

**MINUTES OF A REGULAR MEETING
OF THE FINANCE COMMITTEE
OF OLIVENHAIN MUNICIPAL WATER DISTRICT**

August 7, 2025

A regular meeting of the Finance Committee of Olivenhain Municipal Water District was held on Thursday, August 7th, 2025, at the District office, 1966 Olivenhain Road, Encinitas, California via teleconference and in person.

Director Meyers called the meeting to order at 10:02 a.m. In attendance were Scott Maloni, Treasurer; Neal Meyers, Vice President; Kimberly Thorner, General Manager; Rainy Selamat, Finance Manager; Leo Mendez, Accounting Supervisor; Jared Graffam, Financial Analyst II; and Georgeanna Clark, Financial Analyst I.

1. CALL TO ORDER

2. ROLL CALL (BOARD MEMBERS)

3. ADOPTION OF THE AGENDA

Director Meyers moved to adopt the agenda, seconded by Director Maloni, and carried unanimously.

4. PUBLIC COMMENTS

There were no public comments.

5. CONSIDER APPROVAL OF THE MINUTES OF THE JULY 7, 2025, SPECIAL FINANCE COMMITTEE MEETING

Director Meyers moved to approve the July 7th, 2025, meeting minutes, seconded by Director Maloni and carried unanimously.

6. QUARTERLY REVIEW OF INVESTMENTS AND CASH REPORT (4TH QTR OF FY 2025)

Finance Manager Selamat reviewed the draft investment report as of June 30, 2025, with the committee. Cash and investments were discussed. Finance Manager Selamat reported that the yield on the District's investment portfolio has remained consistent compared to the last quarter and is higher than national inflation and in line with the San Diego Consumer Price Index (SDCPI). Finance Manager Selamat referenced the three-year history of quarterly yields on investments compared to SDCPI included in the

packet, showing increasing investment yields over most of the last three years, and relatively steady yields over the last four quarters, compared to decreasing SDCPI over the last 3 years with a slight increase during the last three quarters, with investment yields and SDCPI being relatively in line with each other for the last 2 years. Finance Manager Selamat reported that District investments are in compliance with the District's Investment policy and that the District has sufficient funds to meet its financial obligations for the next 60 days.

Director Maloni asked if the District has an investment advisor. Finance Manager Selamat explained that the District does not have a dedicated investment advisor but instead utilizes three separate brokers that will inform the District of good investments that are within the District's investment policy as they become available, and staff decide which investments to buy based on the District's cash needs.

Director Maloni asked if the District's total invested balance has ever gone down. General Manager Thorner explained that the total investment balance fluctuates with changes in the District's reserve balances in the different funds and has gone down during periods with higher capital spending on District projects. Director Meyers asked if there is a graph of total investment balance over time. Finance Manager Selamat stated that there is no graph of total balance as the District maintains separate Water and Wastewater funds, but there is a graph of the total balance of each fund separately later in the presentation.

The upcoming maturity of two District bonds and the 96-1 Special Assessment debt plus the addition of a planned new Wastewater debt issuance in 2026 were discussed.

Finance Manager Selamat next presented the draft summary of fund balances over the previous five years. Director Meyers asked why the Water and Wastewater operating funds balances declined in June. Finance Manager Selamat explained that the Wastewater operating balance declined due to the timing of property tax receipts from the County, and Financial Analyst Graffam also explained that a temporary reduction in the Water operating fund balance was due to the timing of debt service payments.

7. REVIEW OF OMWD FINANCIAL REPORTS – BUDGET VS. ACTUAL REPORT (4TH QUARTER OF FY 2025) AND HISTORICAL BUDGETED VS. ACTUAL WATER SALES

Finance Manager Selamat presented the draft Budget vs Actual report for fiscal year 2025. Finance Manager Selamat explained that revenue and expenses are about \$1.1 million higher than budgeted numbers due to actual water sales being higher than budgeted water sales for the fiscal year. Finance Manager Selamat emphasized that the numbers shown will not be finalized until the audit is completed, at which point final audited financial statements will be presented to the Committee and then to the full Board at the November/December meeting. Finance Manager Selamat then presented

the water sales budget vs actuals graph for fiscal year 2025 and explained that actual water sales were higher than staff's projection in the budget.

Director Meyers asked what our budgeted sales are for the new fiscal year, and how the District comes up with budgeted sales numbers. Financial Analyst Graffam explained that staff projected fiscal year 2026 budgeted water sales at 1,000 acre feet higher than fiscal year 2025 budget to be more in line with fiscal year 2025 actual water sales and assumed normal year condition. When asked by Director Meyers, Staff confirmed that the District has regularly submitted its water sales projections to San Diego County Water Authority (SDCWA).

8. REVIEW AND DISCUSS RESULTS OF 2025 SDCWA MEMBER AGENCIES' BOARD OF DIRECTORS COMPENSATION SURVEY CONDUCTED BY STAFF

Results of SDCWA Member Agencies' Board of Directors 2025 Per Diem and Benefits Survey included in the Staff's report were reviewed and discussed with the Committee at Director Maloni's request.

Director Maloni commented that the Board Per Diem rate has not been updated to keep up with inflationary adjustment since 2000. General Manager Thorner replied that the last review of the Board Per Diem rate was in 2009, and at that time the Board decided not to make changes since it would require a public hearing. Director Meyers requested that a record of the Board's decision in 2009 be provided to him to make an informed decision. Director Meyers then inquired General Manager Thorner on other agencies' experience, including reaction from the public, when raising their per diem historically. General Manager Thorner responded that she is not aware of any public challenges on per diem increases.

Director Maloni inquired about the base rate for per diems, whether per diems can only be changed every 5 years, and if the years in between can only be increased by the lesser of inflation or 5% per year.

Director Maloni requested additional public agencies to be included in the per diem survey, more than just SDCWA's member agencies. Director Maloni asked that staff look into the legal requirements around per diem changes, including a legal opinion on automatically adjusting the Board per diem using an escalation factor without having to hold a public hearing each time the Board Per Diem is adjusted.

General Manager Thorner recommended a follow-up meeting with the Committee to address questions and comments received from today's Committee, including additional items requested by the Committee.

9. FUTURE AGENDA ITEMS

Director Meyers requested that staff notify the Board of any refunds over a certain threshold when they are issued and would like the matter discussed at the next Board meeting. General Manager Thorner stated that staff will bring this item at a future meeting to the full Board for discussion and consideration.

10. ADJOURNMENT

Prior to adjournment Director Meyers made an announcement to honor Finance Manager Selamat for over 28 years of service upon her retirement and acknowledge that this meeting was Finance Manager Selamat's last Finance Committee meeting. Director Meyers then mentioned that during her tenure here at OMWD, Ms. Selamat has attended about 138 committee meetings. Director Meyers wanted the minutes of this meeting to reflect on behalf of himself and the Board that they commend Finance Manager Selamat for her commitment and excellence and to thank her for the amazing job she has done for the District.

The meeting was adjourned at 11:08am.