry best practices.
<b>Likely</b> - Foreseeable, prolonged exposure. Credible scenario is likely. Could have occurred before. May occur once per year or every few years.	<b>7</b>	<b>Permanent consequences</b> - disability that requires a change in job (LTA). Does not comply with OSHA/ legal requirements.
<b>Almost certain</b> - Foreseeable, Imminent danger. Knowledge of similar event occurring. May occur many times per year.	<b>9</b>	<b>Potential fatality.</b> Major Regulatory/ Legal Non Compliance

Table 8: Operational and Financial Severity Levels with Existing Safeguards

(L) Likelihood of occurrence	Rating	(S) Severity of occurrence
<b>Probable</b> - History of issues exists from previous or similar designs.	9	<b>Severe</b> - Greater than 3 month downtime. Greater than \$1M.
<b>Strong Potential</b> - Likely to occur.	7	<b>Significant</b> - 1 month to 3 months downtime. Greater than \$250,000.
<b>Possible</b> - Occasional issues will be experienced.	5	<b>Moderate</b> - 1 week to 3 weeks downtime. Greater than \$50,000.
<b>Improbable</b> - Few issues likely.	3	<b>Low</b> - 5 to 24 hours downtime. Greater than \$5,000.
<b>Cannot occur</b> - Very high component integrity.	1	<b>None</b> - Repair with spare parts. Less than 5 hours downtime. Routine Maintenance Cost.

## 4.2 MCDA Results

A summary of the MCDA results are depicted in Table 9. Refer to the Appendix for the detailed MCDA scoring and results. A lower score indicates that there are overall a favorability of benefits and fewer drawbacks associated with the alternative. As shown in Table 9, Alternative 4 has the lowest score, indicating the lowest risk when considering transportation, environmental, operations, resilience and financial metrics.

Table 9: MCDA Results

Risk Type	As is	Alternative 1: Smaller Bag Handling	Alternative 2: Improved Supersack Handling	Alternative 3: New Sodium Fluoride System	Alternative 4: Hydrofluorosilicic acid
Transport / Environmental	8	6	8	6	5
Operations	163	113	92	69	40
Resilience	3	2	3	2	1
Financial	0	8	11	24	24
<b>Total</b>	<b>173</b>	<b>128</b>	<b>112</b>	<b>101</b>	<b>71</b>

## 5. Survey of California Water Treatment Plants Using Fluoridation

### 5.1 Survey Approach

Statewide outreach to municipal water treatment agencies was conducted to improve understanding of current fluoridation practices in California. The goal of this survey was to benchmark chemical types, feed configurations, and general safety and operational considerations relevant to this evaluation.

A total of 56 agencies in California were identified and contacted. Information was collected through website contact forms, direct email outreach, and follow-up phone calls. Responses were received from 25 agencies to date. The survey requested information on the chemical form of fluoride used (sodium fluoride versus fluorosilicic acid), feed configuration, WTP size, and safety equipment used at the facility.

### 5.2 Summary of Benchmarking Results and Key Observations

The survey responses received indicate that most responding facilities do not currently fluoridate. Among the facilities that do fluoridate, the most commonly used chemical is 23% hydrofluorosilicic acid. Table 10 summarizes the two treatment facilities which responded to the survey that utilize sodium fluoride and the corresponding system details.

Table 10: Summary of treatment facilities using sodium fluoride

Agency Name	WTP Size (MGD)	Sourcing Method	Type of Bag (Super sack vs 50lb)	Safety Concerns
City of Healdsburg	Not provided	Univar	50lb	Not many if maintenance is kept up
City of Fountain Valley	Not provided	Not provided	Not provided	Not provided

Agencies currently using sodium fluoride as either a primary chemical or as a backup to liquid systems, reported the following characteristics:

- **Delivery Method:** sodium fluoride is typically delivered in 50lb bags on pallets through commercial chemical suppliers.
- **Feed Equipment:** Systems commonly utilize up flow saturators with metering pumps, flow pacing, and injection quills.
- **Operational Controls:** Daily laboratory verification of distribution concentrations is standard practice, with typical target concentrations of 0.7mg/L and control ranges of 0.6mg/L to 1.2mg/L.

Agencies using sodium fluoride reported standard PPE requirements during handling and transfer operations. Reported PPE includes rubber or chemical resistant gloves, eye protection, dust masks, aprons, and face shields. One agency noted that industrial hygiene monitoring was performed and determined that inhalation risks were minimal when the product was handled appropriately. Routine maintenance practices described by agencies included periodic flushing of dosing lines, seasonal draining and cleaning of the saturators, and regular cleaning

of the feed area to prevent dust accumulation. Based on the responses received so far, no agencies reported significant or recurring operational challenges related to sodium fluoride handling.

Responses indicate that dry sodium fluoride systems and liquid fluorosilicic acid systems differ primarily in chemical handling and feed configuration. Agencies using sodium fluoride described systems that rely on bagged products, typically delivered in 50lb bags on pallets, which are transferred into saturators for solution preparation. Agencies using liquid fluorosilicic acid use bulk storage tanks and liquid feed pumps. Overall, the primary distinction between dry and liquid systems relates to chemical storage and preparation.

These findings provide context for evaluating fluoridation alternatives for OMWD. Benchmarking results indicate that both dry sodium fluoride and liquid hydrofluorosilicic acid system are used among California utilities. Dry feed systems typically rely on 50lb bags of sodium fluoride and saturator-based solution preparation, while liquid systems utilize bulk storage and metered feed pumps. Understanding these configurations and operational practices helps inform the evaluation of potential fluoridation approaches and safety considerations for OMWD.

DRAFT

## 6. Summary and Key Findings

Table 11 summarizes the four alternatives and their benefits, drawbacks and cost relative to the current scenario. The improvements considered within the preliminary cost range estimates are for planning level cost for relative comparison. Refer to the bulleted lists within Section 3.1 through Section 3.4 for further details.

Table 11: Summary of alternatives, benefits, drawbacks, costs, and MCDA risk score

Alternative	Benefits	Drawbacks	Preliminary Cost Range (USD)	MCDA Risk Score**
1: Smaller Bag Handling	<ul style="list-style-type: none"> <li>Least amount of modifications relative to the other Alternatives</li> <li>No new chemical feed equipment</li> <li>Reduced risk of crushing injuries during material handling</li> <li>Potentially improved procurement lead time and flexibility</li> </ul>	<ul style="list-style-type: none"> <li>Increased overall handling frequency and labor effort</li> <li>Does not decrease PPE and chemical exposure risk</li> </ul>	<\$1M	128
2: Improved Supersack Handling	<ul style="list-style-type: none"> <li>Improved transfer and handling</li> <li>Strengthened containment</li> <li>Reduced spill potential during loading activities</li> <li>Reduced operator exposure risk</li> </ul>	<ul style="list-style-type: none"> <li>Requires additional handling equipment</li> <li>Still involves powdered sodium fluoride handling</li> </ul>	<\$1M*	112
3: New Sodium Fluoride System	<ul style="list-style-type: none"> <li>Automated Chemical Handling</li> <li>Improved operator safety and containment</li> <li>Reduced manual material handling</li> </ul>	<ul style="list-style-type: none"> <li>Requires new equipment and system installation</li> <li>Higher capital cost</li> </ul>	\$1-3M	101
4: Hydrofluorosilicic Acid	<ul style="list-style-type: none"> <li>Reduced dust and spill risk</li> <li>Widely used fluoridation method</li> <li>Liquid chemicals allow automated feed</li> </ul>	<ul style="list-style-type: none"> <li>Corrosive liquid chemical</li> <li>Requires chemical storage tanks and secondary containment</li> <li>Higher capital cost</li> </ul>	\$1-3M	71
<p>*Excluding structural modifications to the existing building. This requires require additional detailed assessment; these findings may push cost higher.</p> <p>**Baseline option MCDA risk score is 173; a lower score indicates that there are overall a favorability of benefits and fewer drawbacks associated with the alternative.</p>				

# Memo

Date: March 18, 2026  
To: Olivenhain Municipal Water District Board of Directors  
From: Steven Weddle, Engineering Services Supervisor  
Via: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER ACCEPTANCE OF THE GARDENDALE AND VILLAGE PARK WEST PRESSURE REDUCING STATION REPLACEMENT PROJECT AND ORDER A NOTICE OF COMPLETION FILED, APPROVAL OF THE CLOSEOUT CONSTRUCTION CHANGE ORDER 8 WITH J.R. FILANC CONSTRUCTION COMPANY, INC. IN THE AMOUNT OF \$67,614.11 FOR ADDITIONAL WORK AND PAVEMENT RESTORATION AT THE VILLAGE PARK WEST PRS, APPROPRIATE \$215,000 TO THE PROJECT BUDGET FROM CAPITAL RESERVES, AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD**

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## Purpose

The purpose of this agenda item is to consider: acceptance of the Gardendale and Village Park Pressure Reducing Station Replacement Project (Project) into Olivenhain Municipal Water District's (OMWD) system; authorize filing of a Notice of Completion with the San Diego County Recorder; approval of closeout construction change order 8 (CCO8) with J.R. Filanc Construction Company, Inc. (Filanc) for an amount of \$63,397.56 for additional unforeseen work and pavement restoration on a Time and Materials (T&M) basis at the Village Park West PRS; appropriate \$215,000 to the Project budget from capital reserves as shown in fiscal impact section; and authorize the General Manager to sign on behalf of OMWD.

## **Recommendation**

Staff recommends acceptance of the Project into OMWD's system, approval of CCO8 to Filanc for \$67,614.11, appropriate \$215,000 from capital reserves to the Project budget, and authorization for the General Manager to sign on behalf of OMWD.

## **Alternative(s)**

The Project is complete and constructed in accordance with the contract documents. However, the Board could elect to:

- Direct staff to further negotiate with the contractor; or
- Proceed in a manner as otherwise directed by the Board.

## **Background**

The Gardendale and Village Park West PRS replacements are located in Director Division 3 (Guerin) and Director Division 2 (Maloni), respectively. To continue providing reliable water service, the Project is replacing the existing pressure reducing stations, which were originally constructed in the 1970's and are approaching the end of their useful service life.

The existing underground PRS stations were replaced with pre-assembled units manufactured by EFI Solutions Inc. (EFI), that were owner-furnished to the contractor, consistent with previous PRS replacements. OMWD has utilized pre-assembled pressure reducing stations manufactured by EFI since the mid-1990's to standardize OMWD's infrastructure and facilitate effective operation and maintenance. Additionally, pre-assembled units significantly reduce installation time and help minimize water service disruptions to customers during replacement.

The OMWD Board awarded the contract to Filanc in August 2024 for \$1,899,728. The Notice to Proceed was issued in December 2024. All work on the project is now complete, and both the Gardendale and Village Park Pressure Reducing Stations are fully operational.

## Fiscal Impact

The Project is included in FY 26 budget under the Gardendale PRS Replacement (D120105) and Village Park West PRS Replacement (D120104). Both project budgets are cumulatively presented in the fiscal table below.

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

In which FY did this capital project first appear in the CIP budget? **2021**

Total Project Budget: **\$2,937,000**

Current Fiscal Year Appropriation: **\$1,364,775**

To Date Approved Appropriations: **\$2,937,000**

Target Project Completion Date: **March 2026**

Expenditures and Encumbrances as of March 2, 2026: **\$3,006,614**

Is CCO 8 within the appropriation of this fiscal year? **No; see below**

If this change order is outside of the appropriation, Source of Fund: **As CCO8 is outside the Project appropriation, CCO8 will require the proposed budget transfer from capital reserves**

Following budget shortfalls associated with unforeseen conditions, the City of Encinitas required additional restoration work. There is not sufficient remaining budget to account for these issues and additional funds are needed from capital reserves.

## Discussion

Prior to the contractor's construction start at the Gardendale PRS location, OMWD crews were delayed in the completion of valve replacements that were required to facilitate replacement of the PRS, which caused delays to the contractor. Additional soil over-excavation and stabilization was also required at the site due to heavily saturated soil. These unforeseen issues resulted in a cost of \$45,509 and 27 days accounted for in CCO1, approved by the General Manager in June 2025.

The Village Park PRS replacement location also had valves along Mountain Vista that needed to be replaced prior to replacing that PRS. These valves were at the end of their useful life and not functioning properly. CCO2 was approved by the Board in July 2025 to complete these valve replacements.

In the process of completing the valves from CCO2 in August, an additional 16" valve along the transmission mainline in Mountain Vista broke in the closed position, placing several neighborhoods in a lower pressure scenario. To minimize the duration of lower pressure, OMWD staff back fed the neighborhoods through an emergency interconnection with San Dieguito Water District (SDWD) and began procuring parts and coordinating with Filanc to urgently replace the valve cluster. CCO3 was approved by the Board in September 2025 with an estimate of \$250,000, while work was performed on a T&M basis. The General Manager executed CCO3 for \$226,093 in October 2025 for this valve cluster once the work was completed.

During the course of replacing the failed 16" valve cluster on Mountain Vista related to CCO3, it became apparent additional work was required on the existing 8" ACP connected distribution line to Overland Avenue to keep customers in service. OMWD crews were originally going to do this work on the 8" pipeline, but staff had to be diverted to the Cadencia/Azahar response. As the work on Overland was of urgent nature, OMWD requested that Filanc expand their efforts under T&M to also complete the additional 8" work as quickly and efficiently as possible. An additional isolation valve was required to keep the affected customers in service and preserve and protect the existing 8" ACP distribution system in the neighborhood. Challenging groundwater conditions, conflicting utilities, previously unknown ACP piping bend systems, and unstable soils made trenching difficult and required construction shutdowns. Additionally, the City of Encinitas required de-mob/re-mob due to the City's Octoberfest celebration which also slowed the progress. The Board approved this work under CCO4 for \$154,708 in November 2025.

In returning to normal contract work for the PRS installation at Wandering Road (Village Park PRS), potholing found conditions differing from the plans at the connection point to the existing ACP piping system. This resulted in a re-design of the connection point to extend the removal of the existing ACP pipe to make a reliable connection. Additionally, since new valves had already been installed with connecting PVC piping in preparation for this work, the resulting new connection point was near the previous work and needed to extend to the new PVC to eliminate a small island of ACP trapped between new segments of PVC. The Board approved this work for \$70,033 under CCO5 in November 2025.

During the final stages of closeout of the Gardendale PRS, two additional work items not contemplated in the contract were encountered. Firstly, OMWD Operations identified the need for an additional potable water sampling station. Secondly, additional asphalt concrete (AC) restoration was required to meet the City of Encinitas permit requirements and finish the work at the Gardendale site. The General Manager approved this work under CCO6 for \$18,128 in March 2026. During the final stages of close-out of the Village Park PRS, several additional work items not contemplated in the contract were encountered and completed on T&M basis. This included: Linda Sue Speed bumps installation as directed by City of Encinitas (COE), unsuitable soils and subgrade stabilization of VP PRS backfill, minor retaining walls to facilitate PRS vent pipe installations, overhead and expenses related to extended paving durations required by COE, and additional AC pavement and concrete restoration required by the COE. The General Manager approved this work under CCO7 for \$53,083 in March 2026.

Proposed CCO8 consists of work valued at \$67,614 done on T&M basis to complete City of Encinitas directed additional AC and concrete replacements as part of the final site restorations for the Village Park PRS. Much of this work was due to the disruption and conflicting jobsites of the City of Encinitas Paving Replacement Project, and OMWD Village Park PRS replacement. This resulted in the requirement for OMWD to replace sections of AC that would have previously been replaced with the City's work. All work on the site is complete, and this will be the final change order for the project.

The following table shows the breakdown of CCOs that comprise executed and proposed change orders to date:

<b>Authorization</b>	<b>Date</b>	<b>Authorized by</b>	<b>Value</b>	<b>Time (Consecutive Calendar Days)</b>
Original Contract	Aug.2024	Board	\$1,899,728	<b>340</b>
CCO1	June 2025	General Manager	\$45,509	<b>27</b>
CCO2	July 2025	Board	\$105,132	<b>14</b>
CCO3	Sept. 2025	Board	\$226,093	<b>21</b>
CCO4	Nov. 2025	Board	\$154,708	<b>22</b>
CCO5	Nov. 2025	Board	\$70,033	<b>5</b>
CCO6	Mar.2026	General Manager	\$18,128	<b>0</b>
CCO7	Mar.2026	General Manager	\$53,083	<b>0</b>
CCO8	March 2026	Pending Board Approval	\$67,614	<b>0</b>
<b>Total Previous Approved CCOs</b>	--	--	<b>\$672,686</b>	<b>89</b>
<b>Total CCOs to Date (if approved)</b>	--	--	<b>\$740,300</b>	<b>-</b>
<b>New Contract Value (if approved)</b>	--	--	<b>\$2,640,028</b>	<b>429</b>

Staff recommends approval of CCO8 in the amount of \$67,614.11, and 0 additional contract days. The Project is now complete and will be closed out. Staff also recommends approving the NOC and the budget appropriation as outlined within this memo. Staff is available to answer questions.

Prepared by: Steven Weddle, Engineering Services Supervisor

Reviewed by: Lindsey Stephenson, Engineering Manager

Joey Randall, Assistant General Manager

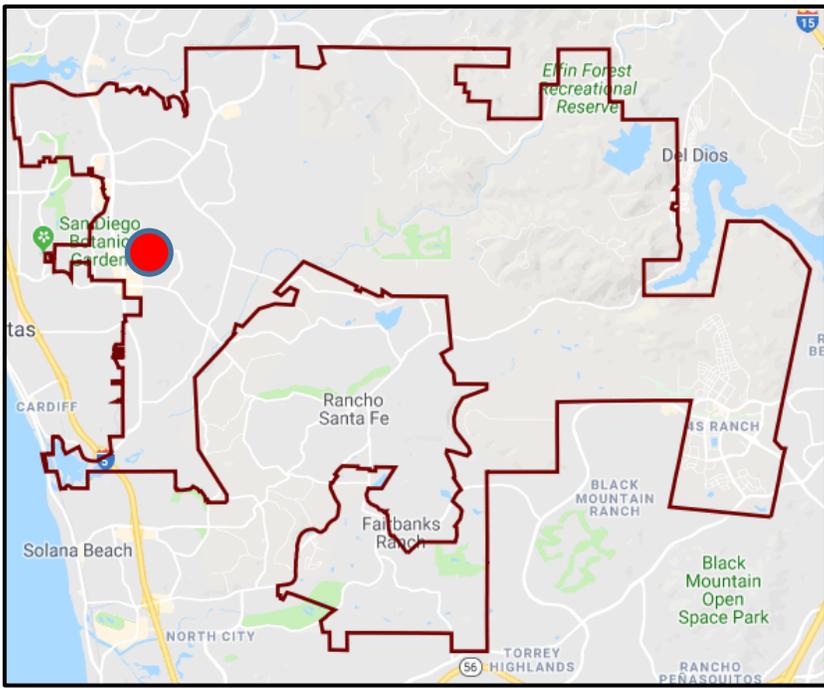
Approved by: Kimberly A. Thorner, General Manager

*Attachment(s):*

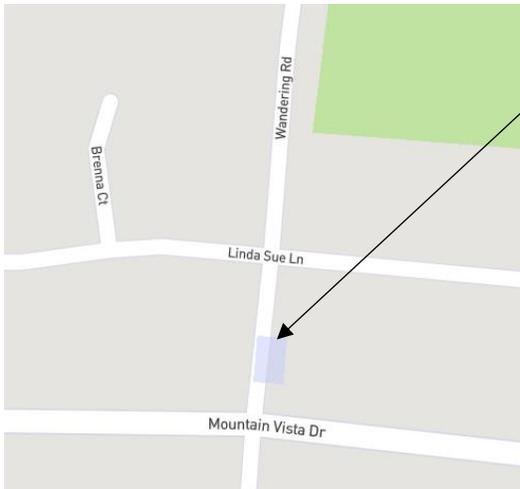
*Location Map*

*Proposed CCO8*

*NOC*



**PRS LOCATIONS**



**SITE 1  
VILLAGE PARK WEST PRS**



**SITE 2  
GARDENDALE PRS**

**LOCATION MAP  
VILLAGE PARK WEST AND GARDENDALE PRESSURE REDUCING STATION  
REPLACEMENT PROJECT  
DISTRICT PROJECT NOs. D120104 & D120105**

**CONTRACT CHANGE ORDER**

Owner: **OLIVENHAIN MUNICIPAL WATER DISTRICT** OMWD PN: D120104 and D120105  
Project Name: The Gardendale and Village Park West Pressure Reducing Station Replacements  
Contractor: Filanc

**CONTRACT CHANGE ORDER NO. 08**

Date: March 3, 2026

The Contractor is hereby authorized and directed to make the herein described changes from the Plans and Specifications or do the following work not included in the Plans and Specifications for the construction of this project. Payment to the contractor for these change order items shall provide full compensation for all equipment, materials, labor, field and home office overhead, indirect and consequential costs, mark-ups and profit necessary to complete the work. By executing this contract change order, the contractor agrees to proceed with this work as a change order per the contract documents and waives any rights to additional compensation arising out of work listed in this change order, including without limitation, any claims relating to any cumulative effect of change orders, delays, productivity impact or interruption.

**DESCRIPTION OF CHANGE:**

1. The City of Encinitas required additional paving replacement and restoration on Wandering and Mountain Vista Road, beyond what was shown on the approved plans. The cost of this additional work is \$63,397.56. Zero (0) days are added for this work. See PCO #10 for details, Project D120105.
2. The contractor was required to source and fabricate an additional air vent pipe for the VP PRS. The cost of this work is \$4,216.55. Zero (0) days are added for this work. See PCO #11 for details, Project D120105.

**Original Contract Amount: \$1,899,728.00**  
**Total Previous Change Orders (Through CCO #7): \$672,686.21**  
**Total This Change Order: \$67,614.11**  
**Revised Contract Amount: \$2,640,028.32**

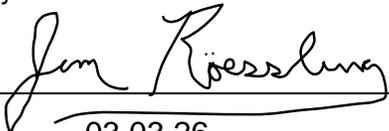
**Original Contract Duration: 340 Calendar Days**  
**Original Contract Completion Date: November 7, 2025**  
**Total Calendar Days Added from Previous Change Orders (Through CCO #7): 89**  
**Total Calendar Days Added This Change Order: 0**  
**Revised Contract Duration: 429 Calendar Days**  
**Revised Contract Completion Date: February 4, 2026**  
**TOTAL COST for this CHANGE ORDER is SIXTY-SEVEN THOUSAND, SIX-HUNDRED FOURTEEN Dollars and ELEVEN cents INCREASE.**

It is agreed that 0 consecutive calendar day(s) extension of time will be allowed by reason of this change. The original completion date was 11/7/25 and the revised completion date is 2/4/26 (including weather delays).

Prepared by Project Manager

Steven Weddle, OMWD

Accepted by CONTRACTOR

By: 

Date: 03.03.26

Approved by OWNER

By: \_\_\_\_\_

Date: \_\_\_\_\_

NOTE: Attention is called to the sections in the General Provisions on Scope of Work and Estimates and Payments.

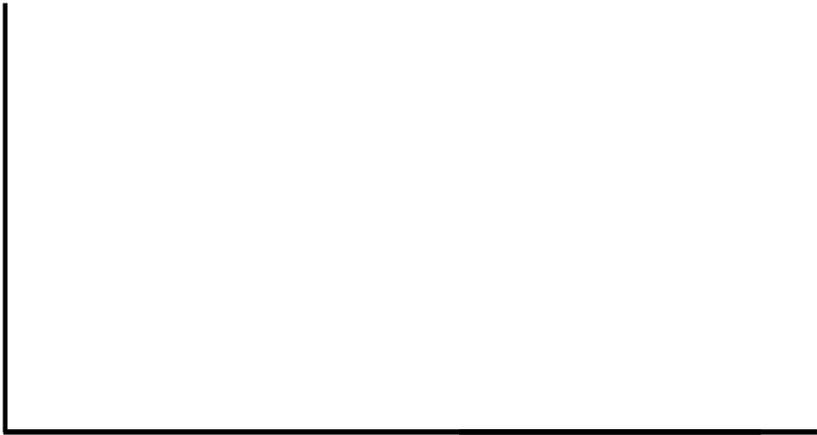
THIS CHANGE ORDER IS NOT EFFECTIVE UNTIL APPROVED BY OWNER.

IF ACCEPTABLE TO THE CONTRACTOR, THIS CHANGE ORDER IS EFFECTIVE IMMEDIATELY.

Distribution:             Owner         Contractor     Engineer     Finance

**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 work for the Gardendale and Village Park West Pressure Reducing Station Replacements Project, located at the corner of Gardendale road and Mountain Vista Drive, and at the Corner of Wandering Road and Mountain Vista Drive, respectively, Encinitas CA 92024 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 J.R. Filanc Construction Company, Inc. (“Contractor”), located at 740 N Andreason Drive, Escondido, CA 92029, have been completed in accordance with the plans and specifications as of . The facilities have been accepted by the Board of Directors of the OLIVENHAIN MUNICIPAL WATER DISTRICT on this 18<sup>th</sup> day of March 2026.

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

# Memo

Date: March 18, 2026  
To: Olivenhain Municipal Water District Board of Directors  
From: Jesse Bartlett-May, Operations Manager  
Via: Kimberly A. Thorner, General Manager  
Subject: **INFORMATIONAL UPDATE OF THE GENERAL MANAGER'S EMERGENCY DECLARATION OF THE AZAHAR/CADENCIA/ROMERIA STREETS AND ALDEA PLACE EMERGENCY LEAK REPAIR PROJECT**

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## **Purpose**

The purpose of this agenda item is to provide an update on the General Manager's emergency declarations for the Azahar/Cadencia/Romeria Streets and Aldea Place Leak Repair Project (Project).

The General Manager declared an emergency on Monday, August 18, 2025, and expanded it on August 31, 2025. The Board affirmed the Emergency Declaration, and Romeria Street and Aldea Place were also incorporated into the emergency declaration at the September 17, 2025 Meeting. Staff updated the Board at its September 17, 2025, October 15, 2025, November 19, 2025, December 17, 2025, January 21, 2026, and February 18, 2026 meetings. Pursuant to Administrative & Ethics Code §3.2.1, the Board shall review the General Manager's emergency action at each board meeting until work on the emergency project is complete.

## **Recommendation**

N/A. This is an update required by law.

## **Alternative(s)**

No alternatives as this is an informational item.

## **Background**

All affected pipeline has been replaced, all customers are now on the new pipeline and our construction contractor Cass Arrieta (Cass) has completed all work and submitted their final invoice. All base paving on Azahar and Cadencia Streets and Aldea Place has been completed.

## **Fiscal Impact**

At the September 17, 2025 meeting, the Board authorized and OMWD subsequently entered into a not-to-exceed contract with Cass for \$2,000,000. At the December 17, 2025 board meeting, the Board approved an additional \$600,000 worth of work from Cass. The additional costs from Cass come from the significant upgrades to the system on the affected streets. These include upsizing pipe sizes to meet current fire flow standards, adding fire hydrants, blow-off's, manual air-relief valves, and adhering to City of Carlsbad ordinances and permitting processes, which slow down work and limit workdays and hours. On February 10, 2026 Cass submitted their sixth and final invoice bringing their total expenditure to \$2,553,512.96 and leaving them \$46,487 under budget. OMWD also entered into an agreement with Ninyo & Moore for geotechnical services in an amount not-to-exceed \$90,316.00 related to the project. The Ninyo & Moore (Ninyo) agreement includes support for geotechnical services at 30 hours/week, and final paving inspection and reports. To date Ninyo has invoiced \$62,871. Along with Ninyo, HDR is assisting with pipeline investigation for a total contract amount of \$38,000 and to date has invoiced \$25,861.

OMWD also entered into a contract with Joe's Paving for a not-to-exceed total amount of \$1,010,000 to provide paving services and the Board approved Change Order 1 for \$190,000 at the December 17, 2025 meeting bringing the total contract amount to \$1,200,000. To date, OMWD has paid eleven invoices to Joe's in an amount totaling \$1,035,523.66. These paving services are necessary to bring the streets back to the City's specifications. While performing final paving repairs on Cadencia and Romeria our soils technician, Ninyo, found saturated base soils which required additional removal, hauling and dump fee costs, along with additional class II base material and re-compaction. These increased costs were unknown until the pavement was removed by the contractor. These costs were outside of the estimated contracted amount, and the General Manager has approved Change Order 2 in an amount of \$70,000 which is within the General Manager signing authority of \$75,000. As of the time of this memo, no additional appropriation is

necessary, however invoices from HDR and Ninyo will be included in the next report to the Board.

Below is a table of the change orders and contract amounts for the project to date:

	Approved Total	Notes
Cass	\$2,600,000	Change Order 1 approved by the board for \$600,000
Joe's Paving	\$1,270,000	Change Order 1 approved by the board for \$190,000 Change Order 2 approved by the GM for \$70,000
Ninyo & Moore	\$90,316	
HDR	\$38,000	
Labor/Materials	\$343,902	
<b>Total</b>	<b>\$4,342,218</b>	<b>Total Appropriation</b>

### Discussion

Since the last board meeting on February 18, 2026 the final paving on Romeria Street – which was delayed by rain – has been completed along with the raising of manholes and valve cans. The only remaining work for this project is the slurry seal. This work requires a stable warm temperature of at least 50°F and rising with no rain and low humidity in the forecast. In San Diego this work usually does not begin until mid to late March. Staff anticipates this work to take place in late-March and only anticipates the work to take two days to complete.

In accordance with Section 22050(b)(3) of the Public Contract Code and OMWD Administrative & Ethics Code §3.2.1, staff will also present the Project's status for review at subsequent regularly scheduled Board meetings until the work is complete.

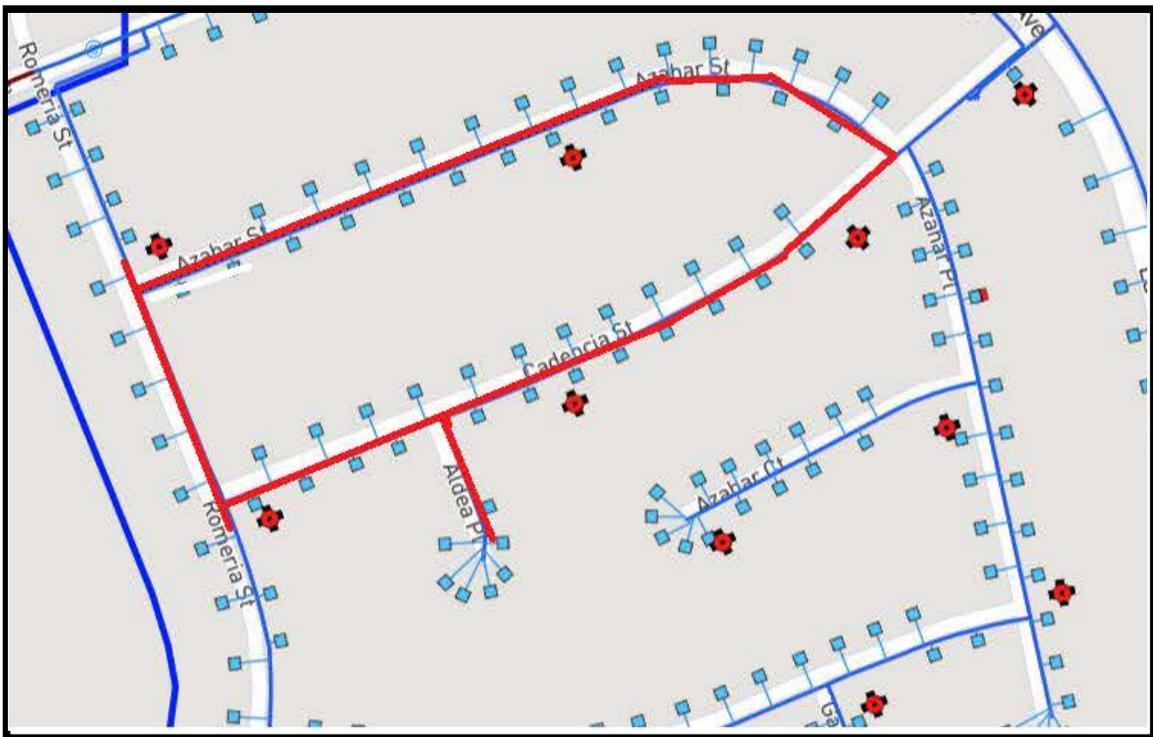
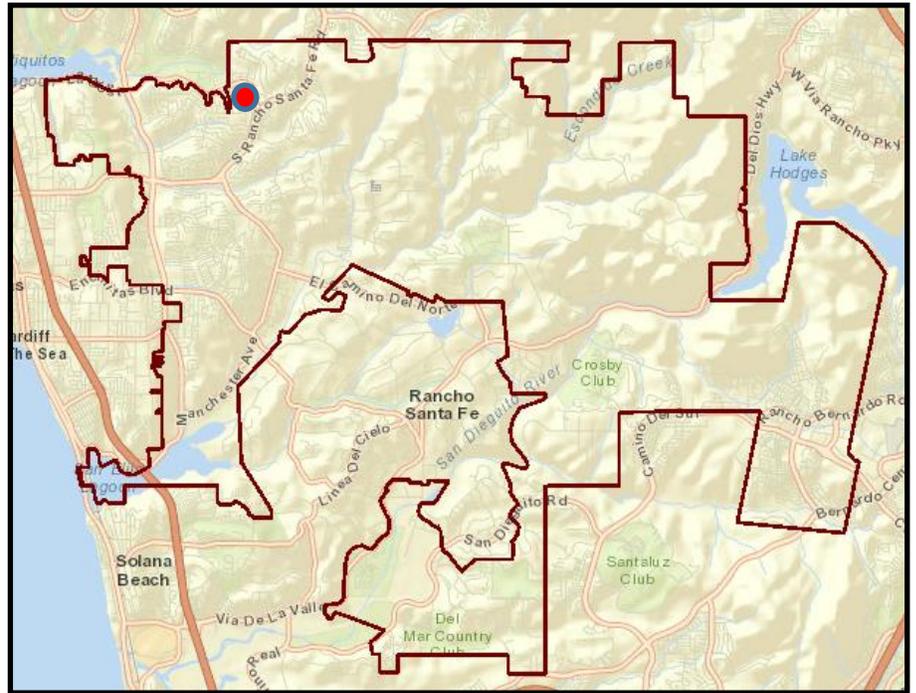
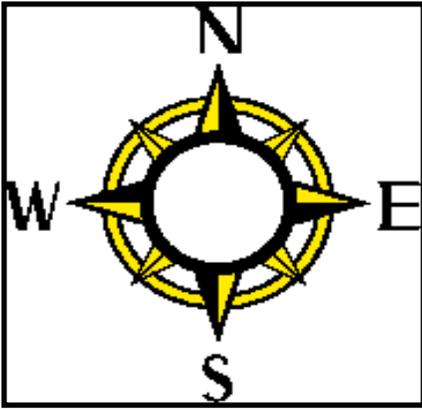
Staff is available to answer questions.

Prepared by: Jesse Bartlett-May, Operations Manager  
Reviewed by: Joey Randall, Assistant General Manager  
Approved by: Kimberly A. Thorner, General Manager

*Exhibits:*

*A. Map of Improvements*

*B. Azahar/Cadencia/Romeria Streets and Aldea Place Emergency Leak Repair Update PowerPoint Presentation*



**AZAHAR/CADENCIA/ROMERIA STREETS AND ALDEA PLACE  
EMERGENCY LEAK REPAIR PROJECT  
OMWD PROJECT NO. D120214**

# Azahar/Cadencia/Romeria Streets and Aldea Place Emergency Project Update

March 18, 2026



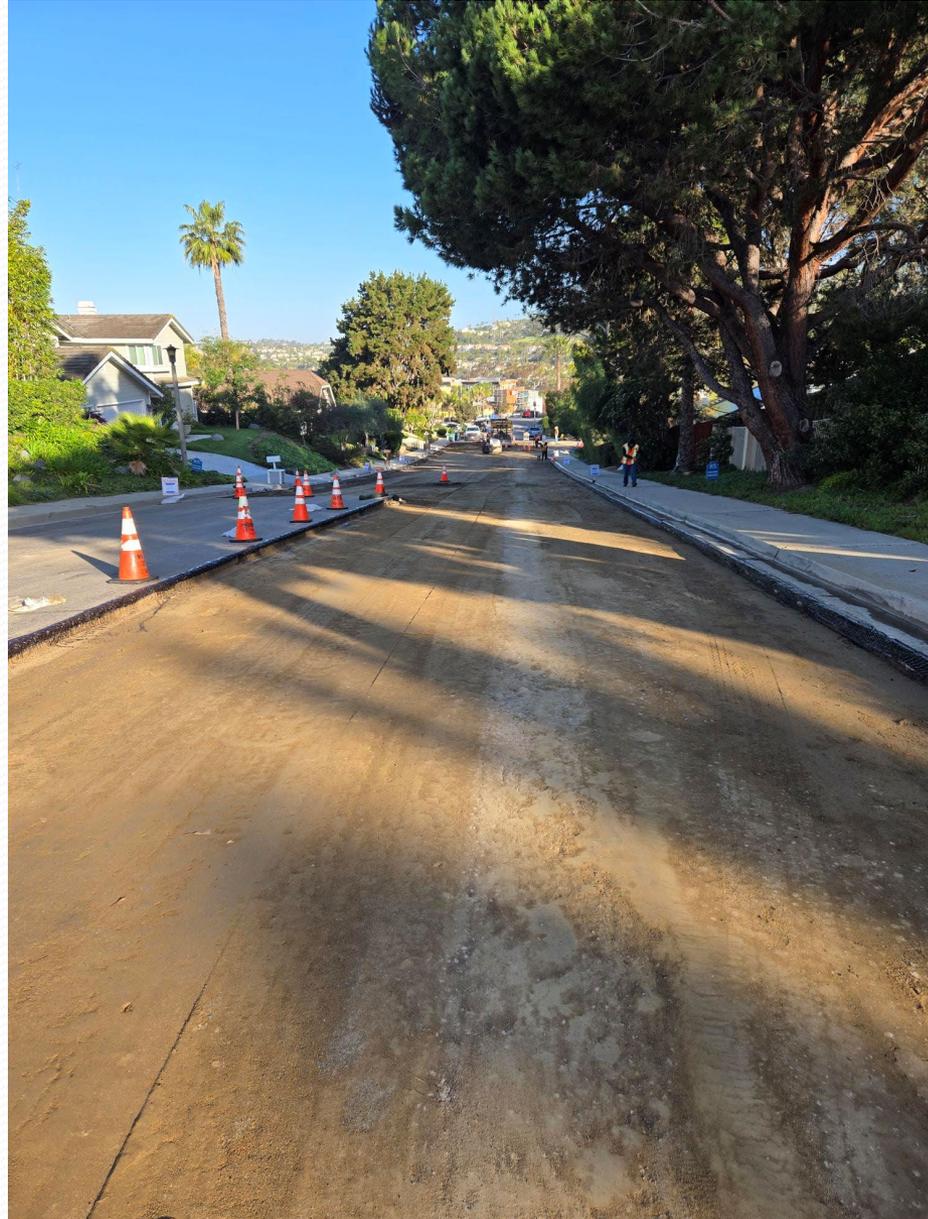


FINAL PAVING ON ROMERIA

# RAIN DELAY



# FINAL PAVE ON ROMERIA



# FINAL PAVING ON ROMERIA



# Questions?

# 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.

March 18, 2026

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 months of **February 2026:**

<b>Operations &amp; Maintenance</b>	<b>February 2026</b>	<b>January 2026</b>
<b>David C. McCollom Water Treatment Plant (DCMWTP)</b>	349.2 million gallons	391.8 million gallons
<b>DCMWTP Average Daily Production</b>	12.5 million gallons	12.6 million gallons
<b>DCMWTP Peak Day Production</b>	21.9 million gallons	19.9 million gallons
<b>Source Water Blend (% State Project Water)</b>	62.5 %	57.3%
<b>Total Deliveries to Vallecitos Water District</b>	250.59 acre feet 81.65 million gallons	269.35 acre feet 87.77 million gallons
<b>4S and Rancho Cielo Sewer Systems Total Inflow</b>	35.41 million gallons	40.36 million gallons
<b>4S and Rancho Cielo Sewer Systems Average Daily Inflow</b>	1,264,782 gallons	1,301,972 gallons
<b>4S and Rancho Cielo Sewer Systems Peak Day Inflow</b>	1,378,344 gallons	1,699,852 gallons
<b>4S and Rancho Cielo Sewer Systems Low Day Inflow</b>	1,192,400 gallons	1,202,332 gallons
<b>4S Water Reclamation Facility (4SWRF) Average Daily Production</b>	365,163 gallons	385,320 gallons
<b>4SWRF Peak Day Production</b>	850,137 gallons	921,684 gallons
<b>4SWRF Total to Recycled Water Distribution System</b>	10.22 million gallons	11.95 million gallons
<b>4S Recycled Water Storage Pond Volume</b>	169 acre feet	142 acre feet
<b>Repaired Potable Water Main Leak(s)</b>	0	2
<b>Repaired Potable Water Service Lateral Assembly Leak(s)</b>	2	2
<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>	0	1
<b>Replaced Valve(s) Calendar Year to Date</b>	1	1
<b>Recycled Water Use Site Inspections &amp; Visits</b>	15	16
<b>Recycled Water Use Site Cross Connection Tests</b>	2	1
<b>Cross Connection Site Surveys</b>	0	1
<b>Backflow Inspections &amp; Testing (New)</b>	5	5
<b>IT Help Requests</b>	18	14
<b>Customer Services</b>	<b>February 2026</b>	<b>January 2026</b>
<b>Customer Calls and Inquiries</b>	1,561	1,674
<b>Total Monthly Bills Issued</b>	23,014	23,021
<b>Service Orders</b>	504	522
<b>New Potable Meters</b>	0	0
<b>New Fire Meters</b>	1	0
<b>New Recycled Water Meters</b>	0	3

<b>Customer Services - Continued</b>	<b>February 2026</b>	<b>January 2026</b>
<b>Advanced Metering Infrastructure (AMI)</b>	155	165
<b>Stopped/Underperforming Meters Replaced</b>	111	131
<b>Meter Accuracy Tests Performed</b>	3	7
<b>Water Use Evaluations</b>	9	8
<b>Water Use Violation Reports</b>	0	0
<b>Workshops, Events, and Tours</b>	0	2
<b>High-Efficiency Clothes Washer Rebate Applications</b>	2	2
<b>Weather-Based Irrigation Controller Rebate Applications</b>	25	4
<b>Hose Irrigation Controller Rebate Applications</b>	24	0
<b>High-Efficiency Rotating Nozzle Rebate Applications</b>	0	0
<b>High-Efficiency Toilet Rebate Applications</b>	2	0
<b>Rain Barrel Rebate Applications</b>	0	0
<b>Flow Monitor Device Rebate Applications</b>	4	0
<b>Turf Removal Project Rebate Applications</b>	4	1
<b>Social Media Posts</b>	18	17
<b>News Releases/Media Advisories</b>	3	2
<b>EFRR</b>	<b>February 2026</b>	<b>January 2026</b>
<b>Special Use/Event Permits</b>	3	2
<b>Parking Notices</b>	87	71
<b>Incident Reports</b>	7	8
<b>Vehicle Count</b>	4,560	5,936
<b>Trail Use Count</b>	9,492	13,639
<b>Days Closed Due to Rain/Red Flag</b>	3	2
<b>Days Interpretive Center (IC) Open</b>	17	13
<b>Number of IC Visitors</b>	490	505
<b>Volunteer Trail Patrol Shifts</b>	6	6
<b>Volunteer Docent Hours</b>	75	64
<b>Total Number of Docents</b>	63	66
<b>Finance</b>	<b>February 2026</b>	<b>January 2026</b>
<b>Infosend Payments (ACH and Credit Card)</b>	15,625	15,461
<b>California Bank &amp; Trust Lockbox Payments</b>	1,821	1,837
<b>Over the Counter Payments</b>	336	245
<b>Check-free, Metavante and Chase</b>	3,654	3,497
<b>Finance Calls and Walk-ins</b>	26	20
<b>Service Orders/New Meters Processed</b>	4	0
<b>Service Orders Closed Out</b>	1	1
<b>Purchase Orders</b>	17	9
<b>Inventory Items Received</b>	576	954
<b>Invoices Processed</b>	537	464
<b>Payroll Direct Deposits Processed</b>	247	247
<b>Payments to Vendors</b>	238	231

## **ENGINEERING DEPARTMENT**

### **Engineering Manager Lindsey Stephenson Highlights for February 2026:**

Gardendale and Village Park West Pressure Reducing Stations Replacement Project construction has been completed. The Reservoirs Safety Improvements Project is underway. The 4S Ranch Water Reclamation Facility (4S WRF) Headworks Screening System, Off-Specification and Wet Weather Diversion, and Strainer Improvements Project continued through the submittal review phase and the contractor has continued initial work on-site. Work on the OMWD Cathodic Protection Improvements Project FY 2026 continued, with only one site remaining to be completed. Staff continued working on other disciplines as well: planning and design efforts on multiple CIP projects, including preparing the 10-year CIP for upcoming budget cycle; leak responses; supporting developer projects; assisting other departments with engineering-related work; and managing OMWD's facilities, cathodic systems, cell sites, and right of ways.

## **HUMAN RESOURCES DEPARTMENT**

### **Human Resources Manager Jennifer Joslin Highlights for February 2026:**

Held interviews for the vacant Utility I, II, and III positions and second interviews for Financial Analyst I. Conducted an internal GYO recruitment for Water Treatment Plant Operator IV (Lead). Held the annual Healthy Heart exercise and breakfast event for interested employees. Hosted the monthly employee forum. Records staff conducted a training class for relevant administrative employees. Collected Form 700 Statement of Economic Interests from required staff filers. Human Resources and safety staff conducted new hire orientations for the new Financial Analyst I. Safety staff also conducted a safety orientation for a new SDCWA intern. Performed a safety assessment of the fluoridation process at the DCMWTP and participated in meetings with the consultant regarding potential engineering control options. Provided support and coordination on liability claims.

### **Requests Received Pursuant to the Public Records Act (February 1-28):**

#### **Requestor**

Jim Nygren

#### **Documents Requested**

Board minutes, salary, benefits, and rate information for 2021-2023

## **OPERATIONS & MAINTENANCE**

### **Operations Manager Jesse Bartlett-May Highlights for February 2026:**

DCMWTP train 6 permeate pump overhauled and placed back into operation with assistance from Pumps and Motors Technicians (PMT), completed hazardous materials business plan updates and recertification for WTP and Ammonia Feed Facility, performed sodium hypochlorite delivery line flushing, and completed polymer injection line relocation project. WTP Staff are assessing and preparing for the energy recovery strainer and Train 9 refurbishment projects, which are scheduled to begin in March. Wastewater and PMT staff installed four new bleach pumps at the 4S WRF. Instrument Control Technicians continue to support the Programmable Logic Controllers project, and IT staff have initiated the Data Center, Nutanix Configuration, project. System Operators completed the 4S-1 and Denk Reservoirs washouts, replaced a 2 1/2 -inch cla valve at the Horse Wall PRS, and repaired a leak on a 14-inch pipe at the Miller Reservoir PRS. Construction assisted WTP with repairs to the concrete in front of the post-chlorine room, poured concrete

curb and gutter in The Lakes Community, and responded to an emergency corporation stop and service lateral leak with System Operations assistance in Carlsbad. Construction performed night work to repair a 2-inch leaking service lateral on El Camino Real in Encinitas.

### **CUSTOMER SERVICES DEPARTMENT**

#### **Customer Services Manager John Carnegie Highlights for February 2026:**

Published February issue of *Watching Water*; submitted federal Water Resources Development Act grant applications in the amount of \$11.2 million to the offices of Senators Schiff and Padilla, and Representatives Peters and Levin, for the rehabilitation and modernization of infrastructure at DCMWTP; collaborated with BlueWater Strategies to prepare materials for Director Maloni's advocacy meetings with the California delegation in Washington, DC in support of OMWD's WRDA funding requests; met with the Carlsbad office of Representative Levin to discuss OMWD priorities; participated in DWR water loss and leak detection training on updates to resources and data portals; and distributed to all surrounding water, wastewater, cities, and government organizations a 60-day advance notice of plan preparation and April 15 public hearing for OMWD's 2025 Urban Water Management Plan.

At EFRR, held seven "Habitat" field trips for Escondido Unified School District students; completed a botanical survey of the lower meadow; repaired the lower creek crossing after storm damage; and continued replacing signage throughout the trail network.

### **FINANCE DEPARTMENT**

#### **Finance Manager Leo Mendez Highlights for February 2026:**

Held quarterly Finance Committee meeting to discuss financial reports for the second quarter of fiscal year 2026, first phase of investment strategy annual objective, timeline for Fiscal Year 2027-2028 biennial budget process, resolution of intent and proposed financing team for planned wastewater debt issuance, and Pinnacles CFD formation status; completed 2026 Fitch Surveillance Review and provided financial forecasts and responded to analyst inquiries; completed SDCWA's water demand forecasts and meter count survey; continued to provide oversight of IT audit in response to hosting services outage including next steps; reviewed financial information on LAFCO's Municipal Services Review and provided input to GM; began training of new Financial Analyst I; continued work on Pinnacles CFD formation project and held meeting with developer and CFD team; Presented educational item on Local Agency Investment Guidelines to Board of Directors, Presented Resolution of Intent to issue tax exempt bonds and proposed financing team for the planned wastewater debt issuance to Board of Directors; held internal meetings in preparation for the Fiscal Year 2027-2028 Biennial budget process; held teambuilding event with Finance staff; attended Ad Hoc Insurance Committee Meeting.

### **ASSISTANT GENERAL MANAGER:**

#### **The Assistant General Manager reports the following for February 2026:**

Attended Ad Hoc Insurance Committee Meeting, SDCWA Voting Structure and Governance Committee Meeting and Staff Leadership Meeting. Continued project management assistance on Azahar/Cadencia/Romeria Streets and Aldea Place Emergency Leak. Participated in interviews for vacant Utility positions. Dedicated significant time to EPA Grant Procurement Requirements and

Workplan, North San Diego Water Reuse Coalition coordination, DCMWTP fluoridation safety improvements review, Urban Water Management Plan review, Biennial Budget preparation and Consultant meetings.

**GENERAL MANAGER:**

**The General Manager reports the following for February 2026:**

General Manager Thorner held a SDCWA Voting Structure and Governance Committee Meeting, met with Consulting Engineer MacFarlane, met with California Special Districts Association's legislative team multiple times, had a meeting with the California Air Resources Control Board to advocate for exemptions on emergency response vehicles, held an Ad Hoc Insurance Committee Meeting, met with CWA Government Relations Manager, held a Finance Committee Meeting, attended the Member Agency Business Model Workshop, had a conference call with the Rancho Santa Fe Fire Protection District Chief, met with SDCWA General Manager, met with ACWA Senior Regional Affairs Representative, attended the CSDA Quarterly Dinner, commenced work on Water for People Walk for Water at Elfin Forest Recreation Reserve, attended the Member Agency Managers Meeting, held a GM Staff Meeting, held a Staff Leadership Meeting, attended the Urban Water Institute Conference in Indian Wells, reviewed Fitch surveillance responses, and dedicated significant time to reviewing the budget, legal matters, Board briefings, reviewing the draft OMWD LAFCO Municipal Service Review, reviewing the Urban Water Management Plan, and HR matters.

# 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.

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## MEMORANDUM

To: Kimberly Thorner, Esq., Olivenhain MWD Board of Directors

From: Don MacFarlane, Consulting Engineer

Subject: Metropolitan Water District of Southern California (MWD)  
Committee Meetings

Date: March 9, 10, 2026

This is a report on the Finance, Affordability, Asset Management, and Efficiency, the One Water and Adaptation, and the Engineering, Operations, and Technology Committee meetings, held on March 9, 10, 2026. This report is based on the Board webcast, presentations and reports.

### Finance, Affordability, Asset Management, and Efficiency Committee –

#### 1. FY 2025 – 2026 Q2 Financial Report –

- a. Water transactions projected through April 2026 are 1,221 TAF versus a budget of 1,344 TAF, a difference of 123 TAF or 9.2 percent.
- b. Projected year-end revenues are \$113.9 less than budget and expenditures are 227 million less than budget.
- c. Staff expects to add \$50 million to unrestricted reserves, bringing reserves close to target levels.

#### 2. FY 2027 and 2028 Biennial Budget Workshop #3 – Staff Prepared six new budget alternatives based on the following considerations:

- a. Changes to CWA purchases, water exchange revenues, water sales, and the water program budget.
- b. Property tax rates varying from 0.007 to 0.009 percent.
- c. Reduce conservation funding from \$30.5 million per year to \$23.1 in FY 2027 and \$15.5 million in FY 2028, the minimum amounts required to meet the grant funding match.
- d. Reduce LRP funding to exclude new agreements.
- e. PWSC expenditures limited to grant funding received. Three alternatives with continued planning on PWSC at 45 MGD, and three without PWSC.
- f. Various increments of hiring, operating equipment purchases, and CIP increases.
- g. The resulting rate increases ranged from 6.5/6.5 percent to 9.3/9.2 percent with PWSC at 45 MGD, and 6.0/6.0 to 8.8/8.7 percent without PWSC. The original budget proposal was 9.5/9.5 percent for FY 2027 and FY 2028, respectively.

## MEMORANDUM

Metropolitan Water District of Southern California

March 9, 10, 2025 Committee Meetings

Page 2

3/11/2026

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- h. Workshop #4, the last budget workshop, will be held on March 24, 2026.
- i. Committee member comments included:
  - i. Limit PWSC expenditures to grant funding.
  - ii. Try to spend as little as possible on DCP in 2027 as apparently none of the candidates for Governor support the current project. The DCP budget is \$70 million in FY 2027. Consider pausing all DCP funding until the new Governor makes a commitment to a project.
  - iii. Dispose of two Delta Islands that MWD owns.
  - iv. GM to recommend the minimum number of new employees needed.
- j. The Committee direction was not posted but apparently, staff was directed to further refine three of the six alternatives presented, plus two variations proposed by Committee members, and options for cutting DCP expenditures. These will be presented on March 24, 2026.

### One Water and Adaptation Committee –

1. Water Supply and Drought Management (WSDM) –
  - a. Northern Sierra precipitation is 113 percent of average, while the snowpack is only 40 percent of average. Upper Colorado River precipitation is 90 percent of median, while the snowpack is 67 percent of median.
  - b. Lake Oroville is gaining storage and San Luis Reservoir is nearly at capacity.
  - c. Currently, supplies and forecast demands for calendar year 2026 are approximately in balance.
  - d. The near-term forecast is for minimal precipitation and warmer temperatures.
2. Update on Basin States Discussion Regarding Post-2026 Colorado River Operating Guidelines – Despite sustained and intensive negotiations over the past several months, the states did not reach a consensus agreement by the February 14, 2026 federal deadline. Disagreements were narrowed during the discussions. No new deadline has been established. MWD staff are developing comments on the draft EIS, focusing on identifying operational elements necessary to ensure dry-year reliability, protecting existing investments, and preserving long-term system flexibility, rather than recommending selection of a specific preferred alternative.
3. Climate Adaptation Master Plan for Water (CAMP4W) Quarterly Update –
  - a. Staff described the process used, that it is iterative and adaptive, and that it is fairly straightforward to evaluate individual projects, but is challenging to integrate multiple projects and programs, to develop ideal portfolios.
  - b. Last year, staff assessed PWSC, Sites Reservoir, and the DCP, and three portfolios. These need to be updated with improved information.

## MEMORANDUM

Metropolitan Water District of Southern California

March 9, 10, 2025 Committee Meetings

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- c. Staff met with Member Agency representatives in January and will hold a task force meeting in May.
- d. Committee members expressed that they:
  - i. Were anxious for CAMP4W results so they are better informed in budget deliberations.
  - ii. Want staff to take the time to do it right. Agencies that had been through the process advised MWD that it was a time-consuming learning process. Lessons learned indicate they are on the right pathway.

### Engineering, Operations, and Technology Committee –

1. February 2026 Demands – 59 TAF, approximately 9 TAF less than in 2025.
2. Target Percentage of SWP Water Delivered to the Skinner Water Treatment Plant (and OMWD Raw Water Supply) – 50 percent.
3. SWP Allocation – Remains at 30 percent.

AVEK – Antelope Valley -East Kern

CWA – San Diego County Water Authority

CAMP 4W – Climate Adaptation Master Plan for Water

CVWD – Coachella Valley Water District

DCP – Delta Conveyance Project

EIR – Environmental Impact Statement

DWR – California Department of Water Resources

EIS – Environmental Impact Statement

IID – Imperial Irrigation District

LRP – Local Resources Program

MCL – Maximum Contaminant Level

MGD – Million Gallons per Day

MAF – Million acre-feet

MWD – Metropolitan Water District of Southern California

PFAS – Per- and Polyfluoroalkyl Substances PWSC – Pure Water Southern California

SWP – State Water Project

TAF – Thousand acre-feet

USBR – United States Bureau of Reclamation

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## MEMORANDUM

To: Kimberly Thorner, Esq., Olivenhain MWD Board of Directors

From: Don MacFarlane, Consulting Engineer

Subject: Metropolitan Water District of Southern California (MWD)  
Committee Meetings

Date: February 24, 2026

This is a report on the Finance, Affordability, Asset Management, and Efficiency Committee and Imported Water Subcommittee meetings, held on February 24, 2026. This report is based on the Board webcast, presentations and reports.

Finance, Affordability, Asset Management, and Efficiency Committee Budget Workshop Number 2  
– The workshop focused on Director questions and discussion items from Workshop 1. It was informational with no action, and there was no agreement on changes to the proposed budget. Notes include:

1. How much of the \$35 million budget for electric vehicles has been spent? Are there CARB exclusions that could be used to decrease the budget? Approximately \$5 million has been spent on vehicles that have reached the end of their useful life.
2. Is 45 MGD the smallest practical size for PWSC? Yes, West Basin, Long Beach, and Los Angeles can use all of this capacity. Staff will be working with these agencies and will further refine the minimum capacity.
3. Is PWSC funding from Nevada and Arizona included in the budget? No, the funding has already been spent on environmental work. Staff are discussing possible additional funding with Nevada.
4. The budget includes funding for projects on the Delta Islands. Can MWD sell the islands and reduce costs? This will be discussed at a future One Water and Adaptation Committee Meeting.
5. The CIP development shows \$10 billion of projects, only \$6 billion of which are funded. Is MWD underinvesting in infrastructure replacement and rehabilitation? Is this a commitment to reliability?
6. It appears, from modeling, that MWD has reliable water supplies through 2035 under Scenario C, Low Demand, Reduced Imports. Maybe PWSC should be deferred until after 2035. There are unmanaged water supplies. What needs to be done to use these supplies? Does MWD need more storage to adapt to increased runoff over shorter periods?
7. Workshop #3 is scheduled for March 10. Budget action is scheduled for April 14, 2026.

## MEMORANDUM

Metropolitan Water District of Southern California

Feb 24, 2026 Committee Meetings

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Interesting slides from the Budget Workshop #2 presentation:

- 5 General Drivers of Baseline Rate Increases
- 6 Breakdown of Departmental O&M
- 12 Reserve Policy
- 18 Fixed Costs vs. Variable Revenues. The concept of “semi-fixed” revenues based on the lowest water sales forecast.
- 20 Discretionary Expenses. Could cut but probably shouldn't.
- 25 Estimated Overall Rate Increases for Major Capital Projects
- 27 Alternative Requested by Member Agency
- 28 Non-Grant Funded Conservation Minimum
- 41 SWP Subsidence Cost in Budget
- 42 SWP Charges and MWD Obligations
- 46 History of Capital Expenditures (Adjusted to Current \$) Budget proposal is about at historical average.
- 63 Climate Adaptation Projects

Imported Water Subcommittee – Item 3c. Update on Colorado River Negotiations and Protection of MWD's Water Rights, Conference with Legal Counsel – Anticipated Litigation – Deciding Whether to Initiate Litigation. This was entirely in Closed Session and there was no reportable action.

AVEK – Antelope Valley -East Kern

CWA – San Diego County Water Authority

CAMP 4W – Climate Adaptation Master Plan for Water

CVWD – Coachella Valley Water District

DCP – Delta Conveyance Project

EIR – Environmental Impact Statement

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SWP – State Water Project

TAF – Thousand acre-feet

USBR – United States Bureau of Reclamation

# Memo

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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:** March 18, 2026

**RE:** Attorney Report: Water Rates and Proposition 218  
150152-0005

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**I. INTRODUCTION.**

This attorney report provides an update on a recent California Court of Appeal decision involving water rates and Proposition 218. In the case of *Dreher v. Los Angeles Department of Water and Power*, the appellate court held upheld the Los Angeles Department of Water and Power's budget-based tiered water rates for single-dwelling unit customers. Departing from two very strict recent decisions of the Fourth District Court of Appeal, the Dreher court's decision provides a more practical and reasonable cost of service analysis that does not require water agencies to determine the exact cost of service in real time for each individual parcel. The *Dreher* court stated "agencies are not required to rely on 'perfect' data, so long as the fee or charge reasonably represents the cost of providing service."

**II. BACKGROUND.**

Proposition 218, approved by voters in 1996, added Articles XIII C and XIII D to the California Constitution. Proposition 218 imposes distinct procedural and substantive limitations. An agency seeking to impose or increase a property-related fee, including water rates, must hold a hearing and send written notice of the hearing to the owner of each affected parcel. The notice must specify the amount of the proposed fee, the basis of calculation, and the reason for the fee. It must note the date, time, and location of the public hearing. At that hearing, the agency must consider protests against the proposed fee or charge. In addition to mandating that the agency consider protests, Proposition 218 establishes a majority protest remedy. If written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency cannot impose the fee or charge.

Proposition 218 also places substantive limitations on property-related fees. Under these limitations: (1) revenues derived from the fee may not exceed the cost of providing the property-related service; (2) those revenues may not be used for any purpose other than the one for which the fee was imposed; (3) the amount of the fee cannot exceed the proportional cost of the service attributable to the parcel; (4) a fee may not be imposed for a service unless that service is available to the property

owner; and (5) a fee may not be imposed upon property owners for a general governmental service, if the service is available to the general public in substantially the same manner as it is to property owners.

### III. **RECENT CASE LAW**

#### A. **Coziahr v. Otay Water District – Court of Appeal, Fourth District**

In July 2024, the California Court of Appeal, Fourth District, issued a ruling in *Coziahr v. Otay Water District*. The Court affirmed that Prop 218 requires water rates to strictly adhere to the proportionality requirement in developing and adopting water rates, including tiered water rate structures. Mark Coziahr, who was a customer of the Otay Water District (“OWD”), challenged OWD’s tiered water rate structure for residential customers on the grounds that the rate structure violated Prop 218’s requirement that a property-related fee or charge “shall not exceed the proportional cost of the service attributable to the parcel.”

The Court determined that OWD’s rate structure was not compliant with Prop 218 because it promoted water conservation efforts, rather than reflecting the actual cost of service. The Court noted that while promoting water use conservation is an important state goal, it cannot be the basis for setting rates that exceed the proportional cost of service. This aligns with legal precedent in the *Capistrano* case and *City of Palmdale v. Palmdale Water District*, which generally held state conservation objectives do not allow water districts to charge disproportionate fees.

The Court also rejected equity arguments, such as the ability to pay, in formulating water rates. The *Coziahr* decision articulated that water rates must be strictly proportional to the cost of service, regardless of a customer’s financial status, reaffirming the principle established in *Palmdale*, where it was determined that financial considerations unrelated to the cost of service cannot be factored into rates or rate structures.

The Court further noted that OWD’s justification for its tiered rates based on “peaking costs” was flawed. OWD’s tiered rates were based on the “peaking factor method” that was derived from a commonly used industry standard manual by the American Water Works Association (“AWWA”) titled, “M1 Manual, Principles of Water Rates, Fees and Charges” (“AWWA M1 Manual”). The Court found that the data from the manual was not proportional to the customers’ usage and therefore OWD could not rely upon it for the establishment of a tiered rate structure that would satisfy Prop 218. The Court noted the analysis for peaking costs was based upon assumptions rather than actual data, and there was no evidence showing cost differentials between peak and non-peak service hours because OWD did not have the ability to collect actual peaking use from residential customers during peaking events.

The *Coziahr* decision highlighted the necessity for water agencies to base their rates on the actual cost (i.e., accurate and verifiable data) of providing service to each parcel,

rather than utilizing assumptions, conservation goals, peaking factors, or other non-cost-based factors as part of setting water rate structures.

**B. Patz v. City of San Diego – Court of Appeal, Fourth District**

On July 30, 2025, a divided California Court of Appeal, Fourth District issued its opinion in *Patz v. City of San Diego*. The decision in the *Patz* case affirms the trial court’s decision that the City of San Diego’s (“City”) tiered water service rate structure violates Proposition 218’s proportionality requirement. Daniel Patz and Joan Mann Chester, as representatives of a class of single-family residential customers (“SFR”), filed a class action alleging that the City’s tiered water rates, imposed between 2014 and 2022, violated Proposition 218 by charging them more than the proportional cost of providing water service to their properties.

The City of San Diego owns and operates the local water utility system, which provides potable water to its over one million residents. In 2014, the City imposed a tiered rate structure for SFR customers, arguing that it encourages conservation, while it charged other customer classes (multi-family residential, commercial, construction, irrigation) uniform flat rates for water regardless of their consumption levels.

The tiered rate structure required SFR customers to pay higher rates per unit of water based on “peaking factors.” “Peaking factors” are multipliers used to estimate the additional costs a water system incurs to meet higher levels of demand during peak usage periods. The City justified its use of peaking factors due to conservation efforts and the general assumption that higher costs were associated with greater water consumption. Such assumptions were gleaned from the industry-accepted AWWA MI Manual. The City did not collect time-of-use data or conduct parcel-specific studies to support its allocation of costs to each usage tier.

The Court of Appeal, Fourth District, affirmed the trial court’s decision that the City’s tiered rate structure violated Proposition 218 because the City failed to prove that the higher rates charged for increased usage by residential customers reflected the actual, proportional cost of providing water service at those usage levels. The determinative question was whether California Constitution, Article XIII D provides that a public agency can rely solely on generalized assumptions or conservation goals to establish tiered rates. Ultimately, the Court found that the City’s reliance on industry standards from the AWWA MI Manual to develop the tiered rates was insufficient to satisfy Article XIII D because the data was not specific to the City’s system and customers.

The Court rejected the City’s argument that its methodology justified the tiered water rate structure. The Court concluded that the City failed to collect necessary time-of-use data and did not show which customers contributed to peak system demands, undermining its justification for imposing higher rates on some users rather than others.

The City's argument that its lowest tiered rates reflected cheaper local water sources was unpersuasive because the City commingled all water supplies before delivery and failed to demonstrate which customers received water from which source. The Court reasoned that the City based its tier breakpoints on average usage estimates rather than cost-based thresholds; it noted that the City's Tier 4 rate was exactly 2.25 times the Tier 1 rate, and that this mathematical precision was evidence that the City designed its rate structure around assumed peaking factors instead of actual cost data. Building on these findings, the Court reaffirmed that Proposition 218 imposes a clear and substantive constraint: agencies must justify each rate tier with concrete cost-of-service evidence, not just modeling assumptions or policy goals.

The *Patz* court's ruling reinforces the strict interpretation of cost-of-service requirements previously articulated in the *Coziahr* case. Justice Menetrez authored a dissent criticizing both the majority opinion in *Patz* and the Court's prior ruling in *Coziahr*. Justice Menetrez rejected the interpretation that Proposition 218 imposes a rigid and impractical standard that demands a precise level of cost-allocation precision because this threshold is unrealistic for most agencies to meet. The dissent highlights the majority's decision to not follow case precedent, which holds that tiered rates are constitutional when they reflect a reasonable relationship to cost. According to Justice Menetrez, the exacting standard that the majority seeks to implement undermines the practicalities of water system management, and public agencies should not be penalized for relying on reasonably industry-wide accepted methodologies. Justice Menetrez further warned that the majority's approach risks invalidating well-justified rate models and could discourage agencies from implementing rate structures that promote conservation and equity.

#### **IV. DREHER V. CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER.**

Most recently, the California Court of Appeal, Second Appellate District, issued its decision in *Dreher v. City of Los Angeles Department of Water and Power*, upholding the Los Angeles Department of Water and Power's ("LADWP") budget-based tiered water rates for single-dwelling unit customers. The Second District Court of Appeal rejected the strict interpretation of Proposition 218 articulated by the Fourth District Court of Appeal in the *Patz* and *Coziahr* cases.

The tiered rate structure adopted by LADWP was budget-based and included four tiers, with rates increasing with each tier. All customers started at the lowest tier rate, but as a customer's water usage increased, higher tier rates would apply. The higher tiers included progressively more expensive water supply costs and additional marginal costs for infrastructure, operations and maintenance driven by higher-volume water use. Each tier included several common components, such as infrastructure costs to meet base demands. Tier 1 covers basic indoor water needs and includes eight units of water. Tiers 2 and 3 meet parcel-specific outdoor irrigation needs, and tier widths vary based on parcel size, season and temperature zone. Tier 4 captures all usage beyond Tier 3. Additionally,

LADWP applied a cost to fund low-income subsidies to all tiers, except for customers who received the subsidy.

After LADWP denied their claim, the Dreheres sued for declaratory relief and a class-wide refund. The Dreheres argued that both the low-income subsidy and the tiered rate structure violated Proposition 218. The lower court upheld the tiered rate structure, finding that LADWP's allocation of source of supply and peaking costs complied with Proposition 218's proportionality requirements. The court also found that creating water-use budgets for each customer to set parcel-specific tier widths was consistent with those requirements. The lower court invalidated the low-income subsidy because it required some customers to bear a cost for the benefit of others, in violation of Proposition 218. However, the court rejected the Dreheres' claim for a refund because the Dreheres failed to satisfy the payment under protest requirements outlined in State law.

The Second District Court of Appeal affirmed the lower court judgment and stated the following: (1) agencies do not have to rely on a cost-based justification when determining the break points between tiers, but may instead set tiers to achieve conservation standards, so long as the rate within each tier reflects the proportional cost of service for that level of usage; (2) agencies may allocate more expensive water supply sources to higher tiers even when the sources are commingled within the various tiers; (3) peak infrastructure costs (i.e., pumping and storage costs) may be allocated to the upper tiers when that level of usage drives the need for additional infrastructure capacity (and does not require time-of-use metering); and (4) refunds for violating Proposition 218 are not presumed; instead, a claimant must satisfy statutory prerequisites, including paying under protest and submission of an administrative claim.

The Second District Court of Appeal expressly rejected the findings and reasoning announced by the Fourth District Court of Appeal in *Patz v. City of San Diego* and *Coziahr v. Otay Water District*. The court cited the reasoning in the *Capistrano* case that an agency may (and likely should) "pass on the incrementally higher costs of expensive water to incrementally higher users" through tiered rates, so long as the agency can establish the cost to deliver water in each tier. This approach protects lower-use customers from subsidizing higher-use customers through supply or infrastructure costs that their levels of usage do not require. The court also stated Proposition 218 "does not require the City to trace the flow of water from each source of supply to each parcel, molecule by molecule."

## **V. LEGISLATION.**

The Association of California Water Agencies ("ACWA") is sponsoring Assembly Bill 2180 to clarify how water agencies comply with Proposition 218 when setting water rates. AB 2180 would codify the reasoning of the appellate court decision in the *Dreher* case. The stated intent of AB 2180 is to clarify how water agencies calculate proportionality when setting water rates, provide predictability for water agencies and ratepayers in the adoption and administration of water rates, and minimize the potential

for legal disputes over water rates moving forward. ACWA is urging members to support this legislation because it provides much needed predictability for water agencies, supports California's water-use conservation goals, and reduces litigation exposure over water rates. In a letter to the Assembly Committee on Local Government, ACWA states:

“AB 2180 would create clear, consistent standards for water agencies statewide, thereby helping them to confidently develop constitutionally-sound rates and continue to deliver safe and reliable water services to their communities. Recent appellate court decisions, like those in *Coziahr v. Otay Water District* (2024) and *Patz v. City of San Diego* (2025), impose rigid interpretations of Proposition 218 that require unfeasible levels of precision at the expense of practical administration of water rates. For example, under these court decisions, water agencies could be forced to trace the flow of water from each source of supply to each parcel, molecule by molecule, even when water supplies are commingled in the distribution system.

Conversely, the court's December 8, 2025 decision in *Dreher v. City of Los Angeles Department of Water and Power* (2025) supports a framework that is not only consistent with Proposition 218 but also aligns with longstanding industry practice. AB 2180 respects the wishes of voters by maintaining a rigorous standard of justifying water rates while giving water agencies the flexibility to set rates in a way that reflects the true cost of service and ensures that high-volume water users pay for the infrastructure necessary to provide reliable water supplies during droughts and times of high demand.”

## **VI. CONCLUSION.**

The decision by the Second District Court of Appeal in *Dreher* diverges from recent decisions by the Fourth District Court of Appeal in *Patz* and *Coziahr*, creating a split in law regarding Proposition 218's cost-justification requirements for water rates. The Second District Court of Appeal holds a more practical view with respect to the setting of water rates, allowing for consideration of water conservation goals in setting water rates and breakpoints, with a more reasonable cost of service analysis that does not require water agencies to determine the exact cost of service in real time for each individual parcel. The *Dreher* court stated “agencies are not required to rely on ‘perfect’ data, so long as the fee or charge reasonably represents the cost of providing service.

However, the Fourth District Court of Appeal, as exemplified in *Patz* and *Coziahr*, holds a more strict view with respect to tiered water rates and rate justification requiring more concrete cost-of-service evidence (not just modeling assumptions or policy goals). The Fourth District Court of Appeal requires water agencies to show, with detailed and customer-specific data, that higher usage incurs higher costs of service. These decisions

further hold that agencies cannot rely solely on industry-accepted methodologies, generalized peaking factors, or conservation rationales. Courts will independently scrutinize whether rate structures comply with Proposition 218's cost-of-service requirement and whether tiered service rate structures are supported with evidence of proportionate costs of service.

Assembly Bill 2180, sponsored by ACWA and authored by Assemblymember Chris Ward (D-San Diego), proposes to codify the framework established in *Dreher v. LADWP*. AB 2180 seeks to streamline and clarify Proposition 218 requirements by affirming that:

- Costs related to water supplies, infrastructure, and system-wide peak demand may be allocated using reasonable methodologies without tracing specific water sources to individual parcels.
- Agencies may use any reasonable method, supported by existing or projected data, to allocate service costs.
- Agencies are not required to determine the exact cost of service for each parcel.
- Uniform and tiered rate structures are permissible when based on reasonable cost allocation principles.

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# Memo

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To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

SAN DIEGO COUNTY WATER AUTHORITY REPRESENTATIVE

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



**SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING  
FEBRUARY 26, 2026**

1. Monthly Treasurer's Report on Investments and Cash Flow.  
The Board noted and filed the monthly Treasurer's Report
2. Resolution adopting the benefit summaries between the Water Authority and unrepresented Confidential, Senior Management and Executive employees covering calendar years 2022 through 2026 for California Public Employees Retirement System (CalPERS) compliance.  
The Board adopted Resolution No. 2026-02, a resolution of the Board of Directors of the San Diego County Water Authority, adopting the amended benefit summaries covering calendar years 2022, 2023, 2024, 2025 and 2026 with unrepresented employees (Confidential, Senior Management and Executive groups).
3. Project Labor Agreement determination for the Lake Hodges Hydroelectric Facility Isolation project.  
In accordance with Administrative Code section 4.08.070 (Project Labor Agreements), the Board determined that the Lake Hodges Hydroelectric Facility Isolation project does not include a requirement for a project labor agreement.
4. Approve memorandum of understanding with U.S. Bureau of Reclamation on behalf of the United States Department of Interior for the purpose of exploring a Colorado River Imported Water/Interstate Water Transfer Pilot.  
The Board approved the MOU with the U.S. Bureau of Reclamation, Metropolitan Water District of Southern California, Southern Nevada Water Authority, Arizona Department of Water Resources, and Central Arizona Water Conservation District to explore potential of interstate transfers and exchanges.
5. Approval of Minutes  
The Board approved the minutes of the Special Board of Directors' and Formal Board of Directors' meetings of January 22, 2026.

# Could ocean water help fix Arizona's drought troubles? This agreement puts it one step closer

KJZZ | By [Alex Hager](#)

Published March 5, 2026 at 7:23 AM MST



*Alex Hager*

Michelle Peters fills a glass with freshly desalinated ocean water in Carlsbad, California on May 31, 2022. Water officials in the San Diego area are exploring a transfer program that would allow Arizona to buy Colorado River water from the agency that uses treated seawater.

It's a tantalizing question. As the Colorado River drought squeezes the Southwest, why not turn to the ocean for more water?

Now, the largest desalination plant in the Western Hemisphere could help make that a reality, purifying ocean water and helping boost Arizona's drinking supplies.

The San Diego County Water Authority, which uses the desalination plant in Carlsbad, California, signed a [Memorandum of Understanding](#) to explore a water transfer program. It's the first step in a process that could see the Phoenix and Tucson areas

SDCWA is able to decrease its own reliance on the Colorado River by pulling water from the Carlsbad plant, meaning that it doesn't need to use its full allocation of Colorado River water every year. Under the proposed transfer system, SDCWA would leave some of that water in the river and let other water users – like the Central Arizona Project – pay to use it instead.

At a time when Central Arizona is facing the [threat of deep cutbacks](#) to its Colorado River supply, that is an attractive proposition.

The CAP, which brings Colorado River Water to the area through a 336-mile canal system, is one of the parties listed on the recent San Diego memo. CAP leaders said they are “open to further discussions” but have not yet committed to signing on.



*Alex Hager*

The Pacific Ocean laps at the shore in San Diego, California on June 17, 2023. Drinking water produced by desalination is expensive, but could be part of backup plans for communities facing water cutbacks from the Colorado River.

Sarah Porter, director of the Kyl Center for Water Policy at Arizona State University, said it could be a “very tidy solution to a really big problem.”

“I think it's a win-win,” Porter said. “San Diego County Water Authority has an overbuilt desal plant, and they would like help paying for that most expensive water and there are water users in southern Nevada and central Arizona that are urgently looking for new water supplies because they're facing uncertainty, except for certainly very deep cuts.”

Cost has proven to be a major limitation to expanding desalination operations around the Colorado River basin. The Carlsbad desalination plant cost \$1 billion to build, and tens of millions to operate every year. For all that money, it produces relatively little water — about 10% of the annual supply for the San Diego area.

Those high costs mean that desalination produces expensive water.

While SDCWA has not named a sale price for transferred water, there are some clues. The water coming out of the Carlsbad facility today costs about \$3,500 per acre-foot, according to SDCWA general manager Dan Denham. A series of projections from 2023 show the cost of water climbing past \$7,000 per acre-foot in the 2040s.

For comparison, CAP currently sells its water for \$365 per acre-foot.

An acre-foot is the amount of water needed to fill one acre of land to a height of one foot. One acre-foot generally provides enough water for one to two households for a year.

Porter said expensive desalinated water could make sense for Arizona under the right circumstances. With [stalled Colorado River talks](#) and the potential for [deep cutbacks](#), the Phoenix area will likely have to look for new sources of water. Turning to transfers enabled by desalination could help fix that without engaging in the contentious process of buying it from farmers around the state, she said.

Brenda Burman, general manager of CAP, said there are still a number of hurdles to clear before the agency can sign on to SDCWA's memo.

"It requires a lot of collaboration," Burman told KJZZ. "It requires a lot of coordination to make something like this work, and so there are a lot of parties that all need to talk to each other."

The MOU also seeks signatures from the U.S. Bureau of Reclamation, the Metropolitan Water District of Southern California, the Southern Nevada Water Authority and the Arizona Department of Water Resources.

The system SDCWA is proposing would create the first program to transfer water across state lines within the Colorado River basin. That fact, plus the kind of agencies



Emily Mai/KJZZ

Part of the Central Arizona Project aqueduct near the Agua Fria siphon in northwest Phoenix in July 2025. The CAP could face deep cuts to its Colorado River supply under new plans for managing the shrinking river.

Other states within the Colorado River basin could try to block it under certain interpretations of the century-old Colorado River compact. Differing interpretations of that 1922 document are already at the heart of major present-day disagreements about water sharing.

Even if that hurdle is cleared and CAP manages to buy water from San Diego, the agency will need to figure out which of its customers will get that water. CAP brings Colorado River water to Arizona, then sells it to more than 60 cities, tribes and businesses.

Buying transferred water from San Diego County, though, may be the easiest way for Arizona to tap into supplies from the ocean. The state appears very curious about desalination technology. Late last year, the Water Infrastructure Finance Authority [voted to explore](#) a number of different desalination projects.

In one proposal, Arizona is looking at building a new desalination facility in Mexico and exchanging the water it produces for some of Mexico's Colorado River water. Building that plant would likely take years and massive sums of money.

A transfer with San Diego can happen much sooner and without steep upfront costs.

"We know large infrastructure projects take a lot of time," Burman said. "Is this project

91.5 KJZZ

**On Point**

should be on the table. We are out there trying to work with all possibilities, but, if you're looking at desalinization, it is the most immediate.”

Burman said the involved water agencies would have to sign the MOU before creating a timeline, but water transfers “could be done in a year, if everyone wanted to.”

“As the situation demands it, as the hydrology demands it, it's on all of us to develop more tools to manage [The Colorado River] system,” said SDCWA’s Denham. “And I think that this can be one of them.”

**Tags**

Science

Water

Utilities

Retail + Consumer



**Alex Hager**

Alex Hager covers water for KJZZ. He has reported from each of the Colorado River basin’s seven states and Mexico while covering the cities, tribes, farms and ecosystems that rely on its water.

[See stories by Alex Hager](#)



CLIMATE & ENVIRONMENT

# How a California desalination plant could ease water shortages on the Colorado River



Michelle Peters of Poseidon Water stands by water pipes at the Claude "Bud" Lewis Carlsbad Desalination Plant in Carlsbad in 2022. (Allen J. Schaben / Los Angeles Times)



By Ian James  
Staff Writer | [X Follow](#)

March 3, 2026 Updated 4:33 PM PT

With desert cities like Phoenix and Tucson bracing for their allotments of Colorado River water to be slashed dramatically, San Diego County's water agency could for the first time sell some of its water to other states by drawing on its ample supplies from the nation's largest desalination plant.

The San Diego County Water Authority's board unanimously approved an initial agreement last week to consider selling some of its water to Arizona and Nevada, where cities that depend on the over-tapped Colorado River are expected to face [substantial cuts](#) in water supplies.

The approach would not involve sending desalinated water to other states, but rather selling some of San Diego County's allotment of Colorado River water, which in turn would generate funds to increase output at the Carlsbad desalination plant.

General Manager Dan Denham said the agreement, if approved by other agencies, could clear the way for the first-ever interstate transfers of Colorado River water starting next year.

"It's just a different way of managing water in the West," Denham said. "I think it has to happen now, and it has to happen because of the situation on the river."



CLIMATE & ENVIRONMENT

**Southern California water agencies settle long-running legal battle**

June 2, 2025

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The Colorado River provides water for farms, cities and tribal communities across seven states and northern Mexico. Its reservoirs have declined dramatically over the last 25 years as drought [compounded by climate change](#) has shrunk the river flow. Negotiators for the seven states, despite extensive talks, [remain at odds](#) on the water cutbacks each should accept to prevent reservoirs from declining further.

The San Diego County Water Authority agreement — technically a [memorandum of understanding](#) — would need to be approved by the Metropolitan Water District of Southern California, the federal government and agencies in Arizona and Nevada. Then, various water agencies would need to negotiate the details.



CLIMATE & ENVIRONMENT

## The crisis on the Colorado River — six things to know

Feb. 26, 2026

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The Water Authority serves as a wholesaler, delivering to 22 cities and other agencies that serve 3.3 million people. It's in a position to sell a portion of the region's water because it has invested heavily in securing additional water supplies from the Claude "Bud" Lewis Carlsbad Desalination Plant, which since 2015 has been drawing in seawater and churning out a portion of the area's drinking water. The authority secured additional water through a 2003 [agriculture-to-urban transfer deal](#). These and other investments have brought San Diego County plentiful water — though as a result, the region also has some of the [most expensive water](#) in the state.

The Water Authority purchases water from the Carlsbad desalination plant under a [30-year agreement](#). But the plant is operating at less than full capacity, Denham said, and its output could be increased to provide a larger share of the region's water if agencies in other states bought some of the Water Authority's Colorado River water. Essentially, it's too expensive to run the plant at full capacity given the availability of other more economical supplies, but out-of-state money could make it worth the agency's while and reduce costs for ratepayers.

Conservation efforts also have reduced the water needs of many cities the Water Authority serves. And in the next few years, the area also will start recycling wastewater at new facilities, including San Diego's [Pure Water](#) project as well as other recycling projects in Oceanside and eastern San Diego County.

If other states and agencies sign on, Denham said the Water Authority is prepared to sell up to 10,000 acre-feet of water starting next year. That's nearly 5% of the Las Vegas area's [current water use](#).

In future years, he said, that could increase to 25,000 acre-feet or more. And with additional investment in upgrades, the Carlsbad desalination plant could be expanded to transform more seawater into drinking water, thereby freeing up additional water to be traded to cities that need it.

"It's in everyone's best interest to make this work," Denham said.

Gov. Gavin Newsom has supported the idea, telling governors of the other six states in a recent [letter](#) that California would welcome joint investments in water recycling and desalination.

Denham said Scott Cameron, the Trump administration's acting head of the U.S. Bureau of Reclamation, also has supported the idea.



CALIFORNIA

**They used to call California ocean desalination a disaster. But water crisis brings new look**

Nov. 7, 2022

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The board of the Metropolitan Water District has yet to vote on the proposed agreement.

“These kinds of concepts are what we need to do in regards to thinking about water resources, not from political boundaries, but as a region,” said Shivaji Deshmukh, the district’s general manager.

If the San Diego County Water Authority eventually reaches deals with other agencies, the amount of water sold will be small compared to the [gaping water shortfall](#) that is pushing reservoir levels lower along the Colorado River. But Denham said if it works, this approach could be a first step in showing that deals between states can help ease the water shortages.

## More to Read

**California, Arizona and Nevada press Trump administration to rethink Colorado River water cuts**

March 4, 2026



**How failing negotiations could spiral into a bitter fight over the Colorado River**

Feb. 5, 2026



**Trump administration proposes Colorado River options that could hit California hard**

Jan. 9, 2026



**Ian James**

Ian James is a reporter who focuses on water and climate change in California and the West. Before joining the Los Angeles Times in 2021, he was an environment reporter at the Arizona Republic and the Desert Sun. He previously worked for the

Associated Press as a correspondent in the Caribbean and as bureau chief in Venezuela. Follow him on Bluesky @ianjames.bsky.social and on X @ByIanJames.

NEWS > POLITICS

# Michael Smolens: San Diego officials say they're close to selling off some water oversupply

Moves may help reduce future cost increases to customers



The All-American Canal flows in Imperial Valley, bringing water was the Colorado River to farmland on Tuesday, Aug. 20, 2024 in Brawley, California. (Ana Ramirez / The San Diego Union-Tribune)

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By **MICHAEL SMOLENS** | The San Diego Union-Tribune

PUBLISHED: February 27, 2026 at 5:00 AM PST

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San Diego appears to be on the verge of long-sought water sales that officials hope will at least reduce future cost increases to local customers.

Whether that lowers the political temperature between the city of San Diego and the San Diego County Water Authority over rates remains to be seen.

Dan Denham, general manager of the water authority, said in the coming months the agency expects to close deals to send water to a handful of fellow members of the Los Angeles-based Metropolitan Water District of Southern California.

According to its agenda this week, the water authority board held a closed session to discuss the terms and price of sales to the city of Burbank, the Eastern Municipal Water District, Three Valleys Municipal Water District and the Western Municipal Water District of Riverside County.

On a separate track, the water authority is entering into a memorandum of understanding with the U.S. Bureau of Reclamation and various water agencies to explore interstate transfers that would send water to Arizona and Nevada.

San Diego officials say this is groundbreaking stuff in the water world, creating new mechanisms and legal frameworks to transfer water from where there are surpluses to where there's need.

San Diego is in a position to do this because of a well-known predicament that might be described as a blessing and a curse.

More than two decades ago, the water authority sought to obtain a secure

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The foresight was lauded locally and, more recently, nationally as droughts increasingly diminished water supplies throughout the West.

But it came at a big cost, including building extensive infrastructure such as new reservoirs and the expansion of existing ones. The system was overbuilt, as it turned out, in large part because population projections were too high and water conservation expectations were too low.

That resulted in an oversupply and built-in costs that sent water rates skyrocketing — and a lot of finger-pointing. That “too much of a good thing” hasn’t ended. Wastewater recycling projects are expected to come online in the next handful of years in the city of San Diego, Oceanside and East County, adding even more costly water to the region.

Unloading the surplus was restricted by layers of Western water rules developed over the past century and litigation. It was the recent [settlement](#) of a yearslong legal battle between the water authority and Metropolitan that allowed such sales to move forward, according to the water authority.

If the sales to Metropolitan members happen, it’s not exactly clear what relief they may provide for San Diego ratepayers.

“So what does this do?” Denham said. “It helps us from a supply perspective. . . and should materially change rates.”

He suggested coming rate increases likely would be lowered, but those are board decisions down the line, along with others, such as whether or how much of the new revenue should go to paying down debt.

Denham said current nondisclosure agreements prohibit the water authority from providing details on how much the receiving agencies will be charged and how much water they will get.

But he noted that not long ago, the water authority sent a letter to the 26 Metropolitan member agencies offering to sell up to 50,000 acre-feet. (An acre-foot of water equals 325,851 gallons, or enough for 2.5 typical households annually.) Denham said these pending deals would take up about half that, with more sales hoped for in the future.

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The water would come from the Colorado River flow San Diego receives from the Imperial district. Should agreements be reached with Arizona and Nevada down the line, the water involved would be from the Carlsbad desalination plant through “paper” transfers involving Metropolitan. That could mean those states get California river water that would be backfilled by the desalination plant.

Among other things, part of the goal of the more immediate sales is to offset the increase in supply when the water recycling projects start producing, Denham said.

Additional sales could depend on the timing of those projects and, specifically, whether there’s a scaling back of the second phase of the city of San Diego’s Pure Water recycling program. That’s something under discussion at City Hall as Pure Water costs have grown far beyond earlier estimates and the need is less than once thought.

The water authority is heading in the direction of moving water in ways it has talked about for some time. Nothing seems to happen quickly when it comes to water dynamics in the West.

But if, in the optimistic view of the authority, markets really open up, there may be other considerations in how much to sell beyond the 50,000 acre-feet. Eventually, there could be questions of water reliability versus lowering costs.

“That would be a paradigm shift,” Denham said. “How reliable (should it be)? 100 percent? 80 percent? 75 percent?”

San Diego’s pending transactions come at a time when multi-state negotiations are seemingly stalled over a long-term agreement on how to divvy up the shrinking Colorado River supply.

Jim Madaffer, a water authority board member and vice chair of the Colorado River Board of California, recently noted that the Imperial Irrigation District has among the most senior water rights. He said that means IID’s supply should be largely protected from Colorado River cuts — and that [includes](#) the water to San Diego. Still, uncertainty abounds.

Cuts are likely coming to Metropolitan and others, and the federal government is pushing hard for an agreement. Access to more water can

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“What it gives the Met members,” Denham said of the potential sales, “is a new slice of a portfolio at a price that’s much less than developing new supply through desal, recycling.”

Here’s a small irony in all this. The Fallbrook Public Utility District and Rainbow Municipal Water District not long ago went through a messy [divorce](#) from the San Diego water authority to seek better prices elsewhere.

They joined Riverside County’s Eastern Municipal Water District, which soon could be getting water from San Diego.

## MORE FROM OUR NEWSROOM



### **This Vons store in San Diego County is closing and laying off 65**

Tuesday, March 3



### **Girl Scouts San Diego sues snack food giant, alleges cookie contract breach cost...**

Wednesday, March 4



### **All southbound I-805 lanes reopen 12 hours after fiery fatal crash**

Tuesday, March 3



### **Small San Diego taco chain finalizes plans to franchise across the country**

Friday, March 6

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## **UCSD professors wanted money to research telepathy. They turned to Jeffrey...**

Sunday, March 8



## **Darrell Issa won't run for re-election, Jim Desmond jumps into race for his House seat**

Friday, March 6



## **San Diego's war over Liberty Station is coming to a head. Here's how the city hopes to...**

Sunday, March 8



## **Grocery Outlet is closing these San Diego County locations**

Monday, March 9



## **State should be sued for giving degrees to unprepared students**

Sunday, March 8



## **Humphreys Concerts by the Bay, a quintessential San Diego venue, turns 45**

Sunday, March 8



## **They made a delivery to Camn Pendleton. or maybe a**



## **New brewing company wins Encinitas approval to use Islands Restaurant site**

Sunday, March 8

**2026 > February > 27**

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# Memo

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To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS  
2026 LEGISLATIVE AND REGULATORY REVIEW

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The 2026 Legislative and Regulatory Review provides an overview of legislative and regulatory activities to customers, interested parties, and the OMWD Board of Directors.

# OLIVENHAIN MUNICIPAL WATER DISTRICT



## LEGISLATIVE & REGULATORY REVIEW

2026



**2026**  
**LEGISLATIVE & REGULATORY REVIEW**  
*PUBLISHED MARCH 2026*

1966 Olivenhain Road  
Encinitas, CA 92024  
760-753-6466

*For more information on this report or OMWD's public affairs program, contact Brian Sodeman at [bsodeman@olivenhain.com](mailto:bsodeman@olivenhain.com).*

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# MISSION

***Olivenhain Municipal Water District is a public agency providing water, wastewater services, recycled water, hydroelectricity, and operation of Elfin Forest Recreational Reserve. Organized in 1959, OMWD currently serves approximately 87,000 customers over 48 square miles in northern San Diego County.***

OMWD is committed to serving present and future customers with safe, reliable, high-quality water while exceeding all regulatory requirements in a cost-effective and environmentally responsive manner.

OMWD is dedicated to providing recycled water, wastewater treatment, and hydroelectricity in the most cost-effective, environmentally responsive, and service-oriented manner.

OMWD is devoted to the safe operation of Elfin Forest Recreational Reserve and providing all users with a unique recreational, educational, and environmental experience.

OMWD is committed to pursuing alternative and/or renewable resources with the most sustainable, efficient, and cost-effective approach.

OMWD is steadfast in complying with policies and procedures that adhere to local, state, and federal guidelines for national security and disaster preparedness.



# LEADERSHIP

OMWD is governed by a five-member Board of Directors elected for staggered four-year terms, with each director being elected from a specific geographic area of OMWD's service area. Current directors are as follows:

Olivenhain Municipal Water District

## Board of Directors



**Matthew R. Hahn, President**

Term of Office: 2022-2026      Division 4



**Neal Meyers, Vice President**

Term of Office: 2024-2028      Division 5



**Christy Guerin, Secretary**

Term of Office: 2024-2028      Division 3



**Scott Maloni, Director**

Term of Office: 2024-2028      Division 2



**Ebin Lanfried, Director**

Term of Office: 2025-2026      Division 1

# INTRODUCTION

## LEGISLATIVE ENGAGEMENT

Olivenhain Municipal Water District has established itself as a regional leader by engaging federal and state leaders on a wide array of legislative and regulatory issues. Many of OMWD's priorities are outlined through its legislative guidelines, which offer a framework to evaluate the impact of legislation upon OMWD and its customers. In addition to conducting internal staff analysis, OMWD has contracted with professional representatives at both the federal and state levels. BlueWater Strategies, LLC, provides legislative and regulatory advice and assistance with federal agencies, United States House of Representatives, and United States Senate. Nossaman, LLP, provides staff with legislative and regulatory relations services at the state level.

## LEGISLATIVE & REGULATORY REVIEW

The 2026 Legislative & Regulatory Review provides an overview of legislative and regulatory activities to customers, interested parties, and OMWD's Board of Directors.

This report is comprised of three main components, beginning with an overview of legislative and regulatory outreach conducted by OMWD staff in calendar year 2025. This section begins with a summary of major developments impacting legislation during the year. The summary is followed with an outline of official legislative and regulatory correspondence sent by OMWD on key issues facing our customers, along with a summary of collaborative advocacy conducted by staff.

After a review of the past year, this report offers a general outline of policy and regulatory issues that are anticipated in calendar year 2026. This assessment is formulated through staff analysis, with information from professional representatives.

Finally, the report concludes with OMWD's 2025 Legislative Guidelines, which were approved at the December 17, 2025 Board of Directors meeting. OMWD staff uses these guidelines to take action on pressing issues, provide regulatory comments, and take positions on pending legislation.

# REVIEW OF 2025

## SUMMARY

### Legislative Session Overview

California's legislative session concluded on September 13. Over 2,833 bills were introduced, with 1,246 reaching the governor's desk. Of these, 794 were signed into law, while 123 were vetoed largely due to budget constraints. As the second year of the two-year legislative cycle, bills designated as two-year bills from the 2025 session can still be moved out of their house of origin. All new bills must be introduced by February 20, 2026.

Throughout 2025, OMWD prioritized state legislative advocacy on policy areas with direct operational, regulatory, and financial implications. Advocacy centered on regulatory standards and rulemaking, water affordability policy, Advanced Clean Fleets and zero-emission vehicle requirements (SB 496), and water and wastewater-related legislation regarding PFAS mitigation and liability protections (SB 682, SB 454). Engagement included formal support and opposition letters, coalition sign-on efforts, stakeholder meetings, regulatory workshops, and coordination with regional and statewide partners.

### Regulatory and Rulemaking Updates

In 2025, OMWD actively engaged in state regulatory processes affecting water system planning, treatment requirements, and reporting. OMWD monitored and commented on key rulemakings administered by State Water Resources Control Board and Department of Water Resources, including water supply forecasting requirements (SB 224) and recycled water regulations (SB 31). OMWD also participated in regulatory discussions on long-term conservation standards and PFAS mitigation programs administered by SWRCB, emphasizing the need for implementation flexibility, feasible timelines, and alignment with available water supplies. Outreach included written comments, and coalition engagement where OMWD collaborated with a consortium of agencies to advocate for a unified position (AB 514, AB 259, AB 339, SB 496, SB 454, SB 350, and H.R. 1971/S. 857). OMWD also participated in local agency teleconferences and meetings to ensure agency perspectives were reflected during rule development.

### Water Affordability

Water affordability remained a central advocacy priority in 2025 as the legislature advanced multiple proposals affecting ratepayer assistance and funding programs. OMWD engaged on legislation related to low-income rate assistance (SB 350, AB 532, and H.R. 4733), while emphasizing the importance of preserving local rate-setting authority and ensuring a fair method for managing program-related costs. Among the three proposed bills, SB 350, sponsored by Clean Water Action, the Community Water Center, and Leadership Counsel, was a 2025

proposal by Senator Durazo to create a statewide water rate assistance program at State Water Resources Control Board. It required water suppliers to participate, enroll households automatically, and provide low-income ratepayers with at least 20% bill credits, including wastewater charges if applicable. OMWD engaged on multiple occasions throughout the year through meetings with Senator Durazo and other bill sponsors to offer input. Due to funding limitations and administrative and implementation challenges, OMWD opposed the bill. Advocacy efforts emphasized the necessity of state financial participation and administration to offset costs at a local level.

### [Advanced Clean Fleets and Zero-Emission Vehicle Requirements](#)

OMWD monitored and engaged on implementation of the Advanced Clean Fleets Regulation and related legislative and regulatory actions throughout 2025. OMWD provided testimony at a Senate hearing in Sacramento, participated in workshops, and submitted comments on proposed amendments to the regulation (SB 496). Advocacy focused on operational flexibility, exemptions for disaster response for public services, and realistic timelines for fleet transition. The bill sailed along with unanimous support until it died on the Suspense File in the Senate. Advocacy efforts reflected concerns related to vehicle availability, charging infrastructure readiness, and emergency response needs, and were coordinated with regional and statewide coalitions representing special districts.

### [Water and Wastewater Related Legislation](#)

Water and wastewater infrastructure legislation remained a major focus of OMWD's 2025 advocacy, with particular emphasis on California Water For All (SB 72). OMWD championed SB 72 as part of a coalition comprised of water agencies and associations, aimed at enhancing water supply reliability as a shared priority within California. SB 72 would establish a long-term, statewide objective to ensure that California has adequate water supplies to meet the needs of communities, agriculture, the economy, and the environment. OMWD also advocated throughout 2025 by providing comments and input on PFAS mitigation and liability legislation (SB 454 and SB 682). OMWD also supported federal and state efforts to uphold the "polluter pays" principle and protect water and wastewater agencies from bearing liability for contamination they did not cause. In addition, OMWD engaged in legislation addressing emergency water supplies (AB 514), recycled water quality standards (SB 31), and water supply planning and forecasting, reaffirming the importance of regulatory certainty, funding eligibility, and infrastructure rehabilitation to protect public health and ratepayers.

## OMWD’S LEGISLATIVE AND REGULATORY OUTREACH

On nearly a daily basis, OMWD’s public affairs team communicates and works with San Diego County Water Authority, Metropolitan Water District of Southern California, neighboring agencies, elected representatives, advocacy organizations, along with state and federal agencies on a wide array of issues. These communications are made through formal correspondence and collaborative meetings.

### Formal Correspondence

On occasion, OMWD provides formal comments on proposed regulatory frameworks and takes positions on proposed legislation and policies. The list below provides an at-a-glance “snapshot” of the formal correspondence OMWD produced in 2025:

**February 12, 2025** Position letter provided to California State Senator Caballero in support of SB 72, California Water for All, calling for continued state investment in water infrastructure and safe drinking water programs by setting long-term water supply goals and revising the state’s planning process to ensure a reliable water supply for the future. OMWD was a founding member of this coalition.

**February 12, 2025** Position letter provided to California State Assemblymembers in support of SB 72, California Water for All, calling for continued state investment in water infrastructure and safe drinking water programs by setting long-term water supply goals and revising the state’s planning process to ensure a reliable water supply for the future.

**February 12, 2025** Coalition position letter provided to California State Legislature Budget Committee leadership in support of SB 72, California Water for All, calling for continued state investment in water infrastructure and safe drinking water programs by setting long-term water supply goals and revising the state’s planning process to ensure a reliable water supply for the future.

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In 2025, OMWD produced 62 comments on proposed regulatory frameworks and positions on proposed legislation and policies.

- February 20, 2025** Comment letter provided to State Water Resources Control Board inquiring as to the availability of funds identified by the State Board for the noncapital operations and maintenance costs for OMWD to continue to fluoridate its water supply from July 1, 2025 through June 30, 2026.
- February 24, 2025** Position letter provided to California State Assemblymember Rubio in support of AB 259, which would amend and extend indefinitely provisions that authorize local agency legislative bodies to conduct meetings via teleconferencing under the Ralph M. Brown Act.
- February 27, 2025** Position letter provided to United States Representative Gluesenkamp Perez, and Representative Maloy in support of PFAS liability protection, which would provide statutory liability protections for water utilities under the Comprehensive Environmental Response, Compensation, and Liability Act.
- February 28, 2025** Comment letter provided to City of San Diego Mayor and council members for consideration by the Metropolitan Wastewater JPA and City of San Diego Public Utilities Department on upcoming recycled water rates changes and increases.
- March 10, 2025** Coalition position letter provided to California State Assemblymember Petrie-Norris in support of AB 514, which would strengthen policies related to emergency water supplies and improve preparedness and resilience during supply disruptions.
- March 12, 2025** Position letter provided to United States Representative Levin in support the PFAS Liability Act, which would ensure that the financial burden of cleaning up PFAS substances falls on the industries responsible and not public water utilities and their ratepayers.
- March 12, 2025** Position letter provided to United States Representative Peters in support the PFAS Liability Act, which would ensure that the financial burden of cleaning up PFAS substances falls on the industries responsible and not public water utilities and their ratepayers.
- March 12, 2025** Position letter provided to United States Senator Padilla in support the PFAS Liability Act, which would ensure that the financial burden of cleaning up PFAS substances falls on the industries responsible and not

public water utilities and their ratepayers.

- March 12, 2025** Position letter provided to United States Senator Schiff in support the PFAS Liability Act, which would ensure that the financial burden of cleaning up PFAS substances falls on the industries responsible and not public water utilities and their ratepayers.
- March 14, 2025** Coalition position letter provided to California State Assemblymember Papan in support of AB 514, which would strengthen policies related to emergency water supplies and improve preparedness and resilience during supply disruptions.
- March 17, 2025** Position letter provided to California State Assemblymember Rubio in support of AB 259, which would amend and extend indefinitely provisions that authorize local agency legislative bodies to conduct meetings via teleconferencing under the Ralph M. Brown Act.
- March 18, 2025** Coalition position letter provided to California State Senator Hurtado in support of SB 496, regarding California Air Resources Control Board Advanced Clean Fleets and Zero-Emission Vehicle requirements focusing on operational flexibility and implementation feasibility for water agencies.
- March 26, 2025** Coalition position letter provided to California State Senator Blakespear in support of SB 454, which would establish a statewide PFAS Mitigation Fund to help local water agencies leverage funding to pay for cleanup of manmade PFAS contamination in drinking water and wastewater to help maintain water affordability.
- April 2, 2025** Testimony provided to California State Legislature in support of SB 496, addressing regarding California Air Resources Control Board Advanced Clean Fleets and Zero-Emission Vehicle requirements focusing on operational flexibility and implementation feasibility for water agencies.
- April 7, 2025** Position letter provided to California State Senator Grove in support of SB 375, which would streamline wildfire preparedness efforts by removing unnecessary regulatory hurdles under the California Endangered Species Act, California Environmental Quality Act, and California Coastal Act.

- April 7, 2025** Position letter provided to California State Senator McNerney in support of SB 454, which would establish a statewide PFAS Mitigation Fund to help local water agencies leverage funding to pay for cleanup of manmade PFAS contamination in drinking water and wastewater to help maintain water affordability.
- April 7, 2025** Coalition position letter provided to California State Senator Hurtado in support of SB 496, regarding California Air Resources Control Board Advanced Clean Fleets and Zero-Emission Vehicle requirements focusing on operational flexibility and implementation feasibility for water agencies.
- April 8, 2025** Testimony provided to California State Senate Committee in support of SB 72, California Water for All, calling for continued state investment in water infrastructure and safe drinking water programs by setting long-term water supply goals and revising the state's planning process to ensure a reliable water supply for the future.
- April 8, 2025** Position letter provided to California State Senator Grove in support of SB 375, which would streamline wildfire preparedness efforts by removing unnecessary regulatory hurdles under the California Endangered Species Act, California Environmental Quality Act, and California Coastal Act.
- April 8, 2025** Position letter provided to California State Senator McNerney in support of SB 454, which would establish a statewide PFAS Mitigation Fund to help local water agencies leverage funding to pay for cleanup of manmade PFAS contamination in drinking water and wastewater to help maintain water affordability.
- April 14, 2025** Coalition position letter provided to California State Senator Blakespear opposing SB 350, unless amended, which would establish a statewide water low-income rate assistance program that lacked a funding source, did not identify an appropriate implementing agency, set an insufficient cap on administrative costs for water agencies, and risked negatively impacting water affordability, along with other challenges.
- April 14, 2025** Coalition position letter provided to California State Senator Becker in opposition of SB 350, unless amended, which would establish a statewide water low-income rate assistance program that lacked a funding source, did not identify an appropriate implementing agency, set an insufficient

cap on administrative costs for water agencies, and risked negatively impacting water affordability, along with other challenges.

- April 16, 2025** Position letter of support provided to United States Representative Smith and United States Senator Crapo in support of H.R. 1871 / S. 857, which would enact provisions in the Water Conservation Rebate Tax Parity Act of 2025, reducing unnecessary taxes and paperwork for citizens and utilities, while promoting water efficiency initiatives that communities and residents voluntarily undertake.
- April 17, 2025** Coalition position letter provided to California State Assemblymember Papan in support of AB 514, which would strengthen policies related to emergency water supplies and improve preparedness and resilience during supply disruptions.
- April 21, 2025** Coalition comment letter provided to San Diego County Water Authority in opposition of SB 350, unless amended, which would establish a statewide water low-income rate assistance program that lacked a funding source, did not identify an appropriate implementing agency, set an insufficient cap on administrative costs for water agencies, and risked negatively impacting water affordability, along with other challenges.
- April 23, 2025** Position letter provided to California State Senator Caballero in support of SB 72, California Water for All, calling for continued state investment in water infrastructure and safe drinking water programs by setting long-term water supply goals and revising the state’s planning process to ensure a reliable water supply for the future.
- April 28, 2025** Position letter provided to California State Senator Blakespear in support of SB 31, which would require updates to Title 22 of the California Code of Regulations to better align regulations with best management practices for recycled water use.
- May 6, 2025** Position letter provided to California State Assemblymember Hurtado in support of SB 224, which would require Department of Water Resources to adopt a new water supply forecasting model and procedures to address the effects of climate change, to implement a formal policy, and procedures for documenting its operational plans, and rationale for its operating procedures, and to annually hold five open and public meetings throughout the state to present information on DWR’s operational

decisions for the state's water supply.

- May 9, 2025** Coalition position letter provided to California State Assemblymember Wicks in support of AB 514, which would strengthen policies related to emergency water supplies and improve preparedness and resilience during supply disruptions.
- May 14, 2025** Coalition position letter provided to California State Senator Caballero in support of SB 682, which would ensure the most cost-effective method for reducing baseline concentrations of PFAS in water, wastewater, and waste management processes.
- June 5, 2025** Coalition position letter provided to California State Governor Newsom, California State Senate President Pro Tempore McGuire, and California State Speaker of the Assembly Rivas in support of the Delta Conveyance Project Streamlining Budget Trailer Bill, which would streamline processes for more informed decisions regarding construction investment.
- June 10, 2025** Coalition position letter provided to California Assemblymember Connolly in support of SB 454, which would establish a statewide PFAS Mitigation Fund to help local water agencies leverage funding to pay for cleanup of manmade PFAS contamination in drinking water and wastewater to help maintain water affordability.
- June 10, 2025** Coalition position letter provided to California State Assemblymember Papan in support of SB 72, California Water for All, calling for continued state investment in water infrastructure and safe drinking water programs by setting long-term water supply goals and revising the state's planning process to ensure a reliable water supply for the future.
- June 18, 2025** Position letter provided to California State Senator Durazo and California State Senator Umberg in support of AB 259, which would amend and extend indefinitely provisions that authorize local agency legislative bodies to conduct meetings via teleconferencing under the Ralph M. Brown Act.
- June 18, 2025** Position letter provided to California State Assemblymember Papan in support of SB 31, which would require updates to Title 22 of the California Code of Regulations to better align regulations with best

management practices for recycled water use.

- June 18, 2025** Position letter provided to California State Assemblymember Papan in support of SB 72, California Water for All, calling for continued state investment in water infrastructure and safe drinking water programs by setting long-term water supply goals and revising the state’s planning process to ensure a reliable water supply for the future.
- June 18, 2025** Position letter provided to California State Assemblymember Connolly in support of SB 454, which would establish a statewide PFAS Mitigation Fund to help local water agencies leverage funding to pay for cleanup of manmade PFAS contamination in drinking water and wastewater to help maintain water affordability.
- June 20, 2025** Coalition letter provided to California State Assemblymember Wicks in support of SB 454, which would establish a statewide PFAS Mitigation Fund to help local water agencies leverage funding to pay for cleanup of manmade PFAS contamination in drinking water and wastewater to help maintain water affordability.
- July 10, 2025** Position letter provided to California State Assemblymember Papan in support of SB 224, which would require Department of Water Resources to adopt a new water supply forecasting model and procedures to address the effects of climate change, to implement a formal policy, and procedures for documenting its operational plans, and rationale for its operating procedures, and to annually hold five open and public meetings throughout the state to present information on DWR’s operational decisions for the state’s water supply.
- July 14, 2025** Coalition letter provided to California State Assemblymember Wicks in support of SB 72, California Water for All, calling for continued state investment in water infrastructure and safe drinking water programs by setting long-term water supply goals and revising the state’s planning process to ensure a reliable water supply for the future.
- July 16, 2025** Coalition letter provided to California State Governor Newsom, California State Senator President pro tempore McGuire, California State Assembly Speaker Rivas, and other legislative and budget leaders in support of budget control language or budget trailer bill language that would clarify that Proposition 4 funds allocated for water system delivery improvements

for wildfire mitigation and response purposes may be utilized for grants to local agencies for firefighting infrastructure.

- July 23, 2025** Coalition letter provided to California State Assemblymember Wicks in opposition of SB 350, unless amended, which would establish a statewide water low-income rate assistance program that lacked a funding source, did not identify an appropriate implementing agency, set an insufficient cap on administrative costs for water agencies, and risked negatively impacting water affordability, along with other challenges.
- July 23, 2025** Coalition position letter provided to California State Assemblymember Wicks in opposition of SB 707, unless amended, which would amend Brown Act requirements in a way that special districts and others would not reasonably be able to comply with.
- July 30, 2025** Coalition letter provided to California State Senator Caballero in opposition of AB 339, which would require the governing body of a local public agency to provide written notice to the employee organization no less than 60 days prior to issuing any request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization.
- August 22, 2025** Coalition letter provided to California State Senator Caballero in opposition of AB 339, which would require the governing body of a local public agency to provide written notice to the employee organization no less than 60 days prior to issuing any request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization.
- August 26, 2025** Position letter of support provided to California State Senators in support of budget control and trailer language expanding Proposition 4 wildfire mitigation funding eligibility to water system delivery systems.
- September 3, 2025** Floor alert provided to California State Assembly in support of SB 682, which would ensure the most cost-effective method for reducing baseline concentrations of PFAS in water, wastewater, and waste management processes.

- September 3, 2025** Comment letter provided to California State Office of Energy Infrastructure Safety, Underground Safety Board, to provide input on the proposed language for the use of geographic information systems in recording and mapping of new subsurface installations.
- September 10, 2025** Coalition letter provided to California State Governor Newsom requesting veto of AB 339, which would require the governing body of a local public agency to provide written notice to the employee organization no less than 60 days prior to issuing any request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization.
- September 11, 2025** Comment letter provided to California Air Resources Board on the proposed amendments to Advanced Clean Fleet regulations, requesting that any vehicle used for Mutual Aid or emergency response purposes be exempt from the proposed regulations such as those listed under California Vehicle Code section 165.
- September 12, 2025** Position letter provided to California State Governor Newsom requesting signature of SB 31, which would require updates to Title 22 of the California Code of Regulations to better align regulations with best management practices for recycled water use.
- September 12, 2025** Position letter provided to California State Governor Newsom requesting signature of SB 72, California Water for All, calling for continued state investment in water infrastructure and safe drinking water programs by setting long-term water supply goals and revising the state's planning process to ensure a reliable water supply for the future.
- September 12, 2025** Position letter provided to California State Governor Newsom requesting signature of SB 224, which would require Department of Water Resources to adopt a new water supply forecasting model and procedures to address the effects of climate change, to implement a formal policy, and procedures for documenting its operational plans, and rationale for its operating procedures, and to annually hold five open and public meetings throughout the state to present information on DWR's operational decisions for the state's water supply.

- September 12, 2025** Position letter provided to California State Governor Newsom requesting signature of SB 454, which would establish a statewide PFAS Mitigation Fund to help local water agencies leverage funding to pay for cleanup of manmade PFAS contamination in drinking water and wastewater to help maintain water affordability.
- September 15, 2025** Coalition letter provided to California Air Resources Board on the proposed amendments to Advanced Clean Fleet regulations, requesting that any vehicle used for Mutual Aid or emergency response purposes be exempt from the proposed regulations such as those listed under California Vehicle Code section 165.
- September 17, 2025** Coalition letter provided to California State Governor Newsom requesting signature of SB 454, which would establish a statewide PFAS Mitigation Fund to help local water agencies leverage funding to pay for cleanup of manmade PFAS contamination in drinking water and wastewater to help maintain water affordability.
- September 22, 2025** Comment letter provided to United States Representative Sorensen and United States Representative Bresnahan, Jr. on H.R. 4733, on the proposed Low-Income Household Water Assistance Program Establishment Act, addressing the need to create a permanent funding solution, and recommending administration through Health and Human Services to leverage existing social services resources to implement such a program.
- October 1, 2025** Position letter provided to California State Governor Newsom requesting signature of SB 72, California Water for All, calling for continued state investment in water infrastructure and safe drinking water programs by setting long-term water supply goals and revising the state's planning process to ensure a reliable water supply for the future.
- October 2, 2025** Comment letter provided to California State Legislative Analyst's Office, a nonpartisan fiscal and policy advisor to the legislature, requesting their consideration of a legislative and budgetary analysis regarding the impacts of a low-income water rate assistance program on California's water districts, and consequently the rate base they serve.

## Legislative and Regulatory Collaboration

OMWD collaborates extensively with partners and stakeholders throughout California. Staff participates in multiple meetings to advocate for OMWD customers on a wide range of issues from water reuse to governance of water resources in the San Diego region. The list below provides an overview of the meetings and agencies OMWD worked on within 2025:

### Association of California Water Agencies

#### **ACWA Fall and Spring Conferences & Exhibitions**

ACWA conferences offer comprehensive and relevant analyses of issues surrounding the reliable delivery of safe water to millions of Californians. The OMWD Board of Directors and General Manager attended these conferences in 2025. OMWD's General Manager Thorner delivered a presentation on energy sustainability initiatives at OMWD during the ACWA Spring Conference in Monterey, California.

**300**

In 2025, OMWD participated in over 300 meetings or workgroups with partners and stakeholders.

#### **ACWA Region 10**

As a member of ACWA Region 10, OMWD's General Manager Kimberly A. Thorner and OMWD's Director Maloni and Director Meyers participated in the election of officers. OMWD attended the ACWA Regions 8, 9, 10 event in Anaheim in November 2025. OMWD's Board Director Maloni was elected to the 2026-2027 ACWA Region 10 board.

#### **ACWA Monday Morning Lobby Group Meeting**

Nossaman, LLP participates in these meetings that include lobbyists representing the water industry from all over California.

#### **ACWA Regulatory Committees: Water Management, Water Quality, Energy, Groundwater and Legal Affairs**

Nossaman, LLP regulatory subconsultants participate in these regulatory meetings on behalf of OMWD. OMWD's Director Meyers and General Counsel Alfred Smith serve on ACWA's Legal Affairs Committee for the 2024-2025 term. Director Maloni served on ACWA's Energy Committee in 2025 and will continue to serve in 2026.

### American Water Works Association California-Nevada Section

AWWA is an international, nonprofit, scientific, and educational society dedicated to providing total water solutions, assuring the effective management of water. OMWD is a member of the AWWA California-Nevada Section. General Manager Thorner delivered a presentation at the AWWA Cal/Nevada Fall Water for People Luncheon in October 2025, featuring the Executive

Director of the California Water Commission as the keynote speaker.

### **San Diego Women in Water**

#### **San Diego Women in Water August Meeting**

The August 2025 San Diego Women in Water meeting was held at Sweetwater Authority's Robert A. Perdue Water Treatment Plant. This meeting was co-sponsored by OMWD, Otay Water District, and Santa Fe Irrigation District. The event brought more than 150 water professionals and elected officials together, including OMWD's General Manager Kimberly A. Thorner, to exchange ideas with industry professionals.

### **Women in Water Symposium**

The Women in Water Symposium is a conference offering workshops for students, water industry professionals, and those exploring careers in water and wastewater. The March 2025 San Diego Women in Water Symposium took place at Cuyamaca College, where OMWD's General Manager Kimberly A. Thorner assisted with coordination and delivered a speech on career advancement in water.

### **CalDesal**

CalDesal is a statewide association comprised of water industry leaders, representing public and private sector entities as well as non-profit organizations, integrating the use of desalination to ensure a sustainable water future for communities throughout California. OMWD's Assistant General Manager, Joey Randall, serves on the Regulatory Committee. OMWD's involvement in CalDesal speaks to regional collaboration, industry leadership, and knowledge sharing in desalination and water sustainability.

### **California Special Districts Association**

#### **CSDA Special Districts Annual Conference**

This annual conference highlights in-depth topics on issues that special districts are facing through presentations and panel discussions.

#### **CSDA San Diego Chapter Quarterly Meeting**

These quarterly meetings are attended by CSDA members, including OMWD, other special districts, and representatives of industry. Meetings discuss upcoming legislation, regulatory changes, and conversations on good governance and improving core local services through professional development, advocacy, and other services for special districts. OMWD's General Manager and board members attend these meetings.

#### **CSDA Special District Leadership Academy**

Provides the knowledge base to perform essential governance responsibilities and is designed for both new and experienced special district board members. Modules include courses on Governance Foundations, Setting Direction/Community Leadership, Board's Role in Human Resources, and the Board's Role in Finance and Fiscal Accountability.

### **CSDA Special District Advocacy**

Kimberly A. Thorner, OMWD's General Manager, took part in advocacy meetings to support SB 496, which concerns California Air Resources Board's Advanced Clean Fleets and Zero-Emission Vehicle requirements. The discussions focused on operational flexibility and practical implementation for water districts meeting with CARB and other statewide agencies. In March 2025, she also met with California State Assemblymember Patel in Support of SB 496.

### **CSDA Special District Leadership Foundation**

OMWD is in the process of reaccreditation and has held the District of Distinction designation at the Platinum level since 2022 (one of the most prestigious local government awards in the state of California). This award recognizes OMWD's commitment to good governance, and to ethical and sound operating practices.

### **Council of Water Utilities San Diego County**

COWU is a quarterly forum for regional San Diego water utility agencies. Meetings are designed to inform participants and share information relevant to water and related agencies. These monthly collaborative meetings have also included notable guest speakers from the water industry. OMWD's General Manager and board members regularly attend these meetings.

### **County of San Diego**

#### **Department of Environmental Health and Quality - Recycled Water Program & Recycled Water Purveyors**

San Diego County Department of Health and Quality recycled water staff meets biannually with San Diego's large recycled water system purveyors and OMWD staff. Discussions primarily focus on recycled water use management processes and procedures to protect the public from potential health risks associated with cross-connections of recycled water and drinking water supplies. Meetings also facilitate discussion on preventing health risks from direct contact with recycled water.

### **City of San Diego**

OMWD's General Manager, Kimberly A. Thorner, engaged with elected officials from the City of San Diego to facilitate negotiations concerning a contract for the procurement of recycled water.

### **Cross-Connection Control Advisory Committee of San Diego**

As a nonprofit, the Cross-Connection Control Advisory Committee is a collaborative effort between stakeholders concerned with a safe and healthy water supply. The Cross-Connection Control Advisory Committee exists to protect the public health by increasing awareness of the best cross-connection control and backflow prevention methods. OMWD staff participates in biannual meetings of the Cross-Connection Control Advisory Committee, working to prevent dangerous backflow into potable water systems.

### **Center for Water Studies Industry Advisory Commission at Cuyamaca College**

The IAC plays a critical role in ensuring that Cuyamaca College's program meets the water industry's employment needs and assists the Center for Water Studies staff in staying current on local waterworks issues so that programs have the necessary resources to meet the challenges ahead. General Manager Kimberly A. Thorner and Operations Manager Jesse Bartlett-May served on this Advisory Commission in 2025 and will continue to serve in 2026.

### **Local Agency Formation Commission - San Diego**

#### **Special Districts Advisory Committee**

OMWD's General Manager Kimberly A. Thorner serves as Chair of San Diego LAFCO's Special Districts Advisory Committee. The committee provides feedback and recommendations on germane topics to assist LAFCO in fulfilling its regulatory and planning functions.

#### **Bylaws, Rules, and Policy Review Ad hoc Committee**

The ad hoc committee reviewed and considered modernizing its rules as part of the Commission's adopted work plan. OMWD's General Manager, Kimberly A. Thorner, served as Chair of this ad hoc committee in 2025.

#### **Municipal Service Review for Water Wholesalers Advisory Committee**

The committee advises on matters related to water wholesaling within the San Diego region. General Manager Kimberly A. Thorner served on this committee in 2025 and will continue to serve in 2026.

#### **Water Rate Comparison Ad Hoc Committee**

This committee worked to develop a high-level, comparative assessment of key water rate drivers and metrics to inform discussions at LAFCO on rates in future MSRs. General Manager Thorner served on this committee in 2025.

### **North San Diego Water Reuse Coalition**

The NSDWRC consists of nine water and wastewater agencies collaborating and taking inventory of where there is a supply of wastewater and a demand for recycled water for irrigation, industrial, or potable uses. The coalition periodically meets with legislators, works with BlueWater Strategies, LLC to assist in securing grant funding, and makes advocacy trips when possible. OMWD's Assistant General Manager Joey Randall serves on this coalition.

### **One Water North San Diego Coalition**

The coalition consists of local agencies in North County who actively support a future regional Potable Reuse project. These agencies will have input into the final potable reuse concept, institutional structure, financing approach, and branding efforts. OMWD's General Manager Thorner met with this coalition in 2025.

## **San Diego County Water Authority**

### **Board of Directors**

SDCWA is governed by a 34-member board of directors representing the 22 member agencies in San Diego County, one of which is OMWD. The board of directors establishes and administers policies for SDCWA at its monthly meetings. OMWD's Board Director Meyers served as its representative to the SDCWA board of directors in 2025 and will continue in this role in 2026.



### **Water Planning and Environmental Committee**

The committee is responsible for water planning and local supply development including: water demand and supply planning; shortage allocation planning; water supply forecasting and reporting; seawater desalination; water reclamation; groundwater and conjunctive use; local surface water; water conservation programs; treated water demand and peaking management; environmental management; Urban Water Management Plans; and other planning matters. OMWD's Director Meyers served on this committee in 2025.

### **SDCWA-MWD Settlement Agreement Advisors Working Group**

The working group, which included OMWD's Director Meyers, was formed to guide SDCWA through the settlement process between SDCWA and Metropolitan Water District of Southern California, ending 15 years of litigation over water rates and exchange agreements. The finalized settlement agreement was reached on June 2, 2025.

### **Imported Water Committee**

The Imported Water Committee is responsible for imported water supply matters including: activities and issues as a member agency of the Metropolitan Water District of Southern California; administration of the Quantification Settlement Agreement and related agreements; Colorado River Board; State Water Project; CalFed; and other matters relating to water supplies from sources outside San Diego County. Director Meyers served as Chair of this committee in 2025.

### **Joint Public Information Council**

SDCWA hosts monthly JPIC meetings with representatives from its member agencies, including OMWD. Representatives to these collaborative meetings discuss ongoing regional water topics focused, outreach initiatives, and a focus on water conservation issues.

### **Member Agency Managers Meeting**

This meeting is held monthly to discuss and coordinate upcoming SDCWA topics and their impact on member agencies. General Manager Kimberly A. Thorner attends monthly meetings.

### **Member Agency Managers / Member Agency Long Range Financial Plan Work Group**

This work group met to discuss and coordinate the LRFP and its impact on member agencies in 2025. General Manager Thorner and OMWD's Finance Officer served on this committee.

### **Member Agency Managers / Business Model Meeting**

This work group convenes to discuss key financial aspects of the business plan and their impact on member agencies. OMWD's General Manager Kimberly A. Thorner participates in these meetings and will continue through 2026.

### **Member Agency Legislative Liaisons Meeting**

Hosted by SDCWA's Manager of Government Relations, this meeting discusses water legislation and updates from Sacramento. OMWD staff and Nossaman, LLP participate in the meetings, which are held monthly. The Legislative Liaisons Meeting also strives to set up yearly meetings with select legislators.

### **San Diego Integrated Regional Water Management Group/Regional Advisory Committee**

The Regional Advisory Committee to San Diego IRWM plays a critical role in shaping and developing such key elements of the IRWM Plan as goals and objectives, long-term targets, the proposed institutional structure, and project prioritization. The Regional Advisory Committee currently meets on a bi-monthly basis to provide guidance on upcoming IRWM planning and funding application activities. OMWD is represented by General Manager Kimberly A. Thorner, with Assistant General Manager Joey Randall serving as an alternate member.

### **San Diego North Economic Development Council**

OMWD participates in SDNEDC's quarterly meetings with the mission of building a stronger North County economy through regional collaboration and leadership. SDNEDC facilitates public and private sectors working together as community partners to sustain and strategically grow the economic base of northern San Diego County. OMWD is represented by Assistant General Manager Joey Randall, serving on the board as an ex officio member.

### **WateReuse Association**

#### **California Communications Collaborative Group**

The group provides a forum to discuss and collaborate on potable water reuse communications. Participants meet quarterly to learn about current challenges facing reuse communications, discuss tools and resources, and network with colleagues.

#### **San Diego Regional Chapter**

The San Diego Regional Chapter of the WateReuse Association provides a quarterly forum for the exchange of information to promote the beneficial use of recycled water in the San Diego region. In 2025, OMWD Engineering Manager Lindsey Stephenson served as board president, and participated in monthly board meetings. Members of the San Diego Regional Chapter

include recycled water purveyors, recycled water customers, regulatory agencies, engineering and consulting firms, and equipment vendors.

### **WateReuse California Annual Conference**

The annual WateReuse conference features numerous technical sessions and panels on the most pressing reuse issues in the state.

### **WateReuse Symposium**

The annual WateReuse Symposium provides a virtual online event about water reuse policy, technology, operations, research, and public acceptance. Presenters and exhibitors include elected officials, academic researchers, public officials, and industry leaders. Attendees also participate in several session groups with experts to advance the goals of WateReuse.

### **Urban Water Institute**

OMWD participates in the annual conference. The group provides non-partisan information to the water industry with an emphasis on water economics, management, and resource policies as they affect consumers and the general economy. OMWD's General Manager Thorner and board members attend these conferences.

### **Water for All (SB 366)**

Water for All seeks to raise awareness among California policymakers and leaders on the ongoing water supply crisis impacting residents, economic growth, community health, the environment, and the future generation of Californians. General Manager Kimberly A. Thorner served as an officer on the steering committee as well as the board of directors, which were originally comprised of 15 general managers representing each California region.

With the statewide coalition, OMWD effectively promoted SB 366 through the legislature, which aimed to establish specific targets for new water supply development and secure adequate funding for these initiatives. Nevertheless, this bill was vetoed by the governor in 2024. The coalition persisted in their efforts on this significant legislation in 2025, leading to its reintroduction as SB 72, which was subsequently signed into law by the governor.

### **State Water Resources Control Board Meetings**

The State Water Resources Control Board held leak module workshops in 2025, in which OMWD Public Affairs staff participated.

### **State Legislature Committee Hearings**

Nossaman, LLP conveyed OMWD's legislative positions on proposed bills through testimony at approximately 24 committee hearings throughout the year.

**California Air Resources Control Board Hearing (SB 496)**

OMWD's General Manager Thorner gave in-person testimony in support of SB 496 at the Environmental Quality Committee Hearing in Sacramento, California. The testimony focused on CARB Advanced Clean Fleets and Zero-Emission Vehicle requirements, emphasizing operational flexibility and implementation feasibility for water agencies.

# ANTICIPATED ISSUES IN 2026

## SUMMARY

OMWD has developed a general outlook regarding anticipated legislation and legislative/regulatory areas of focus expected in 2026. This assessment is formulated through staff analysis, with information from professional representatives.

## STATE OF CALIFORNIA

### State Budget

On January 9, 2026, the Department of Finance presented Governor Newsom's proposed \$348.9 billion budget for the 2026-27 fiscal year. The January Budget reflected updated revenue estimates and projected a balanced financial plan, supported by improved forecasts that included more than \$42 billion in additional General Fund resources over a three-year period.

Both the governor's budget and the Legislative Analyst's Office noted stronger than expected revenues for 2026-27 fiscal year, but differed on outlook and approach. The LAO projects slower future growth and higher risk of deficits, recommending more one-time solutions, fewer new commitments, and larger reserves. The governor assumed continued economic stability, prioritizing current investments while maintaining reserves.

### 2026 Politics

In June 2025, Senate Democrats elected Senator Monique Limon from the Santa Barbara area to be the next Pro Tem since Pro Tem McGuire is termed out in 2026. The transition was supposed to take place in early 2026, but frustrations from the end of 2025 session drove the transition to take place on November 17, 2025. The Pro-Tem transition has come with changes in Senate leadership. Most notably, Senator John Laird, who represents the Central Coast, was appointed Chair of the Senate Budget Committee while Senator Josh Becker, who represents San Mateo and Silicon Valley, was appointed Chair of the Senate Natural Resources and Water Committee. The 2026 mid-term election will encompass the re-election of all 80 Assemblymembers, 20 of the 40 Senators, and congressional races.

As is typical at the beginning of each legislative year, the California legislature is likely to consider issues relevant to water and wastewater agencies in 2026. Key topics of interest to OMWD are expected to include the following items.

- State funding for potential federally frozen grant funding
- Cross-connection and backflow protection control policy
- Direct potable reuse
- Recycled water regulations
- Water use efficiency standards and making conservation a way of life
- Water affordability
- Advanced Clean Fleets Regulation
- Low-income water rate assistance
- Implementation of SB 72 (2025)
- SWRCB's consideration and adoption of new maximum contaminate levels
- PFAS regulations and CERCLA designation rule without exempting water and wastewater systems
- Natural resource protection and restoration
- Emergency preparedness and planning
- Dams and water storage
- Climate change resilience
- Cybersecurity
- Climate change bond allocations and implementation
- Balancing the state budget
- New legislator outreach and education

## FEDERAL GOVERNMENT

- Potential impact on the continuity of federal grant funding due to administration priorities
- Tariffs on imports imposed by the administration
- Colorado River crisis and post 2026 guidelines implementation
- PFAS regulations and CERCLA designation rule without exempting water and wastewater systems
- Federal court finding that EPA must take regulatory action to evaluate risk of fluoridation of drinking water
- Governance at water wholesalers
- San Diego's congressional delegation will be contacted and informed of projects and needed policy changes based upon OMWD board adopted positions in the Legislative Guidelines

# LEGISLATIVE GUIDELINES

## INTRODUCTION

Olivenhain Municipal Water District is a multi-purpose public agency established in 1959. OMWD provides water, wastewater, recycled water, and recreation management services to its customers in northern San Diego County.

OMWD faces water supply uncertainty in addition to minimal growth necessitating the acquisition and development of water treatment and supply opportunities, infrastructure expansion and improvements, and enhanced customer services. OMWD also operates in an environment of escalating costs, increased regulatory compliance, customer demands for continuously improving services, and competition for resources.

In this dynamic environment, OMWD strives to accomplish its mission of providing safe, reliable water, wastewater, and recycled water services to its customers in a cost-efficient and environmentally responsible manner. To support the accomplishment of this objective, OMWD has developed a legislative program to represent its interests and those of its customers in Sacramento and Washington, DC. OMWD is fully committed to proactive legislative action in a rapidly changing water supply environment.

These guidelines provide direction to staff as to how to respond to state and federal legislation that may impact OMWD. The guidelines may also be applied as appropriate to administrative or regulatory issues of concern. Legislation that meets or fails to meet the principles set forth in these guidelines may be supported or opposed accordingly. These guidelines permit staff to act expeditiously between board meetings on issues that fall within the guidelines; such actions are then reported to the board at their next meeting. Staff will not act upon legislation with potentially complicated, cost-prohibitive, or indeterminate implications without guidance from the board. Concepts for new legislation may be presented to the board for action in the event that OMWD seeks sponsorship of a bill.

OMWD will also use the monthly Legislative Report to inform the board and generate discussion of legislative, regulatory, or administrative items of significance.

## *LEGISLATIVE PROGRAM*

- Staff will maintain a current list of bills or proposed legislation that may affect OMWD and its customers
- Staff will prepare regular updates accessible to OMWD's Board of Directors, the General Manager, and the executive team
- Staff will represent OMWD before state and federal legislative and administrative bodies
- Staff will defend, sponsor, or promote legislation that serves OMWD and its customers

## *LEGISLATIVE ADVOCATE*

OMWD's current state legislative advocate is Nossaman, LLP. The firm's scope of work includes but is not limited to reporting to the board and staff on legislation, budget action, and regulatory action that may affect OMWD; making recommendations to OMWD regarding strategy on when to engage on issues impacting OMWD; conveying the positions of OMWD through direct advocacy with Sacramento decision-makers; ensuring that OMWD is part of all discussion and negotiation before legislation and regulatory issues are finalized; facilitating meetings for OMWD with legislators/regulatory decision makers; and assisting OMWD in educating local and state policymakers/regulators on the development of local water supply projects within OMWD's service territory.

In the role of state legislative advocate, Nossaman, LLP's scope also includes identifying grant opportunities for the priority projects of OMWD; providing strategy on drafting and coordinating the preparation of grant applications for state funding and/or Integrated Regional Water Management opportunities; meeting with relevant state agency staff to review the scope of projects and review the components necessary to submit successful grant applications; coordinating support for grant applications from local government partners, local organizations, political leaders, and community groups; providing direct advocacy for grant projects with SWRCB members and/or executive staff; providing availability to meet with regional partners, district leadership, board members, or the community to educate and advocate for grant projects; and providing other services as determined by mutual agreement that will lead to OMWD receiving state financial assistance for construction of a project.

In addition, OMWD's current federal legislative advocate is BlueWater Strategies, LLC. The firm's scope of work is to assist with federal lobbying and government relations services.

## *GUIDELINES FOR POLICY ON LEGISLATION*

OMWD's Legislative Guidelines for the current legislative session shall be applied at the direction of the General Manager as relevant legislation arises. Actions taken by staff shall be reported to the board, citing the guideline(s) with which the action complies.

### **I. Imported Water Supply - It shall be OMWD's policy to support legislation that:**

1. Provides for development of a comprehensive state water plan that balances California's competing water needs in an equitable "fair share" approach that balances costs amongst regions and results in a reliable and affordable supply of high-quality water for the San Diego region.
2. Provides conveyance and storage facilities that are cost-effective and are proportionate to the benefits they receive, improve the reliability and quality of the San Diego region's water supplies, and protect the Sacramento-San Joaquin Delta's ecosystem.
3. Investigates and provides financial support to projects designed to mitigate potential negative impacts of climate change on water supply reliability.
4. Authorizes and appropriates the federal share of funding for the long-term Sacramento-San Joaquin Delta solution.
5. Provides the ongoing state share of funding for the long-term Sacramento-San Joaquin Delta solution.
6. Provides state funding for aquatic toxicity monitoring in the Sacramento-San Joaquin Delta. Such legislation should not place a surcharge on water supply exports nor should it substantively reduce funding for other measures that protect the environment and public health.
7. Supports implementation and funding of the California Colorado River Water Use Plan, including the Lower Colorado River Multi-Species Conservation Program.
8. Provides funding for Colorado River salinity control projects and other water quality management efforts.
9. Encourages and facilitates voluntary water transfers and exchanges consistent with other OMWD policies and agreements.
10. Provides appropriate protection or mitigation for the environment, groundwater basins, water-rights holders, and third-party impacts within the district transferring water.
11. Streamlines the permitting and approval process for implementing transfers and exchanges that will improve water management.

12. Encourages efficient use of existing facilities to advance voluntary transfers and exchanges of water.
13. Provides an appropriate level of accountability and cost control over Metropolitan Water District of Southern California and San Diego County Water Authority spending. When time permits, legislation on this issue is to be brought to the board before any action is taken.
14. Requires Metropolitan Water District of Southern California and the San Diego County Water Authority to refund or credit to their member agencies revenues collected from them that result in reserve balances greater than the maximum reserve levels established pursuant to state legislation.
15. Supports the sustainability of the Colorado River and provides operational flexibility through the development of storage, including in Lake Mead, and through the renegotiation of the new interim shortage guidelines for the Colorado River's continued operation.
16. Provides federal and/or state authorization, resources to manage, and appropriations of funding to implement, Salton Sea mitigation efforts, and the state's phased approach to restoration consistent with the Salton Sea Management Program.
17. Supports the state's Salton Sea Management Program adopted by the State Water Resources Control Board in November 2017.
18. Supports a more equitable voting structure at the San Diego County Water Authority.
19. Advances strategic long-term water management that includes the ability to transfer, share, and exchange supplies both within the state of California and across state lines.
20. Incorporates seawater desalination and brackish groundwater desalination as part of a slate of long-term infrastructure projects to support the Colorado River.
21. Advances Sacramento-San Joaquin Delta levee improvements, funded by statewide and/or federal funding, including levee modernization for the existing Delta levee system and levee maintenance programs, that protect it from earthquake and other hazards to the levee system, that improve water supply reliability, and that are not in opposition to the Delta Conveyance Project.

**II. Imported Water Supply - It shall be OMWD's policy to oppose legislation that:**

1. Establishes a broad-based user fee that does not support a specific Sacramento-San Joaquin Delta conveyance option; any fee must provide a clear nexus to the benefit the fee would provide.

2. Makes urban water supplies less reliable or substantially increases the cost of imported water without also improving the reliability and/or quality of the water.
3. Adversely affects local water management efforts.
4. Impedes the ability to implement water transfers and exchanges both inter-state and intra-state through increased regulatory or procedural impediments.
5. Does not adhere to the Law of the River, nor protect water rights.
6. As part of the development of the next set of Colorado River management guidelines, imposes potential future reductions on just the Lower Basin rather than balancing potential reductions between both the Upper and Lower Basins.

**III. Local Water Resources - It shall be OMWD's policy to support legislation that:**

1. Provides funding for conservation, peak management programs, water recycling (including potable reuse), groundwater recovery and recharge, surface water and groundwater development and management projects, including reservoir management, source water protection and watershed planning studies, and facilities that sustain long-term, cost-effective, and reliable water resources.
2. Provides funding for cost-effective seawater and brackish groundwater desalination studies and facilities.
3. Recognizes and supports the development of seawater desalination as a critical new water supply for the state, including San Diego County.
4. Preserves and protects potential cost-effective seawater desalination sites and existing coastal facilities including intake and discharge infrastructure that could be used or reused by a seawater desalination facility.
5. Ensures that desalination intake and discharge regulations are science-based, considering site-specific conditions, and recognizing that all technologies or mitigation strategies are feasible or cost-effective at every site.
6. Recognizes and supports the development of potable water reuse as critical water sources for San Diego County and the State of California.
7. Authorizes and/or facilitates expanded use of cost-effective local water resources including water recycling, potable reuse, graywater, and rainwater harvesting, and brackish groundwater.

8. Facilitates and encourages the safe use of rainwater capture systems (e.g., barrels and cisterns) and alternative water sources (e.g., air conditioner condensate) for use in irrigation.
9. Authorizes local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.
10. Facilitates and encourages the use of recycled water in commercial, industrial, institutional, and residential settings.
11. Encourages dual-plumbing in all new development to enable utilization of recycled water when available.
12. Provides financial incentives to assist in the disposal of concentrate, sludge, and other byproducts created in the water treatment process and supports the appropriate degree of regulation commensurate with the effect on the environment.
13. Ensures OMWD receives the dry-year water supply benefits of its investment in local water supply sources.
14. Provides for the interchangeability of funding for groundwater and surface water enhancements to best fit the hydrogeological attributes of a particular region.
15. Provides for watershed planning, watershed signage, and actions to protect source water (including reservoirs), such as land acquisition around reservoirs, limited land use, and increased buffer areas.
16. Promotes uniform regulatory interpretation of state recycled water system standards.
17. Supports beneficial revisions to the California Plumbing Code that address recycled water systems.
18. Authorizes, promotes, and/or provides incentives or credits for development of local drought-resilient water supply projects such as desalination, non-potable recycling, and potable reuse projects.
19. Streamlines regulatory processes and requirements to encourage and support the development of potable reuse as a municipal water supply.
20. Defines purified recycled water as a source of water supply and not as waste.
21. Ensures that decision-making with regard to stormwater management and recapture is kept at the local or regional level through local water agencies, stormwater districts, cities, counties, and regional water management groups.

22. Recognizes that stormwater management and recapture are important tools in a diversified water portfolio that can help to achieve improved water quality in local surface and groundwater supplies, augment surface and groundwater supplies for local water agencies, and promote landscape conservation from a water runoff perspective.
23. Promotes and encourages the use of stormwater best management practices to reduce pollutant loading, increase local municipal water supplies, and improve water quality through low-impact development and watershed-based stormwater treatment systems.
24. Provides incentives for the local or regional use of stormwater management, nutrient management, and/or recapture.
25. Reduces or removes regulatory hurdles that hinder the use of stormwater management and recapture.
26. Preserves local water agencies' ability to establish local priorities for water resources planning decisions.

**IV. Local Water Resources - It shall be OMWD's policy to oppose legislation that:**

1. Limits the ability of local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.
2. Establishes unreasonable regulatory requirements or fees relative to the safe use of recycled water, which may unreasonably impede or create a disincentive to its further development.
3. Contributes to the degradation of source water quality in and around reservoirs and groundwater basins.
4. Promotes unreasonable and burdensome restrictions on reporting requirements on the effective operation of OMWD facilities, such as the classification of a water treatment plant as a chemical facility under Homeland Security reporting provisions.
5. Restricts OMWD's ability to manage, store, or distribute water supplied through actions to manage or recapture stormwater.
6. Diminishes the water rights of downstream water users through actions to manage or recapture stormwater.
7. Imposes unnecessary regulations or costs upon local retail agencies developing alternative water supplies such as recycled water, desalination, brackish groundwater desalination, etc.

8. Limits local water agencies' ability to establish local priorities for water resources planning decisions.
9. Mandates the reduction of wastewater discharges to the ocean absent the inclusion of funding to offset the significant costs of implementation.

**V. Water Affordability – It shall be OMWD's policy to support legislation that:**

1. Is consistent with, and does not conflict in any way with, the standard of Proposition 218 and Proposition 26 in the California Constitution regarding proportionality of water rates and cost-of-service provisions.
2. Requires data-driven analysis to be included in California's Water Plan, including water affordability analysis.
3. Creates a low-income water rate assistance program that provides financial relief to ratepayers by utilizing existing resources within the State's General Fund, or by allocating cap-and-trade funding.
4. Does not include burdensome or prescriptive mandates, including collecting water taxes or water rate and water district boundary data.
5. Creates a low-income water rate assistance program in which funding is state/or federally provided, benefit distribution is state-administered, eligibility is state-determined, and there is no direct impact or burden to retail agencies or ratepayers.

**VI. Water Affordability – It shall be OMWD's policy to oppose legislation that:**

1. Is not targeted in scope to low-income households and individuals.
2. Does not have a sustainable funding source, or relies on a water tax or water surcharge.
3. Does not use an existing benefit distribution method, and requires water agencies to create a new method.
4. Imposes unfair financial and legal leverage to other parties for damages to water infrastructure.

**VII. Water Quality Issues - It shall be OMWD's policy to support legislation that:**

1. Assists in achieving a year-round blend of imported water supplies that achieves board-adopted water quality objectives, which allow OMWD and the region to maximize the development of recycled water and reduce financial costs to the customer due to high levels of total dissolved solids in imported water supplies.

2. Assures cost-effective remediation and cleanup of contaminants of concern that have impacted groundwater and surface water.
3. Provides the necessary funding for research on the occurrence, treatment, health effects, and environmental clean-up related to contamination of drinking water sources.
4. Incorporates sound scientific principles in adopting drinking water standards for drinking water contaminants.
5. Provides for the protection of source water such as reservoirs and groundwater basins so that the waters can be beneficially used for consumptive purposes.
6. Implements and funds the San Diego Regional Water Quality Control Board's triennial review of water quality standards.
7. Supports enhancements to treatment technology beneficial to the water industry.
8. Provides funds for water treatment facility upgrades in order to comply with future regulations.
9. Exempts the conveyance, storage, or release of water supplies from regulation as a discharge under the Clean Water Act and other water quality control laws.
10. Appropriately protects drinking source water reservoirs as special-purpose, man-made water bodies different in nature than natural waterways, rivers, lakes, and coastal waters, while allowing maximum flexibility for operations as part of a managed water supply system.
11. Establishes appropriate quality standards, testing procedures, and treatment processes for emerging contaminants.
12. Directs the state's participation or assistance in water quality issues related to or threatening the Colorado River water source.
13. Provides funding and support for Colorado River salinity control projects and other water quality management efforts.
14. Alters the definition of "lead free" to reduce the permissible amount of lead in fixtures, plumbing, and pipe fittings to be installed for the delivery of drinking water.
15. Exempts purified wastewater from regulation as a discharge under the Clean Water Act.

16. Streamlines permitting of facilities constructed for the purpose of improving water quality.
17. Implements source control for management and prevention of contamination by constituents of emerging concern.
18. Allows water and wastewater agencies the flexibility to determine the methods by which they treat for emerging contaminants as necessary to meet regulatory requirements and protect public health.
19. Applies the “polluter pays” principle such that parties responsible for introducing contaminants in or near drinking water sources are held liable for cleanup, and not the drinking water, recycled water, and wastewater facilities that subsequently store, transport, or treat the water.

**VIII. Water Quality Issues - It shall be OMWD’s policy to oppose legislation that:**

1. Creates unreasonable and costly restrictions on water treatment facilities.
2. Makes water suppliers financially and legally responsible for mitigation of pollution and/or contamination caused by third parties.
3. Makes water suppliers financially and legally responsible for testing or correcting any water quality-related issues associated with private property or on-site plumbing systems

**IX. Integrated Regional Water Management Planning - It shall be OMWD’s policy to support legislation that:**

1. Defines the "San Diego sub-region" and "San Diego County watersheds" as those portions of the westward-flowing watersheds of the South Coast hydrologic region situated within the boundaries of San Diego County.
2. Requires the state agencies responsible for preparing the integrated regional water management grant program guidelines to conduct a comprehensive public outreach process that ensures stakeholders have an opportunity to provide adequate input on preparation of the guidelines and that the state agencies consider and respond to comments received through the outreach process.
3. Provides for population-based distribution of funds to ensure adequate distribution of grant funding throughout the state.
4. Allows for creation of sub-area plans that enhance, but do not duplicate, or replace, a larger recognized integrated regional water management plan.

5. Establishes a task force to provide recommendations to the state on improving the integrated regional water management planning process in California.
6. Provides for the use of state funds for binational projects where projects benefit water supply or water quality in the San Diego region.
7. Improves and streamlines the state's reimbursement process to ensure timely remittance of IRWM funds.
8. Promotes the ability of the Regional Water Management Group to more directly administer state grant funds specifically identified for IRWM programs.
9. Promotes cost sharing amongst regions for regional conveyance.

**X. Integrated Regional Water Management Planning - It shall be OMWD's policy to oppose legislation that:**

1. Dilutes public water agency participation on a Regional Water Management Group.
2. Establishes funding criteria that limit local discretion in project selection.

**XI. Water Facilities/Facility Improvement - It shall be OMWD's policy to support legislation that:**

1. Funds or otherwise facilitates planning, design, construction, and/or maintenance of public water storage, watershed areas, and treatment and delivery facilities and facilitates maintenance and/or enhancement of groundwater recharge spreading areas and groundwater basin rehabilitation that benefit OMWD and/or San Diego County.
2. Provides funding for water infrastructure development, security, rehabilitation, and/or replacement projects that benefit OMWD and/or San Diego County.
3. Funds enhancements to water treatment, recycling, and potable reuse facilities to meet more stringent regulations.
4. Funds improvements to water treatment facilities that allow greater use of State Project water.
5. Provides funding for the preservation of cultural resources affected by construction or operation of water conveyance and storage facilities.
6. Provides funding for habitat preservation programs that address impacts resulting from construction or operation of water system facilities.

7. Provides OMWD with greater flexibility in the management of environmental mitigation parcels.
8. Provides funding for the control, prevention, or eradication of non-indigenous aquatic species, including dreissenid mussels.
9. Authorizes state and federal wildlife agencies to provide assistance to local water agencies in the control, prevention, and eradication of non-indigenous aquatic species, including dreissenid mussels.
10. Exempts owners and operators of water supply facilities from criminal and civil liabilities associated with dreissenid mussel infestations if due diligence requirements are being met.
11. Provides incentives that encourage the optimization, expansion, and cooperative use of existing surface reservoirs.
12. Provides funding for projects that improve the security of OMWD facilities and operations.
13. Provides funding to water agencies for the voluntary retrofit of facilities for on-site generation of chlorine.
14. Permits the use of grant funding for projects implemented under public-private partnerships where the grant provides funding for a public benefit.

**XII. Water Facilities/Facility Improvement - It shall be OMWD's policy to oppose legislation that:**

1. Impairs OMWD's ability to provide and operate the necessary facilities for a safe, reliable, and operationally flexible water system.
2. Limits OMWD's sole jurisdiction over the bidding, planning, design, routing, approval, procurement, construction, operation, or maintenance of its water facilities.
3. Limits OMWD's discretion over protecting the security and privacy of comprehensive inventories of all assets, which includes infrastructure location, condition, performance, and useful life.
4. Shifts the risks of indemnity for damages and defense of claims from contractors to OMWD.
5. Impairs OMWD's ability to execute the planning, design, and construction of projects using its own employees.

6. Authorizes state and federal wildlife agencies to control, prevent, or eradicate invasive species in a way that excessively interferes with the operations or water supplies of local water agencies.
7. Requires prior to the construction of new facilities any consultation, mitigation, or restitution to the Native American Heritage Commission and/or local tribal authorities additional to the existing requirements of the California Environmental Quality Act.
8. Prohibits or in any way limits the ability of water agencies from making full beneficial use of any water, wastewater, or recycling facility and resource investments.
9. Impedes individual water agency discretion for achieving water loss efficiency objectives or any state-mandated water use efficiency goals, targets, or standards.
10. Establishes meter testing requirements that fail to consider industry standards and cost-effectiveness.
11. Limits the autonomy or discretion of water suppliers to develop and execute asset management inspection programs that include visual inspections, internal/external inspections, asset condition assessments, and corrosion mitigation in a manner that recognizes the individuality and uniqueness of each water supplier and its systems.

**XIII. Water Use Efficiency - It shall be OMWD's policy to support legislation that:**

1. Preserves individual water agency discretion and options for achieving water use efficiency objectives or any state-mandated water use efficiency goals, targets, or standards.
2. Establishes multiple compliance options for urban retail water suppliers for achieving water use efficiency objectives or any state-mandated water use efficiency goals, targets, or standards.
3. Establishes an appropriate existing "baseline" and recognizes unique hydrology, weather, and land-use patterns, as well as past conservation efforts, within a particular water supplier's jurisdiction for achieving water use efficiency objectives or any state-mandated water use efficiency goals, targets, or standards.
4. Provides full credit for past and future distribution of recycled water for non-potable uses and indirect potable groundwater recharge and reservoir augmentation where advanced treatment is part of the full treatment.
5. Allows for individual water agencies to collaborate, if so desired, to establish integrated regional water conservation goals.

6. Allows for local agencies to account for all water supplies available during droughts or other events when calculating a water supply shortage level.
7. Recognizes the variations among communities, regions, and counties with respect to their abilities to withstand the impacts and effects of droughts and assurance that any temporary or permanent statutory or regulatory direction for improving water use efficiency to meet statutory or regulatory goals, targets, or standards is focused on regional achievement of objectives rather than a one-size-fits-all approach.
8. Assists OMWD's ability to provide and operate the necessary facilities for a safe, reliable, and operationally flexible water storage, treatment, and delivery system.
9. Requires installation and use of retail water meters.
10. Sets cost-effective efficiency standards for water-using devices.
11. Provides loans and grants to fund incentives for water-efficient devices or practices, and demonstration projects and studies.
12. Ensures accurate and meaningful reporting of implementation of water conservation measures.
13. Encourages implementation of effective water management practices for urban landscape and agricultural irrigation.
14. Recognizes local control in determining water use efficiency criteria, such as the impact of recycled water salinity on irrigation use and efficiency for the application of non-potable recycled water
15. Encourages the use of decentralized non-potable water systems and graywater where it complies with local guidelines and regulations and is cost-effective.
16. Establishes standards for the utilization of high-efficiency commercial and residential clothes washers.
17. Requires sub-metering connections to be built in new construction of multiple commercial or residential buildings.
18. Encourages plumbing fixture retrofit upon real property resale.
19. Encourages stakeholders to investigate and develop statewide landscape water conservation standards and regulations.
20. Restricts Property Owner Associations from forbidding the use of California native plants, other low-water-use plants, or artificial turf in well-maintained landscapes.

21. Restricts Property Owner Associations from forbidding retrofits of multiple unit facilities for the purpose of sub-metering, if feasible.
22. Ensures plumbing codes and standards facilitate the installation and/or retrofit of water-efficient devices.
23. Encourages and/or supports programs that promote a sustainable approach to landscape design, construction, and maintenance.
24. Provides for federal tax-exempt status for water use efficiency rebates, consistent with income tax treatment at the state level.
25. Recognizes local control in determining how to meet an overall efficient water use goal, based on the combined efficient indoor use, outdoor use, and leak loss, as established under the criteria provided for in any applicable statute.
26. Facilitates and encourages the development and use of new agricultural technologies (e.g., vertical farming, integrated remote soil moisture monitoring, hydroponics) resulting in irrigation water savings and other “Agtech” irrigation water savings technologies.
27. Supports and encourages the transfer and storage of water during both emergency and non-emergency conditions to reduce the impact of drought.
28. Streamlines reporting requirements to reduce redundant efforts.

**XIV. Water Use Efficiency - It shall be OMWD’s policy to oppose legislation that:**

1. Repeals cost-effective efficiency standards for water-using devices.
2. Prescribes mandatory urban water conservation management practices that override the authority of the board of directors of local water agencies to adopt management practices that are most appropriate for the specific needs of their water agencies.
3. Prescribes mandatory conservation-based rate structures that override the authority of the boards of directors of local water agencies to set rate structures and management practices according to the specific needs of the water agencies in accordance with cost-of-service requirements.
4. Creates a disincentive or impedes water agencies from making investments to maximize the potential for recycled water, potable reuse, desalination, and other drought-resilient water supplies.
5. Mandates regulation of the commercial sector in a manner that is discriminatory, sets unachievable compliance targets, or would otherwise impair economic activity or the viability of the commercial sector.

6. Requires redundant reporting of water conservation-related information.

**XV. Biological and Habitat Preservation - It shall be OMWD's policy to support legislation that:**

1. Supports development of comprehensive multi-species habitat conservation plans that anticipate and mitigate project development impacts while preserving representative ecosystems, rather than individual species.
2. Exempts operation, maintenance, and repair of water system facilities from endangered species and other habitat conservation regulations because they provide beneficial cyclical habitat values to declining species and foster biological diversity in California.
3. Provides environmental regulatory certainty for implementation of existing and proposed long-term water supply programs.
4. Authorizes federal and state funding to develop and implement regional or sub-regional wildlife and habitat conservation programs, including but not limited to property acquisition, re-vegetation programs, and watershed plans.
5. Incorporates an emergency exemption for "take" of a listed species listed under the state or federal Endangered Species Acts when necessary to mitigate or prevent loss of or damage to life, health, property, or essential public services.
6. Encourages species listings, critical habitat designation, and recovery plans developed pursuant to the state or federal Endangered Species Acts to be consistent with existing interstate compacts, tribal treaties, and other state and federal agreements.
7. Provides federal and/or state funding to implement actions that address the ecological, watershed, and water supply management issues of the Sacramento-San Joaquin Bay-Delta.
8. Provides federal and/or state funding for restoration of the Salton Sea.
9. Consolidates wetland regulations to alleviate multi-agency jurisdiction over the same environmental resource.

**XVI. Biological and Habitat Preservation - It shall be OMWD's policy to oppose legislation that:**

1. Provides for after-the-fact reduction in quantity or quality of a public water supply due to new restrictions on the operation or use of water supply facilities unless, funding for alternate sources of water is provided.

2. Imposes endangered species or habitat conservation requirements that restrict the operation, maintenance, or repair of public water supply, conveyance, treatment, or storage facilities.
3. Imposes a “user utility fee” or “surcharge” on water for the purposes of financing open space/habitat preservation, restoration, or creation.

**XVII. Fiscal Policy and Water Rates - It shall be OMWD’s policy to support legislation that:**

1. Requires the federal and state governments to provide a subvention to reimburse local governments for all mandated costs or regulatory actions.
2. Provides OMWD with additional forms of cost-effective financing for public facilities.
3. Provides OMWD with grant funding for public facilities.
4. Provides OMWD with additional investment opportunities.
5. Maintains the authority and requirements of water agencies to establish water rates, consistent with cost-of-service requirements of the law.
6. Maximizes the ability of water agencies to design rate structures to meet local water supply goals.
7. Protects or enhances OMWD’s ability to receive/collect funds it is owed.
8. Provides OMWD and water ratepayers with financial relief during economic downturns and/or economic shocks such as pandemics through a variety of means, including but not limited to, direct financial assistance and flexibility in debt management.
9. Makes updates to Public Contract Code to establish reasonable limits for public works contracts and allow OMWD the flexibility to cost-effectively procure goods and services according to its needs.

**XVIII. Fiscal Policy and Water Rates - It shall be OMWD’s policy to oppose legislation that:**

1. Imposes mandated costs or regulatory constraints on local governments without providing subventions to reimburse local governments for such costs.
2. Is inconsistent with OMWD’s current investment policies and practices.
3. Makes any unilateral reallocation of OMWD’s revenues by the state.

4. Impairs OMWD's ability to provide reliable service at reasonable costs or to charge the same or similar rate for each class of service consistent with cost-of-service requirements of the law.
5. Pre-empts OMWD's ability to impose or change rate charges, fees, or assessments.
6. Impairs OMWD's ability to maintain reasonable reserve funds and obtain and retain reasonable rates of return on its reserve accounts.
7. Imposes additional administrative requirements and/or restricts OMWD or its ability to finance public facilities through the issuance of long-term debt.
8. Reduces OMWD's revenues without giving OMWD a commensurate public benefit that is clearly identifiable and separate from a general statewide benefit.
9. Restructures OMWD's responsibilities without also providing the commensurate restructuring of revenues.
10. Requires the expenditure of OMWD or member agency funds to accomplish federal water supply commitments such as may be required in national treaties.
11. Weakens the protections afforded OMWD under California's Proposition 1A (2004) or Proposition 26 (2010).
12. Mandates a specific rate structure for retail water agencies.
13. Imposes a water user fee on water agencies or water users that do not provide a commensurate and directly linked local benefit in the local area or region from which the water user fee is collected.
14. Imposes a water user fee for statewide projects or programs for which the projects or programs are not clearly defined, the beneficiaries identified, and the reasonable cost identified.
15. Imposes a water user fee in order to create a state fund that can be used to finance undefined future projects and programs.
16. Imposes a "public goods charge" on public water agencies or their ratepayers.
17. Interferes with the responsibility of a region, operating under an Integrated Regional Water Management Plan, for setting priorities and generating projects to be paid from any IRWM accounts and grants.
18. Interferes with the control exercised by the San Diego funding sub-region over the use and expenditure of any water user fee revenues that may be dedicated to the region.

19. Reduces or eliminates the tax-exempt status of municipal financing.

**XIX. Water Bond Legislation or Initiative – It shall be OMWD’s policy to support water bond (legislation and/or an initiative) that:**

1. Allocates funds to developing water storage infrastructure that will bolster resilience against droughts and ensures reliable supplies.
2. Provides OMWD’s wholesalers with funding that protects local ratepayers from rising costs while offering solutions that benefit the region.
3. Allocates resources for the rehabilitation and modernization of aging water and wastewater (recycled) infrastructure that improves operational efficiency and minimizes water loss.
4. Finances robust cybersecurity measures that are necessary to safeguard water infrastructure against state and non-state cyber targeting of American interests from cyber threats, protect sensitive data, and ensure uninterrupted service delivery.
5. Provides funding for the Lake Hodges Dam which serves OMWD in an emergency capacity and helps to control wholesale rates.
6. Dedicates funds towards regulatory compliance efforts, with a specific focus on addressing emerging contaminants such as per- and polyfluoroalkyl substances (PFAS) to ensure water quality and public health protection.
7. Advances investment in new water supply projects that maximize and diversify limited water resources.
8. Prioritizes the allocation of funds for open spaces surrounding water reservoirs.
9. Ensures that the application process for funding is not unnecessarily burdensome and costly, with an emphasis on auditing and streamlining the process.
10. Consolidates administration of all voter-approved water-related bond funding in one place, preserves existing expertise within the state bureaucracy to manage bond funding processes, and provides consistent application and evaluation of bond funding applications.

**XX. Water Bond Legislation or Initiative – It shall be OMWD’s policy to oppose water bond (legislation and/or an initiative) that:**

1. Imposes a fee on water users to repay the principal and interest on a statewide general obligation bond.

2. Prioritizes hydroelectric generation, or is laden with investment criteria that do not adequately bolster water infrastructure.
3. Disproportionately funds non-water or wastewater related priorities.

**XXI. Right of Way and Property - It shall be OMWD's policy to support legislation that:**

1. Improves OMWD's efforts to maintain and protect its property, rights of way, easements, pipelines, and related facilities and minimizes liability to OMWD.
2. Protects OMWD's properties from restriction when surrounding properties are incorporated into preservation areas.

**XXII. Right of Way and Property - It shall be OMWD's policy to oppose legislation that:**

1. Impairs OMWD's efforts to acquire property or property interests required for essential capital improvement projects.
2. Increases the cost of property and right of way acquisition.
3. Restricts OMWD's use of public rights of way or increases the cost of using public rights of way.
4. Restricts the transfer of property acquired for purposes of environmental mitigation credits to other public entities for long-term management.

**XXIII. Energy - It shall be OMWD's policy to support legislation that:**

1. Provides opportunities for reduced energy rates for OMWD.
2. Provides greater flexibility in the utilization of OMWD facilities for generation and acquisition of electrical power.
3. Provides OMWD with greater flexibility in the licensing, permitting, interconnection, construction, and operation of its existing and potential in-line hydroelectric, solar, or other renewable energy generation or energy storage projects.
4. Provides protection from energy rate increases and provides rate relief.
5. Makes State Water Project power available for seawater and brackish groundwater desalination.
6. Promotes the classification of electricity generated by in-line hydroelectric and off-stream pumped storage facilities as environmentally sound.

7. Provides state and federal grants for the construction of in-line hydroelectric, solar, wind, biogas cogeneration, and off-stream pumped storage facilities as a means of reducing greenhouse gas emissions and energy costs.
8. Promotes funding for use of renewable energy in the operation of OMWD facilities.
9. Provides for restrictions on price gouging during public safety power shutoff events and for at least 72 hours following restoration of power.
10. Provides that de-energization or public safety power shutoff events may be included as a condition constituting a state emergency or local emergency.
11. Provides a tax exemption for the sale of, or the storage, use, or consumption of, a backup electrical resource, that is purchased for exclusive use by a city, county, special district, or other entity of local government, during a de-energization or public safety power shutoff event.
12. Establishes the use of alternative power sources, such as generators, by essential public services during de-energization or public safety power shutoff events shall not be limited by state or local regulations or rules.

**XXIV. Energy - It shall be OMWD's policy to oppose legislation that:**

1. Adversely affects the cost or reliability of energy needed to move, treat, or deliver water.
2. Adversely affects OMWD's ability to own, operate, and/or contract work for supplying its own facilities with natural gas and electricity.
3. Impedes OMWD's ability to contract for the purchase of gas and electricity from the United States, the State of California, and any other public agency or private entity and sell the gas and electricity to any public agency or private entity engaged in retail sales of electricity and gas.
4. Restricts or caps future energy demands needed for possible expansion of recycled water, potable reuse, and desalination projects.
5. Adversely affects OMWD's ability to expand cogeneration at planned or existing facilities.
6. Prevents OMWD from enhancing energy reliability and independence for its facilities.
7. Imposes greenhouse gas reduction obligations on public water agencies for energy purchased or produced for the sole purpose of operating its system.

8. Does not count or credit qualified renewable energy projects toward accomplishment and satisfaction of the California Renewables Portfolio Standard objectives.
9. Mandates that water agencies include an embedded energy calculation for their water supply sources in the Urban Water Management Plan or any other water resource planning or master planning document.
10. Results in a lengthy, more complicated, or more costly interconnection of energy loads and resources such as solar, in-line hydroelectricity, pumped storage, and other renewable energy generation or storage technologies to the electric distribution and transmission grid.
11. Authorizes air quality management districts or other regulatory bodies to adopt or maintain rules that would limit or prohibit a local government entity's use of a state and/or federally compliant power generator during a de-energization or public safety power shutoff event.

**XXV. Local Autonomy - It shall be OMWD's policy to oppose legislation that:**

1. Diminishes the power of OMWD's Board of Directors to govern OMWD's affairs.
2. Diminishes OMWD's power or rights to govern relations with its employees.
3. Limits or restricts the ability of OMWD, or professional associations, trade groups, or regional coalitions it is a part of, to engage in public outreach, educational activities, legislative advocacy, training seminars, regional coordination, and similar activities that promote OMWD's mission.

**XXVI. Land Use and Water Management Planning - It shall be OMWD's policy to support legislation that:**

1. Promotes enhanced coordination and linkage of general plans and water management plans.
2. Discourages piecemeal or uncoordinated land use and water management planning.
3. Requires that projected population and other demographic factors utilized in forecasting future water demands in accordance with the Urban Water Management Planning Act and state law be consistent with the regional growth management plans and general plans applicable to the territory within the service area of the supplier.
4. Allows and funds land exchanges between local public agencies and federal or state agencies when mutually beneficial to all agencies and enhances water resources for the region.

5. Designates public lands that are tributary to drinking source water reservoirs as wilderness, habitat preserve, open space, or other protected status, provided such designation does not impede current or reasonable future use of those water resources.
6. Provides funding for, or otherwise facilitates, development of groundwater management plans pursuant to the sustainability efforts under the Sustainable Groundwater Management Act.
7. Protects floodplains and lands over prime groundwater recharge zones for stormwater catchment and bioremediation.
8. Considers the multiple local variables and priorities that are associated with water supply planning and the selection of water resources for implementation.

**XXVII. Land Use and Water Management Planning - It shall be OMWD's policy to oppose legislation that:**

1. Restricts OMWD's ability to utilize a demand forecasting methodology that is best suited for the region.
2. Imposes land use designations that preclude the use of such lands for public water infrastructure determined necessary to ensure a cost-effective, safe, and reliable water supply.
3. Requires the use of specific evaluation criteria in water supply planning and selection of potential water supply projects that fail to take into account or conflict with existing local and regional planning policies and implementation priorities.
4. Imposes mandates requiring specific water resources to be developed by water agencies that fail to take into account local factors such as water reliability, hydrologic and geographic characteristics, and the economic, political, public acceptance, and social environment, which can influence selection of resources, and/or fails to take into account or conflicts with existing local and regional planning policies and implementation priorities.

**XXVIII. Safety & Security - It shall be OMWD's policy to support legislation that:**

1. Provides funding for water infrastructure development, infrastructure security, cybersecurity, and replacement projects that benefit OMWD.
2. Provides funding for projects that provide security against terrorist acts or other criminal threats to water operations, facilities, or supplies.
3. Provides funding for security and cybersecurity vulnerability assessments.

4. Recognizes water agencies as emergency responders in the event of a sudden, 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 due to natural disasters (e.g., wildfires, earthquakes), power outages, and terrorist or other criminal activities.
5. Provides or expands protections of utility workers and vehicles by creating criminal penalty enhancements for violence or harassment against a worker and adding utility vehicles to the list of stationary vehicles drivers must treat with caution.
6. Allows OMWD to manage its vehicle fleet in a manner that prioritizes public safety and effective emergency response.

**XXIX. Safety & Security - It shall be OMWD's policy to oppose legislation that:**

1. Restricts OMWD's ability to respond swiftly and decisively to an emergency that threatens to disrupt water deliveries or restricts the draining of pipelines or other facilities in emergencies or for repairs or preventive maintenance.

**XXX. Jurisdictional Authority - It shall be OMWD's policy to refer all such legislation to the Board of Directors.**

**XXXI. Climate Change - It shall be OMWD's policy to support legislation that:**

1. Incorporates state-provided climate change information into statewide, regional, and local water management planning, and provides funding for projects that assist in adapting to the effects of climate change on the water supply portfolios across the state.
2. Provides financial support to local projects designed to mitigate or adapt to potential negative impacts of climate change on water supply reliability.
3. Promotes continued development and deployment of more sophisticated and integrated hydrological, water quality, and meteorological water monitoring for the purpose of assessing water supply conditions resulting from climate change.

**XXXII. Climate Change - It shall be OMWD's policy to oppose legislation that:**

1. Places an undue burden or compromises OMWD's ability to implement its primary mission.

**XXXIII. Employment Matters - It shall be OMWD's policy to support legislation that:**

1. Continues to reform workers' compensation.

2. Results in predictable costs and benefits for employees.
3. Provides a pathway for military veterans to apply their advanced skills and experience toward state and industry-supplied certifications in the water and wastewater treatment and distribution operator fields.

**XXXIV. Employment Matters - It shall be OMWD's policy to oppose legislation that:**

1. Creates unrealistic ergonomic protocol.
2. Interferes with OMWD's efficient operation.
3. Results in unreasonable costs associated with unnecessary requirements such as providing 24 hours' notice for overtime work.

**XXXV. Governance - It shall be OMWD's policy to support legislation that:**

1. Promotes transparent government processes when burdens upon OMWD are reasonable and cost-neutral.
2. Ensures an open and transparent process for adoption of regulations, policies, and guidelines by state agencies.

**XXXVI. Governance - It shall be OMWD's policy to oppose legislation that:**

1. Does not provide resources, while requiring additional burdensome governance-related requirements.

# LEGISLATIVE REPRESENTATIVES

The officials below are representatives in OMWD's service area.

## CALIFORNIA STATE ASSEMBLY



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## CALIFORNIA STATE SENATE



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2385 Camino Vida Roble,  
Suite 205  
Carlsbad, CA 92011  
760-438-2005



---

**Sen. Brian W. Jones**

Capitol Office  
1021 O Street, Room 7640  
Sacramento, CA 95814  
916-651-4940

Senate District 40

District Offices  
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Escondido, CA 92025  
760-796-4655  
10650 Trenea Street, #110  
San Diego, CA 92131  
858-547-3818

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## UNITED STATES HOUSE OF REPRESENTATIVES



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202-225-3906

Congressional District 49

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2385 Camino Vida Roble,  
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Carlsbad, CA 92011  
760-599-5000



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## UNITED STATES SENATE



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Washington, DC 20510  
202-224-3841

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4111 W. Alameda Avenue,  
Suite 608  
Burbank, CA 91505  
818-303-3841



---

**Sen. Alex Padilla**

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# PUBLIC AFFAIRS, LEGISLATIVE, AND REGULATORY TEAM

## OLIVENHAIN MUNICIPAL WATER DISTRICT

Kimberly A. Thorner  
*General Manager*

Joey Randall  
*Assistant General Manager*

John Carnegie  
*Customer Services Manager*

Brian Sodeman  
*Customer Service and Public Affairs Supervisor*

Teresa Chase  
*Administrative Analyst*

Melody Colombo  
*Administrative Analyst*

Joe Jansen  
*Administrative Analyst*

## NOSSAMAN, LLP

Ashley S. Walker  
*Senior Policy Advisor*

## BLUEWATER STRATEGIES, LLC

McKie Campbell  
*Owner*

Jason Matthews  
*Principal*



1966 Olivenhain Road  
Encinitas, CA 92024-5699  
Phone 760-753-6466

**[WWW.OLIVENHAIN.COM](http://WWW.OLIVENHAIN.COM)**

*For more information on this report or OMWD's public affairs program, contact Brian Sodeman at [bsodeman@olivenhain.com](mailto:bsodeman@olivenhain.com).*

# Memo

G, H

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

TWELVE MONTH CALENDAR / OTHER MEETINGS /

REPORTS / BOARD COMMENTS

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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 3/9/26)**

Date(s)	Event	Time	Location	Attending Board Member(s)	Additional Information (Speakers' Topic, Cohosts, etc.)
<b><u>FEBRUARY 2026</u></b>					
Feb 24-26	ACWA DC Conference		Washington DC	Maloni	
27-Feb	Conference Call with the General Manager RE: Jones Litigation Update			Guerin	
Feb 25-27	Urban Water Institute Conference		Palm Desert, CA	Lanfried	
<hr/>					
<b><u>MARCH 2026</u></b>					
2-Mar	KnowBe4 Cybersecurity Training			Maloni	
4-Mar	Safety Award Luncheon		Jack's Shack	Guerin, Maloni, Meyers	
4-Mar	SB 827 Board Training		Virtual	Lanfried, Maloni, Meyers	
Mar 4-5	CSDA Special District Leadership Academy - Module 2		Virtual	Lanfried	
5-Mar	Tour Presentation Overview	1:30 PM	Seaside Conference Room	Meyers	
7-Mar	KnowBe4 Cybersecurity Training: Social Engineering Awareness			Hahn	
11-Mar	KnowBe4 Cybersecurity Training			Lanfried	
12-Mar	Sierra Club Facilities Tour	8:00 AM		Meyers	
16-Mar	Facilities Committee Meeting			Guerin, Maloni	
17-Mar	Board Meeting Pre-Briefing	4:00 PM	Conference Call	Hahn	

# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

CORRESPONDENCE

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Any correspondence is attached.



February 11, 2026

[Redacted]

**Re: Notice of Plan Preparation and Notice of Public Hearing for Olivenhain Municipal Water District's (OMWD's) 2025 Urban Water Management Plan (UWMP)**

Dear [Redacted]

This letter provides notice that OMWD is currently preparing its 2025 UWMP and will hold a public hearing on the draft 2025 UWMP prior to consideration by OMWD's Board of Directors. Water agencies throughout the state are required by the California Department of Water Resources (DWR) to prepare a UWMP update every five years, to demonstrate that adequate water supplies are available to meet existing and future water demands (California Water Code Section 10610 et seq.).

Consistent with California Water Code Section 10621(b), this Notice of Plan Preparation is being distributed at least 60 days prior to the public hearing on adoption of the UWMP. OMWD's UWMP is used to guide conservation and water resource management programs, and to comply with state law. It characterizes the reliability of imported water supplies in the San Diego region, as well as other supply sources used by OMWD. The UWMP also considers future programs and facilities planned to ensure a safe and reliable water supply to OMWD customers.

The draft 2025 UWMP will be available for review online at [www.olivenhain.com/uwmp](http://www.olivenhain.com/uwmp) starting on Wednesday, April 1, 2026, and comments may be submitted through Thursday, April 30, 2026, attention Joe Jansen, OMWD Administrative Analyst, 1966 Olivenhain Road, Encinitas, California 92024.

OMWD will hold a public hearing on Wednesday, April 15, 2026, at 5:30 p.m., in the boardroom at OMWD's headquarters (1966 Olivenhain Road, Encinitas, California 92024). Instructions on how to join the public hearing virtually will be posted online at [www.olivenhain.com/boardmeetings](http://www.olivenhain.com/boardmeetings). The purpose of the public hearing is to receive input on the draft 2025 UWMP and consider any necessary revisions prior to consideration by OMWD's Board of Directors to adopt the 2025 UWMP, which is anticipated to occur on Wednesday, June 17, 2026.

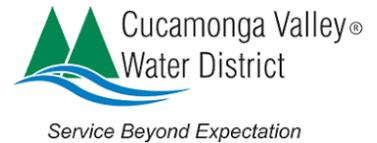


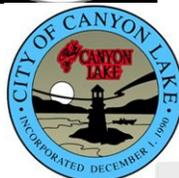
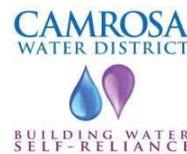
The adopted 2025 UWMP will be submitted to the California DWR, the County of San Diego, and the California State Library by July 1, 2026, as required by law.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kimberly A. Thorner". The signature is fluid and cursive, with the first name being the most prominent.

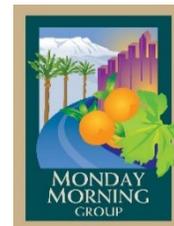
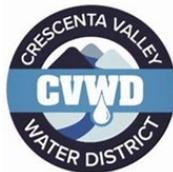
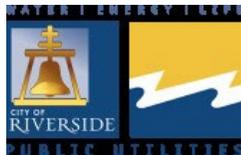
Kimberly A. Thorner  
General Manager







MID-PENINSULA WATER DISTRICT



March 5, 2026

Senator John Laird  
Chair, Senate Budget and Fiscal Review Committee  
1020 N Street, Room 502  
Sacramento, CA 95814

Senator Eloise Gomez Reyes  
Chair, Senate Budget Subcommittee 2  
1020 N Street, Room 502  
Sacramento, CA 95814

Assemblymember Jesse Gabriel  
Chair, Assembly Committee on Budget  
1021 O Street, Suite 8230  
Sacramento, CA 95814

Assemblymember Steve Bennett  
Chair, Assembly Budget Subcommittee 4  
1021 O Street, Suite 8230  
Sacramento, CA 95814

**RE:** Support for full funding for the implementation of SB 72 (Caballero 2025)

Dear Honorable Chairs,

The co-sponsors of SB 72, California Municipal Utilities Association (CMUA), California State Association of Counties (CSAC), and California Council for Environmental and Economic Balance (CCEEB), and the coalition of the organizations above respectfully request that the Legislature support full funding for the implementation of SB 72 in the 2026-27 budget as requested - \$6.8 million annually for 5 years and \$3.4 million annually thereafter.

The Legislature unanimously passed SB 72 (Caballero) last year, and the Governor signed this important piece of legislation that modernizes the California Water Plan and sets an interim water supply planning target. The legislation additionally requires the Department of Water Resources (DWR) to develop an action plan by 2033 to achieve long-term water supply targets by 2040.

The Governor's January 10, 2026 budget proposal proposes to include \$5.8 million General Fund in fiscal year 2026-27 and annually for the next 4 years, and \$2.4 million General Fund in 2031-32 and ongoing to fulfill the requirements of SB 72. DWR estimated the costs necessary to implement SB 72 as \$6.8 million annually for the first 5 years and \$3.4 million annually thereafter.

The Governor's proposed budget is \$1 million short annually for SB 72 implementation. This shortage will result in a major delay in meeting the water supply targets set forth in SB 72. As set forth in the Administration's Budget Change Proposal, the shortfall will likely lead to a 5–10-year delay and would spread DWR staff thin to meet the requirements of the legislation. Delaying this critical work amidst California's uncertain climate future is not acceptable.

For these reasons, we respectfully request full funding for SB 72 implementation in the 2026-27 budget. If you have any questions about our position, please contact Andrea Abergel with CMUA at [aabergel@cmua.org](mailto:aabergel@cmua.org) or (916) 841-4060.

Sincerely,

Andrea Abergel  
Director of Water  
California Municipal Utilities Association

Charles Delgado  
Legislative Advocate  
California State Association of Counties

Tim Carmichael  
President/CEO  
CCEEB

Debbie Murdock  
Executive Director  
Association of California Egg Farmers

Julia Bishop Hall  
Senior Legislative Advocate  
Association of California Water Agencies

Adrian Covert  
Senior VP, Public Policy  
Bay Area Council

Steve Lenton  
General Manager  
Bellflower Somerset Mutual Water Company

Megan Corcoran  
Executive Director  
California Alfalfa and Forage Association

Todd W. Sanders  
Executive Director  
California Apple Commission

Claudia Carter  
Executive Director  
California Association of Wheat Growers

Natalie Collins  
President  
California Association of Winegrape Growers

Jane Townsend  
Executive Director  
California Bean Shippers Association

Todd Sanders  
Executive Director  
California Blueberry Association

Dan Dunmoyer  
President and CEO  
California Building Industry Association

Kristopher Anderson  
Policy Advocate  
California Chamber of Commerce

Roger Isom  
President/CEO  
California Cotton Ginners and Growers Assoc.

Alex Biering  
Senior Policy Advocate  
California Farm Bureau

Melissa Frank  
President  
California Fresh Fruit Association

Chris Zanobini  
President/CEO  
California Grain and Feed Association

Lance Hastings  
President & CEO  
California Manufacturers & Technology Assoc.

Chris Zanobini  
Executive Director  
California Pear Growers Association

Chris Zanobini  
Executive Vice-President  
California Seed Association

Ann Quinn  
Executive Vice President  
California State Floral Association

Robert Verloop  
Executive Director/CEO  
California Walnuts

Ann Quinn  
Executive Vice President  
California Warehouse Association

Sharron Zoller  
President  
California Women for Agriculture

Kristine McCaffrey  
General Manager  
Calleguas Municipal Water District

Tom Moody  
General Manager  
City of Corona

Patricia Lock Dawson  
Mayor  
City of Riverside

Elizabeth Espinosa  
County of Riverside

J. M. Barrett  
General Manager  
Coachella Valley Water District

John Bosler, P.E.  
General Manager and CEO  
Cucamonga Valley Water District

Mark Orcutt  
President & CEO  
East Bay Leadership Council

Joe Mouawad, P.E.  
General Manager  
Eastern Municipal Water District

Jim Abercrombie  
General Manager  
El Dorado Irrigation District

Greg Thomas  
General Manager  
Elsinore Valley Municipal Water District

Joe Gagliardi  
Chief Executive Officer  
Folsom Chamber of Commerce

Johnny Amaral  
CEO  
Friant Water Authority

Christopher Valdez  
President  
Grower-Shipper Association

Paul Cook  
General Manager  
Irvine Ranch Water District

David Pedersen  
General Manager  
Las Virgenes Municipal Water District

Matt Hurley  
General Manager  
McMullin Area GSA

Paul Shoenberger, P.E.  
General Manager  
Mesa Water District

Kevin Abernathy  
Manager  
Milk Producers Council

Jimi Netniss  
General Manager  
Modesto Irrigation District

Justin Scott-Coe  
General Manager  
Monte Vista Water District

Patrick Ellis  
ACE/ President/CEO  
Murrieta/Wildomar Chamber of Commerce

John Kabateck  
State Director  
National Federation of Independent Business

Joanne Webster  
Chief Executive Officer  
North Bay Leadership Council

David Guy  
Executive Director  
Northern California Water Association

Todd Sanders  
Executive Director  
Olive Growers Council of California

Kim Thorner  
General Manager  
Olivenhain Municipal Water District

Chris Zanobini  
Executive Officer  
Pacific Coast Renderers Association

Debbie Murdock  
Executive Director  
Pacific Egg and Poultry Association

Dennis LaMoreaux  
General Manager  
Palmdale Water District

Jason Martin  
General Manager  
Rancho California Water District

Jon Switalski  
Executive Director  
Rebuild So-Cal Partnership

Tom Coleman  
General Manager  
Rowland Water District

Lisa Yamashita-Lopez  
General Manager  
Rubio Cañon Land and Water Association

Amanda Blackwood  
President & CEO  
Sac Metropolitan Chamber of Commerce

Miguel J. Guerrero  
P.E. General Manager  
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Heather Dyer  
General Manager  
San Bernardino Valley Municipal Water District

Adam Larsen  
General Manager  
San Juan Water District

Matt Stone  
General Manager  
Santa Clarita Valley Water Agency

Chris Lee  
General Manager  
Solano County Water Agency

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General Manager  
South San Joaquin Irrigation District

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Chair  
Southwest California Legislative Council

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General Manager  
Temescal Valley Water District

Matthew Litchfield  
General Manager  
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General Manager  
Trabuco Canyon Water District

Brad Koehn  
General Manager  
Turlock Irrigation District

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Executive Director  
Valley Ag Water Coalition

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General Manager  
West Basin Municipal Water District

Valerie Pryor  
General Manager  
Zone 7 Water Agency

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President/CEO  
Western Agricultural Processors Association

Dave Puglia  
President & CEO  
Western Growers

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Director, Administrative Services  
Western Plant Health

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General Manager  
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General Manager  
Camrosa Water District

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General Manager  
Jurupa Community Services District

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General Manager  
Rubidoux Community Services District

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General Manager  
San Gabriel County Water District

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General Manager  
Santa Ana Watershed Project Authority

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General Manager  
Valley County Water District

John Thiel  
General Manager  
West Valley Water District

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BizFed Los Angeles County

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Director of Communications  
Black Voice News

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Building Industry Assoc. of Southern CA

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General Manager  
Burbank Water and Power

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President  
California Association of Realtors

Robert C. Lapsley  
President  
California Business Roundtable

Greg Johnson  
President  
California Farm Water Coalition

Julian Canete  
President and CEO  
California Hispanic Chambers of Commerce

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Executive Director  
California Water Association

Sheri Merrick  
Executive Director  
Citrus Heights Chamber of Commerce

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Council Member  
City of Canyon Lake

Joe Males  
Mayor  
City of Hemet

Natasha Johnson  
Council Member  
City of Lake Elsinore

Chris Barajas  
Council Member  
City of Jurupa Valley

Dr. Lisa DeForest  
Mayor Pro Tem  
City of Murrieta

Paul Leon  
Mayor  
City of Ontario

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Interim General Manager  
City of Riverside Public Utilities

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Executive Director  
Economic Development Coalition

Jared Macias  
Administrative Office  
Puente Basin Water Agency

Ana Martin  
Governmental Affairs Manager  
Greater Riverside Chambers of Commerce

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Legislative Affairs Lobbyist  
League of California Cities

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Chairman of Board of Directors  
HDR Engineering

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General Manager  
San Diego County Water Authority

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CEO  
Industrial Environmental Association

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General Manager  
Kings River Conservation District

Wes Andree  
Executive Director  
Jurupa Mountain Discovery Center

Steven Haugen  
Watermaster  
Kings River Water Association

Ana Martin  
Staff Liaison  
Monday Morning Group of Riverside

Kat Wuelfing  
General Manager  
Mid-Peninsula Water District

Judi Penman  
President & CEO  
San Bernardino Area Chamber of Commerce

Jennifer Pierre  
General Manager  
State Water Contractors

Luis Portillo  
President & CEO  
San Gabriel Valley Economic Partnership

Mauricio Guardado  
General Manager  
United Water Conservation District

Aziz Amiri  
CEO  
San Gabriel Valley Regional Chamber of Commerce

Robb Grantham  
General Manager  
Santa Margarita Water District

Adam Ruiz  
Governmental Affairs Director  
SRCAR

Harvey De La Torre  
General Manager  
Municipal Water District of Orange County

Molly Kirkland  
Director of Public Affairs  
Southern CA Rental Housing Association

Charles Wilson  
Executive Director  
Southern California Water Coalition

Stephan Tucker  
General Manager  
Water Replenishment District

Glenn Farrel  
Executive Director  
CalDesal

Julia Inestroza  
President  
California Citrus Mutual

Tricia Geringer  
Vice President of Government Affairs  
Agricultural Council of California

John Urdi  
Executive Director  
Mammoth Lakes Tourism

Lacy Schoen  
President/CEO  
Brea Chamber of Commerce

Gina Molinaro-Cardera  
Board Supervisor  
Dublin Chamber of Commerce

Lance Eckhart  
General Manager  
San Geronio Pass Water Agency

Federico Barajas  
Executive Director  
San Luis & Delta Mendota Water Authority

Ernesto A. Avila  
Board President  
Contra Costa Water District

Caroline Schirato  
Board Chair  
Utica Water and Power Authority

Julee Malinowski-Ball  
Lobbyist for  
California Fire Chiefs Association

Julee Malinowski-Ball  
Lobbyist for  
Fire Districts Association of California

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Executive Director  
Mountain Counties Water Resources Assoc

Brenley McKenna  
Managing Director  
WateReuse California

Randy Schoellerman  
President  
California Groundwater Coalition

Neil McCormick  
CEO  
California Special Districts Association

Krista Bernasconi  
Mayor  
City of Roseville

Tim Worley  
Managing Director  
Community Water Systems Alliance

Sue Mosburg  
Executive Director  
CA-NV AWWA

Jacob Asare  
State Government Affairs Manager  
Associated Equipment Distributors

Shivaji Deshmukh, P.E.  
General Manager  
Metropolitan Water District of Southern California

Christiana Daisy  
Interim General Manager  
Inland Empire Utilities Agency

Jessica Gauger  
Director of Legislative Advocacy & Public Affairs  
California Association of Sanitation Agencies

Craig Kessler  
Executive Director  
California Alliance for Golf

Carlos Quintero  
General Manager  
Sweetwater Authority

Austin Ewell  
Executive Director  
Water Blueprint for the San Joaquin Valley  
Advocacy Fund

Ted Trimble  
General Manager  
Western Canal Water District

Jeff Payne  
Assistant General Manager  
Westlands Water District

Eric Will  
Policy Advocate  
Rural County Representatives of California

William Vanderwaal  
General Manager  
Tehama-Colusa Canal Authority

Mauricio Guardado  
General Manager  
United Water Conservation District

Jake Orta  
Legislative Policy Manager  
Yuhaaviatam of San Manuel Nation

James Lee  
General Manager  
Crescenta Valley Water District

Tia Fleming  
Executive Director  
California Water Efficiency Partnership

Julie Michaels  
Executive Director  
Inland Action, Inc.

Anthony L. Firenze, PE  
Director of Strategic Affairs  
Placer County Water Agency

Lewis Allen  
Chair  
Mission Grove Neighborhood Alliance

Jose Martinez  
General Manager  
Otay Water District



# NOSSAMAN<sup>LLP</sup> | Memorandum

**TO:** Olivenhain Municipal Water District  
**FROM:** Ashley Walker, Senior Policy Advisor, Nossaman LLP  
Jennifer Capitolo, Jennifer M. Capitolo and Associates LLC  
**DATE:** March 4, 2026  
**RE:** March 2026 Public Policy Report

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## **State Legislative Updates:**

**Status of the Legislature:** The 2026 California legislative session observed the lowest number of bill introductions in the past twenty years. This marks the first two-year cycle during which the limits on bill introductions were reduced to 35 bills per member per session. Previously, the Assembly's limit was 50 bills per member, while the Senate's was 40 bills per member. In 2025, a total of 2,350 bills were introduced, compared to 1,798 by the February 2026 deadline. Roughly one-third of these are spot bills, which Nossaman will be monitoring for substantive amendments.

The legislature continues to address the effects of federal actions. These developments have prompted legislative hearings to assess which programs will be affected by federal decisions and to what extent.

Policy committee hearings have begun, and Nossaman has already testified in hearings to support OMWD's positions.

**Governor Newsom's January Budget Proposal:** The legislature dove into budget deliberations this month, as Assembly and Senate budget subcommittees began scrutinizing the impacts of the governor's proposed budget on their respective policy portfolios.

Budget revenues are running billions above estimates, and spending is a few hundred million dollars below the governor's January budget estimates. California's revenue outlook has shown short-term improvement, according to a recent forecast by the Legislative Analyst's Office. Nonetheless, enduring uncertainties continue to concern state budget planners. The revised forecast indicates that revenues from personal income, corporate, and sales taxes are now projected to exceed the assumptions set forth in the governor's 2026-27 budget for this fiscal year, and to align closely with expectations for the upcoming budget period.

The legislature this month passed AB 107 (Gabriel), which was signed by the governor on February 19. This bill provided an Administrative Procedure Act exemption for all programs distributing Proposition 4 funds allocated in the 2025 budget.

Nossaman testified in a budget hearing on behalf of OMWD to support full funding for the implementation of SB 72 (Caballero, 2025) which will require the Department of Water Resources to update the California Water Plan.

**Legislation:** Nossaman has outlined suggested and current positions on bills below.

- **AB 35 (Alvarez): Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedure Act: exemption: program guidelines and selection criteria:** This bill would exempt future fiscal year appropriations of Proposition 4 spending from the Administrative Procedure Act. Exempting Proposition 4 funding from the APA is consistent with long-standing precedent for natural resource bonds, including Proposition 84 and Proposition 68. Full exemption would enable funds to be deployed more quickly and efficiently, ensuring that protracted administrative processes do not hold up vital community projects. The bill is being sponsored by the County of San Diego and is supported by ACWA along with a broad coalition of other water industry organizations.  
*OMWD Current Position: Support.*
- **AB 2180 (Ward): Local government: Proposition 218 Omnibus Implementation Act: proportional cost of service:** This bill would clarify how water and sewer service providers comply with Proposition 218 when setting water rates. This clarification would provide much needed predictability for water rate setting entities, support California's water-use conservation goals, and minimize unnecessary legal disputes over water rates.  
*Suggestion Position: Support.*
- **SB 1001 (Archuleta): Water utility workers: identification card program:** This bill creates a statewide utility worker identification program, operated by Cal OES. We are working with the sponsors to review amendments to this bill prior to taking a position.  
*Suggested Position: Watch.*
- **SB 1153 (Caballero): Disaster preparedness: urban retail water suppliers and public water systems: wildfire:** This bill is being sponsored by ACWA and would clarify the limited role of public water systems during wildfires while strengthening emergency preparedness in high-risk areas.  
*Suggestion Position: Support.*

**Other Legislative Initiatives:** Nossaman has been engaged in on-going supplementary legislative items, as outlined below.

- **Proposition 4 – Climate Bond:** The governor’s proposed budget appropriates \$2.1 billion from Proposition 4 in the 26-27 fiscal year, to fund various grant programs. Nossaman will continue to monitor the release of funds being administered by California Natural Resources Agency and various departments within the agency. Now that the requirement to comply with the APA has been waived for the current fiscal year, we will alert OMWD of grant solicitations that are released.

**Governor’s Actions and Executive Orders:** The following actions have been taken by the state since the last report. This list is compiled from CalOES, California Health and Human Services, California Department of Public Health, and FEMA.

- March 3 – Governor Newsom proclaimed Peace Corps Week.

### **Regulatory Updates:**

#### **State Water Resources Control Board:**

Division of Drinking Water: On March 3, State Water Resources Control Board received a presentation and approved a resolution from the Division of Drinking Water on the 2026 priorities for water regulations development. PFAS, NDMA, and Disinfection Byproducts were the highest priorities for Maximum Contaminant Levels. Manganese (revision), Cyanotoxins, and PFHpA were the highest priorities for Notification and Response Levels. Many water industry representatives spoke during the public comment period to request additional coordination with the Board as they develop these priorities.

#### **Department of Water Resources:**

California Water Plan: Every 5 years, California Department of Water Resources updates the California Water Plan to reflect current water conditions, state priorities, and climate resilience strategies. The California Water Plan serves as the strategic blueprint for managing the state’s water resources. In 2025, OMWD supported SB 72 (Caballero) which moved the California Water Plan from a planning document to a directive document. The state has started the development of the 2028 California Water Plan, which will guide water resource decisions, support implementation, and help California plan for a hotter and more unpredictable future. Under the new SB 72 statute, the Water Plan will be grounded in data, informed by regional realities, and shaped through public engagement. Nossaman plans to engage with Department of Water Resources and the 2028 Water Plan Advisory Committee throughout the process.



**Olivenhain Legislative Report 2025-26  
Report as of 3/4/2026**

**Support**

**AB 35** (**Alvarez, D**) **Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedure Act: exemption: program guidelines and selection criteria.**

**Current Text:** 01/14/2026 - Amended [HTML](#) [PDF](#)

**Introduced:** 12/02/2024

**Last Amended:** 01/14/2026

**Status:** 01/27/2026 - In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 01/27/2026 - Senate Rules

**Summary:** The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, approved by the voters as Proposition 4 at the November 5, 2024, statewide general election, authorized the issuance of bonds in the amount of \$10,000,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate-smart, sustainable, and resilient farms, ranches, and working lands, park creation and outdoor access, and clean air programs. Current law authorizes certain regulations needed to effectuate or implement programs of the act to be adopted as emergency regulations in accordance with the Administrative Procedure Act, as provided. Current law requires the emergency regulations to be filed with the Office of Administrative Law and requires the emergency regulations to remain in effect until repealed or amended by the adopting state agency. This bill, notwithstanding the above, would exempt the adoption of regulations needed to effectuate or implement programs of the act from the requirements of the Administrative Procedure Act, as provided. The bill would require a state entity that receives funding to administer a competitive grant program established using the Administrative Procedure Act exemption to do certain things, including develop draft project solicitation and evaluation guidelines and to submit those guidelines to the Secretary of the Natural Resources Agency, except as provided. The bill would require the Secretary of the Natural Resources Agency to post an electronic form of the guidelines submitted by a state entity and the subsequent verifications on the Natural Resources Agency's internet website. (Based on 01/14/2026 text)

**Position:** Support

**Notes:**

1/27/2026 Letter of support submitted to Assemblymember Alvarez's Office

**AB 259** (**Rubio, Blanca, D**) **Open meetings: local agencies: teleconferences.**

**Current Text:** 04/21/2025 - Amended [HTML](#) [PDF](#)

**Introduced:** 01/16/2025

**Last Amended:** 04/21/2025

**Status:** 07/17/2025 - Failed Deadline pursuant to Rule 61(a)(10). (Last location was JUD. on 5/14/2025)(May be acted upon Jan 2026)

**Location:** 07/17/2025 - Senate 2 YEAR

**Summary:** The Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law requires a member to satisfy specified requirements to participate in a meeting remotely pursuant to these alternative teleconferencing provisions, including that specified circumstances apply. Current law establishes limits on the number of meetings a member may participate in solely by teleconference from a remote location pursuant to these alternative teleconferencing provisions, including prohibiting such participation for more than 2 meetings per year if the legislative body regularly meets once per month or less. This bill would extend the alternative teleconferencing procedures until January 1, 2030. (Based on 04/21/2025 text)

**Position:** Support

**Notes:**

2/25/25 filed letter of support and shared with all cc's.  
3/5/25 - signed on to CSDA coalition letter of support.  
4/24/25 - ACWA has a support position on bill.  
6/20/2025 - Letter of Support filed Senate Local Govt, Judiciary, sent to cc's

## Watch

### **AB 372** (**Bennett, D**) **Office of Emergency Services: state matching funds: water system infrastructure improvements.**

**Current Text:** 08/29/2025 - Amended [HTML](#) [PDF](#)

**Introduced:** 02/03/2025

**Last Amended:** 08/29/2025

**Status:** 09/11/2025 - Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/3/2025) (May be acted upon Jan 2026)

**Location:** 09/11/2025 - Senate 2 YEAR

**Summary:** Current law charges the Office of Emergency Services (OES) with coordinating various emergency activities within the state. The California Emergency Services Act, contingent upon an appropriation by the Legislature, requires the OES to enter into a joint powers agreement pursuant to the Joint Exercise of Powers Act with the Department of Forestry and Fire Protection to develop and administer a comprehensive wildfire mitigation program relating to structure hardening and retrofitting and prescribed fuel modification activities. Current law authorizes the joint powers authority to establish financial assistance limits and matching funding or other recipient contribution requirements for the program, as provided. This bill, contingent upon appropriation by the Legislature, would establish the Rural Water Infrastructure for Wildfire Resilience Program within the OES for the distribution of state matching funds to urban wildland interface communities, as defined, in designated high fire hazard severity zones or very high fire hazard severity zones to improve water system infrastructure, as prescribed. The bill would require the OES to work in coordination with the Department of Water Resources, the State Water Resources Control Board, the Office of the State Fire Marshal, and other state entities as the OES determines to be appropriate, to achieve the purposes of the program. (Based on 08/29/2025 text)

**Position:** Watch

### **AB 532** (**Ransom, D**) **Water rate assistance program.**

**Current Text:** 07/17/2025 - Amended [HTML](#) [PDF](#)

**Introduced:** 02/11/2025

**Last Amended:** 07/17/2025

**Status:** 08/29/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/18/2025)(May be acted upon Jan 2026)

**Location:** 08/29/2025 - Senate 2 YEAR

**Summary:** Current federal law, the Consolidated Appropriations Act, 2021 requires the federal Department of Health and Human Services to carry out a Low-Income Household Drinking Water and Wastewater Emergency Assistance Program, which is also known as the Low Income Household Water Assistance Program, for making grants to states and Indian tribes to assist low-income households that pay a high proportion of household income for drinking water and wastewater services, as provided. Current law requires the Department of Community Services and Development to administer the Low Income Household Water Assistance Program in this state, and to receive and expend moneys appropriated and allocated to the state for purposes of that program, pursuant to the above-described federal law. The Low Income Household Water Assistance Program was only operative until March 31, 2024. This bill would repeal the above-described requirements related to the Low Income Household Water Assistance Program. (Based on 07/17/2025 text)

**Position:** Watch

### **AB 638** (**Rodriguez, Celeste, D**) **Stormwater: uses: irrigation.**

**Current Text:** 07/03/2025 - Amended [HTML](#) [PDF](#)

**Introduced:** 02/13/2025

**Last Amended:** 07/03/2025

**Status:** 08/29/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/18/2025)(May be acted upon Jan 2026)

**Location:** 08/28/2025 - Senate 2 YEAR

**Summary:** The Stormwater Resource Planning Act requires the State Water Resources Control Board, by July 1, 2016, to establish guidance for purposes of the act. This bill would require the board, by December 1, 2026, to develop recommendations for stormwater capture and use for the irrigation of urban public lands, as defined. The bill would require the recommendations to address, but not be limited to, opportunities for the use of captured

stormwater for irrigation to offset the use of potable water, as specified, and recommendations for, among other things, pathogens and pathogen indicators and total suspended solids. Prior to approving the recommendations, the bill would require the board to solicit and receive written public comment on proposed recommendations. (Based on 07/03/2025 text)

**Position:** Watch

**AB 990** (**Hadwick, R**) **Public water systems: emergency notification plan.**

**Current Text:** 02/20/2025 - Introduced [HTML](#) [PDF](#)

**Introduced:** 02/20/2025

**Status:** 09/11/2025 - Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 6/30/2025)(May be acted upon Jan 2026)

**Location:** 09/11/2025 - Senate 2 YEAR

**Summary:** Current law prohibits a person from operating a public water system without an emergency notification plan that has been submitted to and approved by the State Water Resources Control Board. Current law requires the emergency notification plan to provide for immediate notice to the customers of the public water system of any significant rise in the bacterial count of water or other failure to comply with any primary drinking water standard that represents an imminent danger to the health of the water users. This bill would authorize and encourage a public water system to provide notification to water users in their preferred language when updating the emergency notification plan, if resources are available. (Based on 02/20/2025 text)

**Position:** Watch

**AB 1146** (**Papan, D**) **Water infrastructure: dams and reservoirs: water release: false pretenses.**

**Current Text:** 06/23/2025 - Amended [HTML](#) [PDF](#)

**Introduced:** 02/20/2025

**Last Amended:** 06/23/2025

**Status:** 08/29/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/18/2025)(May be acted upon Jan 2026)

**Location:** 08/29/2025 - Senate 2 YEAR

**Summary:** Would prohibit the release of stored water from a reservoir owned and operated by the United States in this state if the release is done under false pretenses, which the bill would define to mean a release of water from a reservoir owned and operated by the United States in a manner that is knowingly, designedly, and intentionally under any false or fraudulent representation as to the purpose and intended use of the water. The bill would authorize the State Water Resources Control Board or the Attorney General, as provided, to bring an action for injunctive relief for a violation of the above-described prohibition. By expanding the scope of a crime, the bill would impose a state-mandated local program. (Based on 06/23/2025 text)

**Position:** Watch

**AB 1413** (**Papan, D**) **Sustainable Groundwater Management Act: groundwater adjudication.**

**Current Text:** 09/02/2025 - Amended [HTML](#) [PDF](#)

**Introduced:** 02/21/2025 (Spot bill)

**Last Amended:** 09/02/2025

**Status:** 09/11/2025 - Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/9/2025) (May be acted upon Jan 2026)

**Location:** 09/11/2025 - Senate 2 YEAR

**Summary:** Current law requires the Department of Water Resources to periodically review the groundwater sustainability plans developed by groundwater sustainability agencies pursuant to the act to evaluate whether a plan conforms with specified laws and is likely to achieve the sustainability goal for the basin covered by the plan. Current law requires a groundwater sustainability agency to evaluate its groundwater sustainability plan periodically. This bill would require a groundwater sustainability agency to, at least once every 7 years, review, and update if appropriate, its sustainable yield to ensure that the sustainable yield is based on the best available information and best available science, as defined, and will achieve sustainable groundwater management. The bill would also require a groundwater sustainability agency to provide an opportunity for public review and comment before making a determination whether to update its sustainable yield. To the extent that these requirements impose additional duties on groundwater sustainability agencies that are local agencies, the bill would impose a state-mandated local program. (Based on 09/02/2025 text)

**Position:** Watch

**AB 1486** (**Soria, D**) **Climate resiliency: research farms: grant program.**

**Current Text:** 01/22/2026 - Amended [HTML](#) [PDF](#)

**Introduced:** 02/21/2025

**Last Amended:** 01/22/2026

**Status:** 01/29/2026 - Read third time. Passed. Ordered to the Senate. (Ayes 75. Noes 0.) In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 01/29/2026 - Senate Rules

**Summary:** The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 makes \$300,000,000 available, upon appropriation by the Legislature, for improving climate resilience and sustainability of agricultural lands, including, among other things, by making \$15,000,000 available, upon appropriation by the Legislature, to the State Department of Education, in consultation with the Department of Food and Agriculture, for purposes of providing grants to public postsecondary educational institutions that are designated as Agricultural Experiment Stations or Agricultural Research Institutes, to develop research farms to improve climate resiliency, as specified. This bill would provide, for purposes of the grants, that Agricultural Experiment Stations and Agricultural Research Institutes are designated by the University of California and the California State University. (Based on 01/22/2026 text)

**Position:** Watch

**AB 1873** **(Bennett, D) County of Ventura: fire suppression: backup energy source.**

**Current Text:** 02/12/2026 - Introduced [HTML](#) [PDF](#)

**Introduced:** 02/12/2026

**Status:** 03/02/2026 - Referred to Coms. on E.M and U. & E.

**Location:** 03/02/2026 - Assembly Emergency Management

**Summary:** Current law requires, by July 1, 2030, a water supplier, as defined, to have access to sufficient backup energy sources to operate critical fire suppression infrastructure, as defined, needed to supply water for at least 24 hours for the purpose of fire suppression in high or very high fire hazard severity zones in the County of Ventura, or to have access to alternative sources of water supplied by a different water supplier or agency that can serve this same purpose of supplying backup water to critical wells and water pumps for 24 hours, as provided. Current law authorizes a water supplier that uses a backup energy source that is not permanent and stationary to use mobile backup energy sources or procure an energy source via an established mutual aid agreement provided that the backup energy source can provide power within 12 hours of the National Weather Service alerting the County of Ventura of a red flag warning and provide power for at least 24 hours after a loss of power and within 60 minutes of a loss of power. Current law requires, if any fire damages and makes uninhabitable more than 10 residential dwellings within the service area of a water supplier, a report be made by the Ventura County Fire Department in cooperation with the water supplier, as specified. This bill would authorize a water supplier to use a backup energy source that is not permanent or stationary, provided that the backup energy source can, among other things, provide power within 90 minutes of a loss of power, or as soon as practically possible after deenergization. The bill would require a water supplier that uses a backup energy source that is not permanent and stationary to notify the Ventura County Office of Emergency Services as soon as practically possible if that backup energy source does not provide power within 90 minutes of a loss of power. (Based on 02/12/2026 text)

**Position:** Watch

**AB 1881** **(Ramos, D) California Indian Freedom Act of 2026.**

**Current Text:** 02/12/2026 - Introduced [HTML](#) [PDF](#)

**Introduced:** 02/12/2026

**Status:** 03/03/2026 - In committee: Hearing postponed by committee.

**Location:** 03/02/2026 - Assembly Judiciary

**Summary:** Current law establishes various protections for California Native American tribes, including prohibiting a public agency or private party using or occupying public property or operating on public property from interfering with the free expression or exercise of Native American religion as provided in the United States Constitution and the California Constitution. Current law also requires a local government to provide formal notification to each California Native American tribe that is traditionally and culturally affiliated with the project site as an invitation to consult on the proposed project, as provided. Existing law requires the local government, during the consultation, to give deference to the tribal information, tribal knowledge and customs, and the significance of the resource to the California Native American tribe. Current law prohibits any information, as described, that is submitted by a California Native American tribe during the environmental review process from being included in the environmental document or otherwise disclosed by the lead agency or any other public agency to the public, as specified, without the prior consent of the tribe that provided the information. This bill, the California Indian Freedom Act of 2026, would prohibit a governmental agency from substantially burdening a California Indian or California Native American tribe's exercise of religious beliefs or spiritual practices, including their access to and use of sacred sites and objects, and their ability to perform religious ceremonies and rites, even if the burden results from a rule of general applicability, unless the governmental agency demonstrates that application of the burden is in

furtherance of a compelling governmental interest and is in the least restrictive means of furthering that interest. The act would apply to all state and local government actions, including, among others, permitting decisions, land use approvals, and enforcement actions. The bill would authorize a California Indian or tribe to assert a violation of these provisions as a claim or defense in any judicial or administrative proceeding, as specified. Before any governmental agency undertakes, approves, permits, funds, or authorizes a project that may impact a sacred site or cultural landscape, the bill would require the governmental agency to engage in early, meaningful and good-faith government-to-government consultation with an affected tribe. (Based on 02/12/2026 text)

**Position:** Watch

**AB 2013** **(Bennett, D) Fire risk areas: water suppliers: emergency preparedness plan.**

**Current Text:** 02/17/2026 - Introduced [HTML](#) [PDF](#)

**Introduced:** 02/17/2026

**Status:** 02/18/2026 - From printer. May be heard in committee March 20.

**Location:** 02/17/2026 - Assembly PRINT

**Summary:** Current law requires the State Fire Marshal to identify areas in the state as moderate, high, and very high fire hazard severity zones based on consistent statewide criteria and based on the severity of fire hazard that is expected to prevail in those areas. Current law requires a local agency to designate, by ordinance, moderate, high, and very high fire hazard severity zones in its jurisdiction within 120 days of receiving recommendations from the State Fire Marshal, as provided. This bill would require a water supplier that services more than 100 customers that are located in a moderate, high, or very high fire hazard severity zone, as specified, to establish an emergency preparedness plan for response to red flag warnings, extreme weather events, and other major power outages or emergencies that pose a potential threat to providing adequate water service. (Based on 02/17/2026 text)

**Position:** Watch

**AB 2125** **(Bennett, D) Groundwater basin adjudication: notice.**

**Current Text:** 02/18/2026 - Introduced [HTML](#) [PDF](#)

**Introduced:** 02/18/2026

**Status:** 02/19/2026 - From printer. May be heard in committee March 21.

**Location:** 02/18/2026 - Assembly PRINT

**Summary:** Current law requires a plaintiff who files an action to comprehensively determine rights to extract groundwater from a basin to provide the court a draft notice of commencement of groundwater basin adjudication and a draft form answer to adjudication complaint, as specified. Current law also requires a plaintiff to file, within a specified timeframe, a motion for approval of the draft notice and draft form answer. Under current law, once the court approves the draft notice, the plaintiff is required to serve the notice, as specified. Following a court order approving both the notice and draft form answer and authorizing service thereof, current law requires the plaintiff to take additional steps to provide notice to defendants including, but not limited to, mailing, by registered mail or certified mail, return receipt requested, the notice, complaint, and form answer to all holders of fee title to real property in the basin. Under current law, if a return receipt is not received for a parcel of real property, the plaintiff must post a copy of the notice, complaint, and form answer in a conspicuous place on the real property. After completing these notice procedures, existing law requires the plaintiff to file a notice of completion of the mailing with the court. This bill would impose additional requirements on a plaintiff when filing the notice of completion of mailing. The bill would require the plaintiff to include with the notice of completion an affidavit of the person who mailed the notice and the certified or registered mail delivery receipt for each parcel showing the date, time, and place of mailing. (Based on 02/18/2026 text)

**Position:** Watch

**AB 2180** **(Ward, D) Local government: Proposition 218 Omnibus Implementation Act: proportional cost of service.**

**Current Text:** 02/19/2026 - Introduced [HTML](#) [PDF](#)

**Introduced:** 02/19/2026

**Status:** 03/02/2026 - Referred to Com. on L. GOV.

**Location:** 03/02/2026 - Assembly Local Government

**Summary:** The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency. As part of those requirements, the California Constitution mandates that such fees or charges that are extended, imposed, or increased satisfy certain requirements, including, but not limited to, that the amount of the fee or charge imposed upon any parcel or person as an incident of property ownership not exceed the proportional cost of the service attributable to the parcel. Current law, known as the Proposition 218 Omnibus Implementation Act (act), prescribes specific procedures and parameters for local jurisdictions to comply with these requirements and, among other things, authorizes an agency providing water, wastewater, sewer, or refuse collection services to adopt a schedule of fees or charges

authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or adjustments for inflation under certain circumstances. This bill would authorize a local government to demonstrate the proportional cost of the service attributable to the parcel by any method that reasonably allocates the ascertainable cost of providing service to all parcels, if substantiated as provided. (Based on 02/19/2026 text)

**Position:** Watch

**AB 2218** **(Kalra, D) Water policy: California Native American tribes.**

**Current Text:** 02/19/2026 - Introduced [HTML](#) [PDF](#)

**Introduced:** 02/19/2026

**Status:** 02/20/2026 - From printer. May be heard in committee March 22.

**Location:** 02/19/2026 - Assembly PRINT

**Summary:** Current law establishes various state water policies, including the policy that the use of water for domestic purposes is the highest use of water and the human right to water. This bill would declare that it is the established policy of the state to acknowledge and correct the inequities caused by state-sanctioned acts of termination, removal, and assimilation inflicted upon all California Native American tribes through compensation, legal recognition of rights, or replacement of benefits lost. The bill would require all relevant state agencies, including the Department of Water Resources and the State Water Resources Control Board, to consider and incorporate this policy when revising, adopting, or establishing rights, policies, regulations, permits, or grant criteria to address identified inequities. (Based on 02/19/2026 text)

**Position:** Watch

**ACA 11** **(Macedo, R) California Water Resiliency Act.**

**Current Text:** 03/24/2025 - Introduced [HTML](#) [PDF](#)

**Introduced:** 03/24/2025

**Status:** 03/25/2025 - From printer. May be heard in committee April 24.

**Location:** 03/24/2025 - Assembly PRINT

**Summary:** This measure, the California Water Resiliency Act, would require the Treasurer to annually transfer an amount equal to 1% of all state revenues from the General Fund to the Water Conveyance and Capacity Infrastructure Fund, which the measure would create. The measure would continuously appropriate moneys in the fund to the California Water Commission for its actual costs of implementing these provisions and for administering grants for the entitlement, repair, design, and construction of water infrastructure projects that will maintain or expand the availability of clean, safe drinking water for homes and businesses, and water for agricultural uses, consistent with area of origin water rights. (Based on 03/24/2025 text)

**Position:** Watch

**SB 239** **(Arreguin, D) Open meetings: teleconferencing: subsidiary body.**

**Current Text:** 04/07/2025 - Amended [HTML](#) [PDF](#)

**Introduced:** 01/30/2025

**Last Amended:** 04/07/2025

**Status:** 01/27/2026 - Read third time. Passed. (Ayes 29. Noes 11.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

**Location:** 01/27/2026 - Assembly DESK

**Summary:** The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as specified. Current law, until January 1, 2026, authorizes specified neighborhood city councils to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if, among other requirements, the city council has adopted an authorizing resolution and 2/3 of the neighborhood city council votes to use alternate teleconference provisions, as specified. This bill would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. The bill would require the subsidiary body to post the agenda at each physical meeting location designated by the subsidiary body, as specified. The bill would require the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, as specified. (Based on 04/07/2025 text)

**Position:** Watch

**SB 556** **(Hurtado, D) Habitat enhancement and restoration: floodplains.**

**Current Text:** 07/17/2025 - Amended [HTML](#) [PDF](#)

**Introduced:** 02/20/2025

**Last Amended:** 07/17/2025

**Status:** 08/28/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/20/2025)(May be acted upon Jan 2026)

**Location:** 08/28/2025 - Assembly 2 YEAR

**Summary:** Current law, the Wildlife Conservation Board within the Department of Fish and Wildlife administers various habitat conservation and restoration programs. This bill would require, upon appropriation by the Legislature, the sum of \$21,500,000 to be allocated to the board for floodplain acquisition, habitat restoration, and associated conservation projects on floodplains in the Counties of Kern, Kings, and Tulare, as provided. (Based on 07/17/2025 text)

**Position:** Watch

**SB 594** **(Padilla, D) Waste discharge permits: landfills.**

**Current Text:** 06/24/2025 - Amended [HTML](#) [PDF](#)

**Introduced:** 02/20/2025

**Last Amended:** 06/24/2025

**Status:** 07/17/2025 - Failed Deadline pursuant to Rule 61(a)(10). (Last location was E.S. & T.M. on 6/9/2025)(May be acted upon Jan 2026)

**Location:** 07/17/2025 - Assembly 2 YEAR

**Summary:** The California Integrated Waste Management Act of 1989 prohibits a regional water quality control board from issuing a waste discharge permit for a new landfill, or a lateral expansion of an existing landfill, that is used for the disposal of nonhazardous solid waste if the land has been primarily used at any time for the mining or excavation of gravel or sand, except as specified. This bill would prohibit a state agency from issuing a waste discharge permit for a new Class III landfill, as defined, unless certain conditions are met, including, but not limited to, the county board of supervisors for the county in which the proposed project resides has held a separate publicly noticed hearing to consider whether the proposed landfill is consistent with the goals, policies, and objectives of the environmental justice element of the county's general plan. To the extent that the bill would require counties to perform additional duties related to application for a new Class III landfill, this bill would impose a state-mandated local program. (Based on 06/24/2025 text)

**Position:** Watch

**SB 599** **(Caballero, D) Atmospheric rivers: research: forecasting methods: experimental tools.**

**Current Text:** 04/24/2025 - Amended [HTML](#) [PDF](#)

**Introduced:** 02/20/2025

**Last Amended:** 04/24/2025

**Status:** 09/11/2025 - Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/10/2025)(May be acted upon Jan 2026)

**Location:** 09/11/2025 - Assembly 2 YEAR

**Summary:** Current law establishes the Atmospheric Rivers Research and Forecast Improvement Program: Enabling Climate Adaptation Through Forecast-Informed Reservoir Operations and Hazard Resiliency (AR/FIRO) Program in the Department of Water Resources. Current law requires the department to operate reservoirs in a manner that improves flood protection, and to reoperate flood control and water storage facilities to capture water generated by atmospheric rivers. This bill would, for novel forecasting methods researched, developed, and implemented by the department, require the department to include the use of experimental tools that produce seasonal and subseasonal atmospheric river forecasts, as defined. (Based on 04/24/2025 text)

**Position:** Watch

**SB 601** **(Allen, D) Water: waste discharge.**

**Current Text:** 07/10/2025 - Amended [HTML](#) [PDF](#)

**Introduced:** 02/20/2025

**Last Amended:** 07/10/2025

**Status:** 08/28/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/20/2025)(May be acted upon Jan 2026)

**Location:** 08/28/2025 - Assembly 2 YEAR

**Summary:** The State Water Resources Control Board and the 9 California regional water quality control boards regulate water quality and prescribe waste discharge requirements in accordance with the Porter-Cologne Water Quality Control Act (act) and the National Pollutant Discharge Elimination System (NPDES) permit program. Under the act, the State Water Resources Control Board is authorized to adopt water quality control plans for waters for which quality standards are required by the federal Clean Water Act, as specified, and that in the event of a conflict, those plans supersede regional water quality control plans for the same waters. This bill would authorize the state board to adopt water quality control plans for nexus waters, which the bill would define as all waters of the state that are not also navigable, except as specified. The bill would require any water quality standard that was submitted to, and approved by, or is awaiting approval by, the United States Environmental Protection Agency or the state board that applied to nexus waters as of May 24, 2023, to remain in effect, as provided. (Based on 07/10/2025 text)

**Position:** Watch

**SB 724** **(Richardson, D) Public housing: lead testing.**

**Current Text:** 05/05/2025 - Amended [HTML](#) [PDF](#)

**Introduced:** 02/21/2025

**Last Amended:** 05/05/2025

**Status:** 08/28/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/20/2025)(May be acted upon Jan 2026)

**Location:** 08/28/2025 - Assembly 2 YEAR

**Summary:** Current law prohibits a person from using 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, except when necessary for the repair of leaded joints of cast iron pipes. Current law requires a community water system to compile an inventory of known lead user service lines in use in its distribution system and identify areas that may have lead user service lines in use in its distribution system, as provided. This bill would require the owner of a public housing unit that is owned or managed by a city, county, city and county, or city, county, or city and county housing authority, to provide information to the residents of the public housing unit regarding any applicable existing program that offers free testing of the water for lead. (Based on 05/05/2025 text)

**Position:** Watch

**SB 872** **(McNerney, D) Climate change: funding priorities.**

**Current Text:** 02/18/2026 - Amended [HTML](#) [PDF](#)

**Introduced:** 01/06/2026

**Last Amended:** 02/18/2026

**Status:** 03/03/2026 - Set for hearing March 18.

**Location:** 02/26/2026 - Senate Environmental Quality

**Summary:** The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include in its regulation of those emissions the use of market-based compliance mechanisms. Current law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund. Current law requires, beginning with 2026–27 fiscal year, that funds be allocated according to a specified priority, including, among other things, that the sum of \$1,000,000,000 be reserved for appropriation by the Legislature in the annual Budget Act or other statute. This bill would require, of that amount, beginning with the 2026–27 fiscal year and continuing through the 2046–47 fiscal year, the sum of \$150,000,000 be appropriated annually, to the Department of Water Resources for the purposes of supporting capital improvements to restore the original design water conveyance capacity for state water conveyance systems impacted operationally by land subsidence, and the sum of \$150,000,000 be appropriated annually to the Sacramento-San Joaquin Delta Conservancy for projects in the Sacramento-San Joaquin Delta to improve existing levees, as specified, thereby making an appropriation. (Based on 02/18/2026 text)

**Position:** Watch

**SB 1001** **(Archuleta, D) Water utility workers: identification card program.**

**Current Text:** 02/09/2026 - Introduced [HTML](#) [PDF](#)

**Introduced:** 02/09/2026

**Status:** 02/18/2026 - Referred to Coms. on E.M. and PUB. S.

**Location:** 02/18/2026 - Senate Emergency Management

**Summary:** Current law creates the Office of Emergency Services within the office of the Governor and sets forth its powers and duties, including establishing by rule and regulation various classes of disaster service workers, the

scope and duty of each class, and the way disaster service workers of each class are to be registered. Current law authorizes officers of the Department of the California Highway Patrol, police departments, marshal's office or sheriff's office, and officers or employees of the Department of Forestry and Fire Protection or the Department of Fish and Wildlife designated as peace officers to close to all unauthorized persons an area where a menace to the public health or safety created by a calamity exists for the duration of the menace and the immediate area surrounding any emergency field command post or any other command post activated for the purpose of abating a calamity, riot, or other civil disturbance, as specified. This bill would require the Office of Emergency Services to develop a water utility worker identification program to issue identification cards to employees of a city, county, city and county, special district, water corporation, or mutual water company that provides water utility services to authorize access to an area during or following a flood, storm, fire, earthquake, or other disaster, for the purpose of protection of public health and safety, preservation of life and property, and repair and restoration of water service. This bill would require the application for a water utility worker identification card to be signed by a duly authorized representative of a water utility and include a certification by the water utility. (Based on 02/09/2026 text)

**Position:** Watch

**SB 1036** **(Grayson, D) Mitigation Fee Act.**

**Current Text:** 02/11/2026 - Introduced [HTML](#) [PDF](#)

**Introduced:** 02/11/2026

**Status:** 02/18/2026 - Referred to Com. on L. GOV.

**Location:** 02/18/2026 - Senate Local Government

**Summary:** The Mitigation Fee Act imposes various requirements with respect to the establishment, increase, or imposition of a fee by a local agency as a condition of approval of a development project, including requiring the local agency to identify the use to which the fee is to be put and determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. Current law also requires a local agency, upon receipt of a fee subject to these provisions, to deposit, invest, account for, and expend the fees as specified. This bill would additionally require any fee established, increased, or imposed to be based on the net impact on the need for the public facility being funded by the fee and account for whether the development project is removing or replacing an existing use or a previous use that existed at the time the fee was established, as specified. (Based on 02/11/2026 text)

**Position:** Watch

**SB 1085** **(Durazo, D) Water supply planning: California Environmental Quality Act determination.**

**Current Text:** 02/13/2026 - Introduced [HTML](#) [PDF](#)

**Introduced:** 02/13/2026

**Status:** 02/26/2026 - Referred to Coms. on N.R. & W. and L. GOV.

**Location:** 02/26/2026 - Senate Natural Resources and Water

**Summary:** The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to be responsible for determining whether a project is exempt from CEQA and whether an environmental impact report, a negative declaration, or a mitigated negative declaration is required. Current law requires a city or county that determines a certain type of project is subject to the requirements of CEQA to identify any public water system that may supply water for the project and to request those public water systems to prepare a specified water supply assessment, as provided. This bill would instead require a city or county to make that identification of public water systems for certain projects that the city or county approves, without regard to whether the project is determined to be subject to the requirements of CEQA. (Based on 02/13/2026 text)

**Position:** Watch

**SB 1125** **(Menjivar, D) Public water systems: drinking water needs assessment.**

**Current Text:** 02/17/2026 - Introduced [HTML](#) [PDF](#)

**Introduced:** 02/17/2026

**Status:** 02/26/2026 - Referred to Com. on E.Q.

**Location:** 02/26/2026 - Senate Environmental Quality

**Summary:** Current law establishes the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long terms. Current law requires the State Water Resources Control Board to annually adopt a fund expenditure plan, as provided, and requires expenditures from the fund to be consistent with the fund expenditure plan. Current law requires the state board to base the fund expenditure plan on data and analysis drawn from a specified drinking water needs assessment. This bill would require the board to, on or before May 1, 2027, and on or before May 1 of each year thereafter, develop a drinking water needs assessment, as specified. The bill would require the assessment to include an analysis of the funds necessary to make water service affordable for customers of

community water systems with fewer than 3,000 service connections and would require this analysis to be updated at least every 3 years. (Based on 02/17/2026 text)

**Position:** Watch

**SB 1139** **(Laird, D) Nonfunctional turf: noncompliance and enforcement.**

**Current Text:** 02/18/2026 - Introduced [HTML](#) [PDF](#)

**Introduced:** 02/18/2026

**Status:** 02/26/2026 - Referred to Com. on N.R. & W.

**Location:** 02/26/2026 - Senate Natural Resources and Water

**Summary:** Current law prohibits the use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities, as specified. Current law requires a person or entity to be subject to civil liability or penalties by the State Water Resources Control Board, as prescribed, or to civil liability and penalties imposed by an urban water supplier, pursuant to a locally adopted ordinance or policy. Current law authorizes a public water system, city, county, or city and county to enforce the provisions relating to the prohibition, as specified. This bill would require a person or entity to be subject to civil liability or penalties imposed by a special district with water conservation enforcement authority pursuant to a locally adopted ordinance or policy. (Based on 02/18/2026 text)

**Position:** Watch

**SB 1153** **(Caballero, D) Disaster preparedness: urban retail water suppliers and public water systems: wildfire.**

**Current Text:** 02/18/2026 - Introduced [HTML](#) [PDF](#)

**Introduced:** 02/18/2026

**Status:** 02/19/2026 - From printer. May be acted upon on or after March 21.

**Location:** 02/18/2026 - Senate Rules

**Summary:** The California Emergency Services Act requires all public water systems, as defined, with 10,000 or more service connections to review and revise their disaster preparedness plans in conjunction with related agencies, including, but not limited to, local fire departments and the Office of Emergency Services to ensure that the plans are sufficient to address possible disaster scenarios. A person, as defined, who violates the provisions of this act is guilty of a misdemeanor. This bill, beginning January 1, 2028, would require all urban retail water suppliers, as defined, serving a high or very high fire hazard severity zone to include incident-specified response procedures for wildfires as part of their disaster preparedness plans, including any applicable emergency response plan as required by federal law. The bill would require these plans to include mitigation actions, including actions, procedures, and equipment, that can obviate or significantly lessen the impact of a wildfire on the water system and the supply of drinking water provided by the water supplier. Because violation of these requirements by certain urban retail water suppliers would constitute a misdemeanor, the bill would expand the scope of a crime, thereby imposing a state-mandated local program. (Based on 02/18/2026 text)

**Position:** Watch

Total Measures: 29

Total Tracking Forms: 29

# 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: OPEN SESSION

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# Memo

Date: March 18, 2026

To: Olivenhain Municipal Water District Board of Directors

From: Leo Mendez, Finance Manager  
Erik Harp, Information Technology Supervisor  
Adam Schmidt, Senior Systems Administrator

Via: Kimberly Thorner, General Manager

Subject: **CONSIDER APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH ARMANINO ADVISORY LLC FOR INFORMATION TECHNOLOGY SERVICES AND APPROPRIATE AN ADDITIONAL \$22,000 TO THE OPERATING BUDGET FROM THE OPERATING RESERVE FUND FOR FISCAL YEAR 2026**

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## Purpose

The purpose of this agenda item is to consider approval of a professional services agreement with Armanino Advisory LLC for Information Technology services in response to OMWD's IT audit and to authorize the General Manager to sign an agreement on behalf of OMWD.

## Recommendation

Staff recommends that the Board consider approval of the attached agreement with Armanino Advisory LLC for Information Technology Services in response to OMWD's IT audit and appropriate an additional \$22,000 to the Operating Budget from the Operating Reserve Fund for fiscal year 2026.

## Alternative

The board may elect not to approve the agreement or instruct staff to do otherwise.

## **Background**

This item is related to the item that was presented in closed session regarding the third-party cybersecurity audit. Staff is recommending engaging Armanino Advisory LLC for Information Technology services in response to OMWD's IT audit.

One of OMWD's annual objectives (Annual Objective #52) is to develop a plan to address any findings identified in the third-party cybersecurity audit and to bring it to the board for consideration, approval, and funding.

OMWD interviewed and solicited proposals from three separate IT audit firms and selected Armanino Advisory LLC for their qualifications and expertise, to conduct the audit, which was completed in February 2026. Staff is recommending that OMWD continue to work with Armanino Advisory LLC as part of its plan to address IT audit findings.

## **Fiscal Impact**

The services are expected to cost OMWD \$109,200. The work is anticipated to span over fiscal years 2026 and 2027, estimated as follows:

1. \$22,000, incurred in fiscal year 2026 and would be paid from OMWD's operating reserves fund, pending Board approval.
2. \$87,200 incurred in fiscal year 2027 and will be included as part of the upcoming Fiscal Year 2027 and 2028 Biennial Budget.

## **Discussion**

If the board approves the professional services agreement with Armanino Advisory LLC, which will be presented in open session following this item, staff will move forward with commencing the work.

Armanino Advisory LLC is a leading U.S. business advisory firm and part of the Armanino organization, one of the top 20 largest independent accounting and consulting firms in the United States. Through its advisory practice, Armanino works with both public and

private organizations across a broad range of industries, including utilities, to provide governance, risk, internal audit, cybersecurity, and technology advisory services.

Mike Sobczyk, Partner, and John North, Managing Director, of Armanino LLC and staff will be available to answer any questions that the Board may have.

Prepared by: Leo Mendez, Finance Manager

Reviewed by: Erik Harp, Information Technology Supervisor

Adam Schmidt, Senior Systems Administrator

Approved by: Kimberly A. Thorner, General Manager

Attachments:

**Attachment 1** – Engagement Letter form Armanino Advisory LLC

**Attachment**

Armanino Advisory LLC  
2700 Camino Ramon, Suite 350  
San Ramon, CA 94583-4600  
925 790 2600  
armanino.com

March 9, 2026

Leo Mendez  
Finance Manager  
Olivenhain Municipal Water District  
1966 Olivenhain Road  
Encinitas, CA 92024

Dear Leo:

Armanino Advisory LLC ("Armanino," "we" or "us") is pleased to provide the services described below (the "Services") to Olivenhain Municipal Water District ("OMWD", "Client", "Company", or "you").

The Services are subject to the terms and conditions of this engagement letter and the Terms & Conditions for Professional Services, located at <https://www.armanino.com/armanino-advisory-llc-terms-professional-services/> (together, this "Agreement").

## SERVICES

OMWD is engaging Armanino to provide IT remediation implementation and security testing services. We will provide periodic status updates, which will describe the assignments and estimated and actual incurred hours as of the date of the status update. Our Services will include the following:

### IT Remediation Implementation

We will provide hands-on remediation implementation support to assist OMWD in addressing the High- and Medium-risk observations identified in the prior IT Controls Review. Services will include development of policies, procedures, templates, and structured processes designed to formalize and strengthen OMWD's IT governance, access management, monitoring, change management, vendor oversight, and operational resilience practices.

Our role will include drafting documentation, designing review workflows, facilitating implementation sessions with management, and providing guidance on control execution and monitoring. OMWD management will retain responsibility for final approval, adoption, and ongoing operation of all controls and processes.

### External and Internal Penetration Testing

Armanino will perform network and application penetration testing focused on OMWD's in-scope external and internal networks. This includes vulnerability scanning using automated tools as well as manual and correlative penetration techniques that aim to exploit discovered vulnerabilities.

The following characteristics are assumed for the proposed penetration testing:

- A full knowledge information base will be assumed for the security testers. Armanino testers assigned to this project have information regarding the systems and architecture of the in-scope environment.
- A calculated level of aggressiveness will be used in testing. This approach means that testers will attempt to exploit discovered vulnerabilities but only after carefully assessing the potential impact.

- A focused scope will be used in the testing effort. The testing will be limited to a range of Internet IP addresses provided by OMWD.
- To make the most efficient use of testing time, an overt approach to penetration testing will be used. There will be no effort to conceal our testing activities.
- Only network-layer and application-layer techniques will be used in the testing. No social engineering or physical techniques will be conducted, unless in conjunction with another project or specifically requested by you.
- For external penetration testing, our security testers will begin from an unauthenticated external starting point (the Internet). All external testing will be conducted remotely from our security lab.
- For internal penetration testing, our security testers will begin from an unauthenticated internal network position. Testing can be performed on-site or remotely through a virtual image or physical laptop shipped by us.
- Focused retesting will be performed for high and critical findings that are remediated by you. Should the retesting effort significantly expand the scope of procedures, the fees may require adjustment. We will discuss any such issues with you as soon as possible in the event this situation occurs.
- Our team's methodology relies on industry-accepted Penetration Testing Execution Standard (PTES) to perform consistently high-quality penetration tests.

We will work with and report to Leo Mendez, serving as OMWD's Internal Audit Coordinator, who will provide direction and supervision for this arrangement. This engagement will be conducted during OMWD's fiscal years 2026-2027.

We have worked with OMWD's management to develop the remediation and security testing roadmap, which was presented to the OMWD Board of Directors at the March 18, 2026 meeting. Throughout the year, if changes occur in the scope of the engagement, we will discuss this with the Internal Audit Coordinator and obtain approval. We will provide periodic status updates, which will describe the assignments and estimated and actual incurred hours as of the date of the status update.

Armanino will execute its responsibilities by performing the services as described above. Internal reports on progress and at the completion of the engagement will be developed as part of this effort, and these will serve as the deliverables .

Our Services will be performed in accordance with the Statement on Standards for Consulting Services issued by the American Institute of Certified Public Accountants (AICPA). We will provide our observations, advice, and recommendations; however, the services will not constitute an engagement to provide audit, review, compilation or other attestation services as described in the pronouncements on professional standards issued by the AICPA. Therefore, we will not express an opinion or other form of assurance with respect to our services or the Company's system of internal control or its compliance with laws, regulations, or other matters.

## **INHERENT LIMITATIONS OF AN ENTITY'S INTERNAL CONTROL STRUCTURE AND THE EFFECTIVENESS OF CONTROLS**

Your management team, including your principal executive officer and your principal financial officer, will not expect that your disclosure controls or internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. The design of any system of controls is based in part on certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of the effectiveness of controls to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Armanino will not provide any legal advice or conduct a legal review of any of the Company's documents, records, or policies.

## DELIVERABLES

### IT Remediation Implementation

Armanino will provide the following services and deliverables to support management's remediation of the issues documented within the 2025 IT Controls Review engagement:

- IT security and related governance policy documentation, including standardized templates aligned to leading practices, to establish consistent expectations across systems and vendors including information security governance, access management and authentication, user access reviews, vendor management, encryption and data protection, change management, logging and monitoring, data classification and privacy, and contingency planning, as applicable.
- Advisory support and assisted development of procedures for key control areas (e.g., access management, periodic user access reviews, logging and monitoring, change management, vendor oversight, and contingency planning), with management retaining responsibility for review, approval, and implementation.
- Facilitation sessions and implementation walkthroughs with management to clarify scope, applicability, and practical considerations for adopting recommended controls and processes.
- Periodic status updates and milestone reporting to track remediation progress against agreed-upon objectives.
- A final remediation summary memorandum outlining actions taken by management, the resulting control structure, and areas requiring ongoing monitoring or future enhancement.

Armanino's services are advisory in nature and do not include performing management responsibilities, operating controls, or administering client systems.

### External and Internal Penetration Testing

We expect to begin our engagement by September 2026.

Our deliverables are written to accommodate a wide range of readers: board/committee, executive, management, and technical. Our standard report includes:

- Introduction of scope, limitations, and risk ratings
- Executive summary of strengths and opportunities (typically two to three paragraphs)
- Summary findings, risk rankings, and remediation prioritization
- Technical narrative walkthrough describing our attack path using the MITRE Adversarial Tactics, Techniques, and Common Knowledge (ATT&CK) framework
- Technical findings and recommendations aligned to Open Web Application Security Project (OWASP) techniques, vulnerabilities, and exploits

## YOUR RESPONSIBILITIES

Substantial and meaningful involvement of senior management of OMWD is critical to the success of this engagement. Senior management must actively participate in both the planning and execution of this engagement. Our engagement will be conducted on the basis that management acknowledges and understands their responsibilities. Management is solely responsible for:

- The nature, scope, and design of the Services that you have requested us to perform are solely your responsibility.
- Establishing and maintaining an effective internal control system, including, without limitation, systems designed to ensure achievement of its control objectives and its compliance with applicable laws and regulations. The Company is responsible for the results of the project, including the final assessment of control weaknesses and any other deliverables resulting from the project.
- The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.

- Committing the necessary management involvement and resources to support Armanino's engagement team. This includes communicating with us frequently via meetings or email, confirming receipt and reading Armanino communications (e.g., emails, questionnaires, status reports, etc.) and sharing your feedback and applicable approval in a timely fashion.
- Making staff available for questions and discussions as needed during fieldwork in a timely manner.
- Providing requested documents, configurations and screen shots promptly after in-person meetings.
- Providing us with all information of which management is aware that is relevant to our engagement, including records, documentation and other information.
- Ensuring that you and all of your representatives comply with all applicable laws and regulations.
- Communicating in a timely manner material weaknesses, significant deficiencies, or other reportable conditions in internal controls, misstatements of financial statements, or similar matters to the Audit Committee, the Board of Directors, and, when required, regulators. The Model Audit Rule requires management to disclose, based on its most recent evaluation of disclosure controls and procedures, to its auditors and the Audit Committee all significant deficiencies in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize, and report financial data and any material weaknesses in internal controls; and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
- The Company agrees that any reports or other materials prepared or issued by Armanino will not be quoted, disclosed, distributed, or used by, nor will reference to such reports or other materials be made to, anyone who is not a member of management, a member of the Board of Directors of the Company, or the Company's external auditors, without Armanino's prior written consent.

Prior to performing the Services, management must acknowledge its acceptance of certain responsibilities.

Therefore, you agree to perform the following functions in connection with our performance of the Services:

- Designate an individual or individuals who possess suitable skill, knowledge, and experience, preferably within senior management, to be responsible for the internal audit function.
- Determine the scope, risk, and frequency of internal audit activities, including those we will perform in providing the services.
- Evaluate the findings and results arising from the internal audit activities, including those we will perform in providing the services.
- Evaluate the adequacy of the audit procedures performed and the findings resulting from the performance of those procedures.

The Services are limited to those outlined above. We, in our professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as making management decisions or performing management functions. Your management must make all decisions with regard to our recommendations and services. By signing this agreement, you acknowledge acceptance of these responsibilities.

## **ENGAGEMENT ADMINISTRATION; FEES**

We may use third party providers located outside of the United States to assist with serving your account under our supervision. We may also use Armanino employees that are temporarily working outside of the United States as well as personnel from affiliates of Armanino and other Armanino-affiliated entities (including our wholly owned subsidiary based in India and contractors in the Philippines). Armanino will review all work product before it is finalized. In addition, we may utilize third-party service providers, including cloud-based service providers, who may collect, use, transfer, transmit, store, or otherwise process your information in connection with the delivery of certain services. Armanino is committed to maintaining the confidentiality and security of your information, and accordingly, we maintain policies, procedures and safeguards to protect the confidentiality of your information. In addition, our agreements with all service providers appropriately maintain and protect the confidentiality of client information, provided we may use electronic media to transmit client information and such use in itself will not constitute a breach of any confidentiality obligation. We remain responsible to you for the supervision of all service providers, entities, and personnel who assist us in rendering professional services hereunder and for protecting the confidentiality of your information.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, except for our gross negligence or willful misconduct, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that, except for our gross negligence or willful misconduct, we shall have no liability for any loss or damage to any person or entity resulting from the interception or unintentional disclosure of email transmissions, including any consequential, incidental, direct, indirect, or special damages.

Mike Sobczyk will be the engagement partner and is responsible for supervising the engagement. The engagement partner will assign work on the engagement to others at our firm.

Our fees for the Services described above are the following:

Services	Fees
IT Remediation Implementation	\$80,000
External and Internal Penetration Testing	\$24,000

Professional fees are payable upon receipt of our invoices.

Client will also be billed a technology & administrative service fee of 5% of each invoice. This fee includes costs not separately itemized such as engagement and project management technology (e.g., hosted/cloud services, equipment, internet and engagement software), time for scheduling resources, billing report production and, where applicable, local travel time for local resources staffed to provide Services under this engagement letter.

In addition to the fees set forth above for various Services, Client will be invoiced for actual out-of-pocket expenses, if any, including, but not necessarily limited to, mileage, non-local travel and lodging expenses, meals, communications charges and supplies and all taxes, as applicable.

Total fees for this engagement not to exceed \$109,200. Any additional fees that may occur will be pre-approved by OMWD.

These timing and fee estimates anticipate that we do not encounter any unexpected circumstances, such as inadequate or incomplete accounting records, unexpected accounting issues, material changes to controls, systems or processes, or delayed responses by you to our requests for information or documents. For example, if our work is delayed because you do not complete requested schedules or provide other information as requested, we will need to spend additional time that will be billed to you at our standard hourly rates that will be billed to you separately.

We are basing our engagement terms and fee estimates in place at this particular time. We are also assuming a reasonable timeframe to begin the engaged services under these terms and conditions. However, if the abovementioned and engaged services begin more than 90 days after the date of the letter above, we reserve the right, at that point in time, to reassess the above estimated fees and determine if they are appropriate for the services to be rendered.

\* \* \*

We appreciate the opportunity to be of service to you and believe this Agreement accurately summarizes the terms applicable to the Services. If you have any questions, please let us know. If you agree with the terms of this Agreement, please sign and return it to us.

Sincerely,

Mike Sobczyk  
Partner  
Armanino Advisory LLC

Date: \_\_\_\_\_

**THIS CONTRACT, INCLUDING ALL APPENDICES AND THE TERMS & CONDITIONS FOR PROFESSIONAL SERVICES, AT [HTTPS://WWW.ARMANINO.COM/ARMANINO-ADVISORY-LLC-TERMS-PROFESSIONAL-SERVICES/](https://www.armanino.com/armanino-advisory-llc-terms-professional-services/), IS HEREBY APPROVED AND ACCEPTED:**

**Olivenhain Municipal Water District**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature Date: \_\_\_\_\_

Email address to submit invoices: \_\_\_\_\_

**APS Disclosure; Sharing Information**

"Armanino" is the brand name under which Armanino LLP and Armanino Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with law, regulations, and professional standards. Armanino LLP is a licensed independent CPA firm that provides attest services, and Armanino Advisory LLC and its subsidiary entities provide tax, advisory, and business consulting services. Armanino Advisory LLC and its subsidiary entities are not licensed CPA firms.

# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: ADJOURNMENT

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We are adjourned.

# 35 years preserving a watershed – San Diego Union-Tribune

[www.sandiegouniontribune.com/2026/03/01/escondido-conservancy-35-years-preserving-a-watershed/](http://www.sandiegouniontribune.com/2026/03/01/escondido-conservancy-35-years-preserving-a-watershed/)

Stacy Brandt

March 1, 2026



A group of more than twenty people participate in the Escondido Creek Conservancy monthly hike as they hike up to Frank's Peak in San Marcos on Saturday, February 07, 2026. (Hayne Palmour IV / For The San Diego Union-Tribune)

## Getting your [Trinity Audio](#) player ready...

Escondido Creek Conservancy started with a couple of neighbors planning over a kitchen table and has grown over the last few decades to include about 3,500 acres, \$63.5 million in assets and a robust educational program that reaches thousands of students.

This year, the nonprofit is celebrating 35 years since its incorporation with a variety of community activities. An anonymous donor also has agreed to match all donations this year up to \$1 million.



A group of more than twenty Escondido Creek Conservancy monthly hike attendees hike up to Frank's Peak in San Marcos. (Hayne Palmour IV / For The San Diego Union-Tribune)

“It’s just an incredible opportunity to be able to celebrate the 35th in a way that will be transformational for the organization and for conservation in general,” said Sheri Lees, the conservancy’s brand and marketing director.

The mission of the conservancy is to preserve and restore the Escondido Creek Watershed, which encompasses more than 75 square miles stretching from the mountains above Lake Wolford in Escondido to the San Elijo Lagoon and shores of Encinitas and Solana Beach.

The conservancy started in the late 1980s when Leonard Whittwer and Steve Barker, two Elfin Forest residents, teamed up to preserve open spaces and push back against development in the unincorporated rural area south of San Marcos between Escondido and Encinitas.

“We realized pretty quickly that we we’re going to have to do something different,” Barker said. “We were losing the development game, so we needed to change the rules.”

As they researched areas to conserve, they realized that most of the region’s open land was around the watershed, which became a natural boundary to focus on. The first piece of property they purchased after incorporating in 1991 was 21 acres in Olivenhain that is now known as the Bumann Preserve.

The nonprofit's work became part of a larger movement across the state and nation to balance development with preserving open space for native plants and animals. As they worked, other organizations, such as wildlife agencies, the county of San Diego and water districts, got involved with conservation in the area as well.

"This area became a kind of a mitigation hotspot instead of a development hotspot," Whittwer said.

Now the organization that began with only volunteers has 10 full-time employees and roughly 3,500 acres across the region that were purchased by a combination of public grant money and private donations.



Executive Director of the Escondido Creek Conservancy Ann Van Leer shows a point of interest to a group of more than twenty people participating in the monthly hike in San Marcos on Saturday, February 07, 2026. (Hayne Palmour IV / For The San Diego Union-Tribune)

Ann Van Leer, the organization's executive director, said it's rewarding to see the work of other conservation groups in North County alongside their own.

"A lot of really good things have happened in the last couple of decades," she said. "North County would be a very different place if it weren't for all of us, the respective conservation groups that have worked here."

Because there aren't many large sections of land available along the watershed, the organization has shifted its strategy toward purchasing smaller parcels that help link fragmented native habitats.

The work of the organization goes well beyond simply buying property.

Much of the difference it's able to make in the community is with the help of more than 100 volunteers who help clean up the property, remove invasive plants, plant native species and keep everything watered.

"We love our volunteers and are always looking for additional volunteers," Van Leer said.



A group of more than twenty people stop to take in the view while participating in the Escondido Creek Conservancy monthly hike. (Hayne Palmour IV / For The San Diego Union-Tribune)

Another large component is its education program. Education has been part of the group's efforts since the beginning, but have grown greatly in the last few years.

"We need to grow stewards for the future," Barker said. "We sign on to protect these properties for perpetuity, which is a huge, daunting word. It really is going to take the next generations and the generations after that to fall in love with nature and really feel that it's important to keep this conservation effort going."

One way the conservancy educates students is with an educational program at the Elfin Forest Interpretive Center that third-grade students in the Escondido Union School District participate in. The center opened in 2009 through a partnership between the conservancy and the Olivenhain Municipal Water District.

More recently, the conservancy started a 10-week after-school and a high school program where students can actively learn about careers related to habitat restoration. Last year, the conservancy created an outdoor classroom at its main office with a grant from the Escondido Community Foundation.

In addition to local school districts, Education Director Ariel Reed also works collaboratively with local tribal leaders on educational summer programs on the reservations of the Rincon Band of Luiseno Indians and San Pasqual Band of Mission Indians, an effort she's planning to expand.



Participates in the Escondido Creek Conservancy monthly hike as they walk up to Frank's Peak in San Marcos on Saturday, February 07. (Hayne Palmour IV / For The San Diego Union-Tribune)

“It’s a cool blend,” she said. “It’s teaching us a lot about traditional ecological knowledge.”

The conservancy has also expanded public outreach over the last few years, with guided hikes, yoga classes and family events.

Despite all the growth over the years, Whittwer and Barker said they still feel the same entrepreneurial spirit that drove them in the beginning. They are now members of the nonprofit's board.

“Looking back now, it’s pretty cool, pretty rewarding,” Barker said. “For me, the best thing is how many people are excited and passionate about the things that we were talking about at a kitchen table 35 years ago – that there are other people that picked up the baton and have moved it forward.”

Information about upcoming community events the Escondido Creek Conservancy is planning can be found on the conservancy’s Eventbrite page.

# OMWD wins Collection System of the Year honors – San Diego Union-Tribune

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 [www.sandiegouniontribune.com/2026/02/14/omwd-wins-collection-system-of-the-year-honors/](http://www.sandiegouniontribune.com/2026/02/14/omwd-wins-collection-system-of-the-year-honors/)

News Release

February 14, 2026

Olivenhain Municipal Water District accepted California Water Environment Association San Diego Section's 2025 Collection System of the Year Award for its 4S Ranch and Rancho Cielo collection system at CWEA's awards event on Jan. 31, 2026. The award acknowledges excellence in sewer system management.

This recognition is awarded to agencies that demonstrate high performance in system reliability, regulatory compliance, and environmental stewardship. CWEA judging criteria include administrative and operating procedures, safety and training programs, and emergency response, according to a news release.

OMWD Board President Matthew Hahn said in the news release, "Winning this award is a great honor. Our wastewater team strives to provide customers with best-in-class service at the lowest sustainable cost. They are on call 365 days a year, 24/7, to protect public health and the environment."

OMWD maintains approximately 70 miles of sewer lines and 14 pumping stations that collect, pump, and transport up to two million gallons of wastewater per day to its 4S Ranch Water Reclamation Facility for treatment. Operators routinely monitor and inspect infrastructure to identify needed repairs or rehabilitation before a break occurs. OMWD staff regularly inspects sewer lines for buildup of grease, debris, and tree roots, which can cause blockages and leaks, the news release stated.

CWEA is a nonprofit association dedicated to educating and certifying over 10,000 wastewater professionals and promoting policies that protect water quality in California.

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