

**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, AUGUST 14, 2024

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
Meeting ID: 898 6383 1478
Passcode: 650936

For Zoom Call-in Only:
Call: (669) 900-9128
Meeting ID: 898 6383 1478
Passcode: 650936

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 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

- * Salden Stone – Utility II – Promotion – August
- * Tim Schuette – Safety/Risk Compliance Administrator – 5 Years – July
- * Chris Bumcrot – Inspector II – 15 Years – August
- * Dan Nevitt – Instrument Control Technician II – 20 Years – August
- * Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting

8. CONSIDER APPROVAL OF THE MINUTES OF THE JULY 17, 2024, 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
C-b	CONSIDER ACCEPTANCE OF THE 6398 CLUBHOUSE DRIVE WATER SERVICE INSTALL (DEL MAR ESTATE INVESTMENTS, LLC.) INTO OMWD'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED

10. CONSIDER ADOPTING A POSITION ON CALIFORNIA PROPOSITION 4: THE SAFE DRINKING WATER, WILDFIRE PREVENTION, DROUGHT PREPAREDNESS, AND CLEAN AIR BOND ACT OF 2024
11. CONSIDER DISCUSSION AND APPROVAL OF PRE-BUYING 3,449 ACRE FEET OF WATER AND PLACING IT INTO STORAGE IN DECEMBER 2024
12. CONSIDER APPROVAL OF A CONTRACT WITH J.R. FILANC CONSTRUCTION COMPANY, INC. IN THE AMOUNT OF \$1,899,728 FOR THE CONSTRUCTION OF THE GARDENDALE AND VILLAGE PARK WEST PRESSURE REDUCING STATION REPLACEMENT PROJECT, APPROPRIATE AN ADDITIONAL \$600,000 TO THE PROJECT FROM CAPITAL RESERVE FUND, AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD
13. CONSIDER DRAFT SUMMARY OF THE 2024 POTABLE AND RECYCLED WATER MASTER PLAN UPDATE AND RECEIVE INPUT FROM THE BOARD
14. CONSIDER SETTING A TIME AND PLACE FOR A PUBLIC HEARING TO RECEIVE PUBLIC COMMENT REGARDING THE PROPOSED INCREASES TO OLIVENHAIN MUNICIPAL WATER DISTRICT (OMWD) WATER CHARGES BEGINNING WITH JANUARY 1, 2025 WATER CONSUMPTION AND AN ORDINANCE AUTHORIZING OMWD TO PASS THROUGH ANY INCREASES IN PURCHASED WHOLESALE WATER COSTS, INCREASES TO SAN DIEGO COUNTY WATER AUTHORITY INFRASTRUCTURE ACCESS CHARGE, INCREASES TO OMWD'S COST OF OPERATIONS, MAINTENANCE, AND CAPITAL FACILITIES BASED ON CHANGES IN CPI (Public Hearing tentatively scheduled for October 16, 2024 – 5:30 p.m.)

15. PUBLIC HEARING TO CONSIDER IMPLEMENTATION OF PHASE TWO OF THE FIVE-YEAR PHASE-IN PROGRAM OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT’S CAPACITY FEES FOR 2024 (5:30 PM)
16.
 - A. PRESIDENT
 - B. GENERAL MANAGER
 - C. CONSULTING ENGINEER
 - D. GENERAL COUNSEL
 - E. SAN DIEGO COUNTY WATER AUTHORITY REPRESENTATIVE
 - F. LEGISLATIVE
 - G. TWELVE MONTH CALENDAR / OTHER MEETINGS / REPORTS BY BOARD MEMBERS PER AB 1234
 - H. BOARD COMMENTS
17. CORRESPONDENCE
18. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS
19. FUTURE AGENDA ITEMS
20. CONSIDER PUBLIC COMMENTS
21. CLOSED SESSION
 - A) CONSIDER LITIGATION – OLIVENHAIN MUNICIPAL WATER DISTRICT v. COUNTY OF SAN DIEGO [PURSUANT TO GOVERNMENT CODE SECTION 54956.9]
 - B) CONSIDER LITIGATION – STANLEY D. JONES ET AL. VS. OLIVENHAIN MUNICIPAL WATER DISTRICT [PURSUANT TO GOVERNMENT CODE SECTION 54956.9]
22. OPEN SESSION
23. ADJOURNMENT



Memo

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

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: August 14, 2024
To: Olivenhain Municipal Water District Board of Directors
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER ADOPTION OF A MOTION APPROVING THE PAYMENT OF LISTED WARRANTS FROM THE DISTRICT'S REVOLVING AND REGULAR ACCOUNTS; LISTED TRANSFERS OF FUNDS; REIMBURSEMENT OF EXPENSES TO BOARD MEMBERS AND STAFF**

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

- July 2024 Summary of payment of listed warrants from the District's checking account and listed transfer of funds.
- July 2024 Monthly Summary of Reimbursement Expenses to Board Members and Staff.

The District's June Financial Statements (typically item C-b) and the June 2024 Monthly Investment Report will be available for review and approval by the Board after the fiscal year 2023/24 financial audit is completed in November 2024. Finance Staff is currently working on closing fiscal year 2023/24.

Olivenhain Municipal Water District
Proposed Motions for August 14, 2024 Board of Directors Meeting
July 2024 Activities
Consent Calendar Item # C-a

Proposed Motions:

I. That the following warrants and transfers be approved:

Regular Account	Warrants - by check	35613 ✓	to	035792 ✓	\$	1,380,206.39
	Warrants - by EFT	EFT000000001433 ✓	to	EFT000000001532 ✓		4,580,684.74
						<u>5,960,891.13</u> ✓
	ACH Payments - Payroll					224,087.07
	Wire - SDCWA - Monthly Purchased Water Payment					2,980,283.30
	ACH Payments - Payroll					243,344.48
	ACH - SDCWA - Quarterly Capacity Fees					9,374.00
					\$	<u>9,417,979.98</u> ✓

Major Category of Disbursements

Total warrants from the District's checking account:

\$ 5,960,891.13 ✓

Following is a breakdown of this total by major categories:

Category	
Outside services	\$ 4,397,824.26
Inventory and supplies	851,141.15
Utilities	205,502.99
Repairs and maintenance	56,607.86
Other	87,267.16
Refunds	8,518.37
Insurance	352,409.34
Permit Fees	1,620.00
Total	<u>\$ 5,960,891.13</u> ✓

Sincerely,



Rainy K. Selamat/Finance Manager

Olivenhain Municipal Water District
Proposed Motions for August 14, 2024 Board of Directors Meeting
July 2024 Activities

California Bank and Trust

Regular Account

Warrants - by check	35613	to	035792	\$	1,380,206.39
Warrants - by EFT	EFT000000001433	to	EFT000000001532		4,580,684.74
					<u>5,960,891.13</u> ✓
7/3/2024 ACH Payments - Payroll					224,087.07
7/16/2024 Wire - SDCWA - Monthly Purchased Water Payment					2,980,283.30
7/18/2024 ACH Payments - Payroll					243,344.48
7/29/2024 ACH - SDCWA - Quarterly Capacity Fees					9,374.00
Total				\$	<u>9,417,979.98</u> ✓

Approved:

For Board Consideration and Approval

Olivenhain Municipal Water District
July 2024 Warrant List - Check & EFT

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
035613*	6/26/2024	Lawrence A. Watt	32.16	AFWA meeting mileage reimbursement	
035614*	6/26/2024	Dennis Mathis	1,395.48	Work for others customer refund	
035615	7/3/2024	American Messaging	65.40	L1-072035	
035616	7/3/2024	Marcus Barard	84.19	MTG MILEAGE & PARKING REIMB	
035617	7/3/2024	Bee Rescue LLC	250.00	ELFIN OAKS ROAD	
035618	7/3/2024	California State Disbursement Unit	123.23	GARNISHMENT	
035619	7/3/2024	City Treasurer	729.83	5/24 RECYCLED WATER PURCHASES	
035620	7/3/2024	Marvin Cohen	250.00	25 YEAR SERVICE AWARD	
035621	7/3/2024	DIR - Electrician Certification Fund	100.00	ELECTRICAL CERT RENEWAL	
035622	7/3/2024	Dongho Jeong	71.29	REF:1082754_127880	
035623	7/3/2024	Edco Waste & Recycling	660.09	25-4A 861816	Yes
035624	7/3/2024	Engineered Fluid Inc	30,022.20	Pressure Reducing Station Replacement, Gardendale and VP West	Yes
035625	7/3/2024	Ferguson Enterprises Inc. #1083	2,510.11	Washers, diaphragms, discs, disc retainers, and other inventory items	Yes
035626	7/3/2024	Guardian	969.68	7/24 DENTAL ADMIN FEES	
035627	7/3/2024	Jaehong Park	83.72	REF:1093273_128355	
035628	7/3/2024	Jessica M Morris	47.09	REF:1086666_156625	
035629	7/3/2024	Jsun Kim	138.41	REF:1091201_145950	
035630	7/3/2024	John Porter	116.19	REF:1026733_102445	
035631	7/3/2024	VOID	-	VOID	
035632	7/3/2024	Mike Mathewson	6.97	REF:1087348_231575	
035633	7/3/2024	PTS Communications	78.00	760-489-9971	
035634	7/3/2024	Republic Services	1,766.55	WASTE DISPOSAL SERVICES	
035635	7/3/2024	Rob Kreutzer	22.65	MILEAGE REIMBURSEMENT	
035636	7/3/2024	Sarah Lifa	47.17	REF:1092070_159110	
035637	7/3/2024	SORMA	169,721.35	FY 2024/25 WORKERS COMP	
035638	7/3/2024	SiteOne Landscape Supply, LLC	344.46	IRRIG PARTS - OMWD HQ	
035639	7/3/2024	SoCal Saltworks LLC	7,415.87	WTP CHEMICALS	
035640	7/3/2024	Teichert Energy & Utilities Group, Inc.	52,630.00	Construction of the RW Pipeline Extensions for CB, Village Park & Summerhill	Yes
035641	7/3/2024	Tim Schuette, Tim	50.00	5 YEAR SERVICE AWARD	
035642	7/3/2024	Timothy Joel	116.56	REF:1016143_139205	
035643	7/3/2024	US Bank	2,190.51	Printers lease	
035644	7/3/2024	Xylem Water Solutions USA, Inc.	1,116.60	SUPPLIES	
035645	7/10/2024	AT & T	58.24	Utilities	Yes
035646	7/10/2024	Bee Rescue LLC	2,900.00	Bee removal services - various locations	Yes
035647	7/10/2024	Beth Hutchison	153.08	REF:1092886_195735	
035648	7/10/2024	Bob Turner's Crane Service Inc	1,075.20	DEL DIOS SPS	
035649	7/10/2024	CSDA San Diego Chapter	120.00	7/24 LUNCHEON - KIM, NEAL	
035650	7/10/2024	D&H Water Systems	11,061.80	KECO S26 Peristaltic Hose Pump for Brine Injection System	Yes
035651	7/10/2024	Fallbrook Printing Corp	2,063.77	Printing services: courtesy notice door hangers, pipeline shutdown door hangers, pipeline replacement project postcards, EFRR brochures	Yes
035652	7/10/2024	First Choice Technology	160.80	13001474	Yes
035653	7/10/2024	Golden State Labor	5,650.00	Labor Compliance for the Recycled Water Pipeline Extension for CB, VP, & SH Project	Yes
035654	7/10/2024	Grangetto's Ag. Supply	127.09	PARKS SUPPLIES	
035655	7/10/2024	Hi-Line Electric Company, Inc.	357.95	SHOP SUPPLIES	
035656	7/10/2024	Infosend	3,920.90	5/24 MAINTENANCE FEE	
035657	7/10/2024	Kathryn Evans	124.50	REF:1091898_197145	
035658	7/10/2024	Michelle Blacketter	144.91	REF:1092021_236450	
035659	7/10/2024	Pacific Pipeline Supply	5,662.86	Flange, valve, restraint kits, saddles, spools, etc.	Yes
035660	7/10/2024	Republic Services #661	4,211.08	WASTE DISPOSAL SERVICES	Yes
035661	7/10/2024	Rockwell Construction	2,850.00	Construction Mgmt Services PLC Replacement Project (Potable/Recycled)	Yes
035662	7/10/2024	San Diego Gas & Electric	40,028.02	Utilities	Yes
035663	7/10/2024	San Diego Scale Inc	788.88	CALIBRATION SERVICES (WWTP)	
035664	7/10/2024	Sennza Construction	1,486.67	REF:1093731_303605	
035665	7/10/2024	Sign A Rama - San Marcos	2,362.90	VARIOUS ALUMINUM SIGNS	
035666	7/10/2024	Tommy Caudill	38.05	REF:1093835_201870	
035667	7/10/2024	Utility Cost Management Llc	21,079.14	SDGE ELECTRICITY SERVICES	
035668	7/10/2024	Verizon Connect Fleet USA, LLC	924.85	100000112726	
035669	7/17/2024	Agnes Zietek	62.14	REF:1091583_128645	
035670	7/17/2024	Amy Peckham	49.57	REF:1091908_210800	
035671	7/17/2024	AT & T	371.30	Utilities	Yes
035672	7/17/2024	Bee Rescue LLC	250.00	ELFIN OAKS ROAD	
035673	7/17/2024	Bobby Kalar	59.93	REF:1093126_160620	
035674	7/17/2024	Brandi Eliason	55.33	REF:1084456_187820	
035675	7/17/2024	Bumcrot, Chris	150.00	15 YEAR SERVICE AWARD	
035676	7/17/2024	California State Disbursement Unit	123.23	GARNISHMENT	
035677	7/17/2024	Canyon Industries	29,291.41	RMVL & REINSTALL COSTS	Yes
035678	7/17/2024	Cash	112.66	PETTY CASH REIMBURSEMENT	
035679	7/17/2024	City Treasurer	1,949.00	WTP TRUCKED WASTE PERMIT FEE	
035680	7/17/2024	Corodata Shredding, Inc	69.87	PAPER SHREDDING SERVICES	
035681	7/17/2024	County Of San Diego	1,017.00	1821 EL CAMINO REAL S	Yes
035682	7/17/2024	Datel Systems Inc	9,250.00	Veeam Enterprise Plus	Yes
035683	7/17/2024	David Smith	132.38	REF:1093041_130460	
035684	7/17/2024	Dmitri Parks	21.68	REF:1093469_155235	
035685	7/17/2024	Encinitas Ford	62.06	PU92 SUPPLIES	Yes
035686	7/17/2024	Ferguson Enterprises Inc. #1083	70.11	SUPPLIES	
035687	7/17/2024	Hi-Line Electric Company, Inc.	78.01	SHOP SUPPLIES	
035688	7/17/2024	Home Depot/Gecf	12,421.41	6/24 SUPPLIES	Yes
035689	7/17/2024	Infrastructure Engineering Corporation	25,787.51	Hydraulic Model/Master Plan	Yes
035690	7/17/2024	J.M.D. Landscape Inc	9,360.00	WWTP SERVICES	Yes
035691	7/17/2024	Jennifer Schlador	73.69	REF:1084991_201020	
035692	7/17/2024	KAARN Holdings LLC	65.03	REF:1083198_237240	
035693	7/17/2024	Karri Johnson	48.57	REF:1088913_159280	
035694	7/17/2024	L A Design Studio Inc	2,110.00	WEB DESIGN/HOSTING SERVICES	
035695	7/17/2024	Larry Torchin	189.81	REF:1054880_229660	
035696	7/17/2024	Leand Bantados	11.11	REF:1090880_145890	
035697	7/17/2024	Liebert Cassidy Whitmore	4,660.00	7/24 - 6/25 ERC TRAINING	
035698	7/17/2024	Napa Auto Parts	1,514.68	6/24 SUPPLIES	
035699	7/17/2024	Guy Nevitt	200.00	20 YEAR SERVICE AWARD	
035700	7/17/2024	Nicholas Wood	84.64	REF:1089432_202420	
035701	7/17/2024	Nikita Desai	31.92	REF:1093546_135475	
035702	7/17/2024	Noah Hecht	13.79	REF:1087900_187970	
035703	7/17/2024	Orion Construction Corporation	318,737.25	Construction Services for Neighborhood 1 Sewer Pump Station	Yes

Olivenhain Municipal Water District
July 2024 Warrant List - Check & EFT

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
035704	7/17/2024	Pacific Pipeline Supply	463.33	UTILITY ELECTRIC PUMP (2)	
035705	7/17/2024	Rain For Rent	7,938.36	Bypass Pump System Rental for NBHD #3 SPS Grit Removal	Yes
035706	7/17/2024	Ryan Blanchette	3.59	REF:1081071_163660	
035707	7/17/2024	S D G & E	264.85	UTILITIES	
035708	7/17/2024	San Diego Gas & Electric	90,169.24	Utilities	Yes
035709	7/17/2024	Santa Fe Irrigation Dist	105.87	008128-005, 7/1/2024	
035710	7/17/2024	Sequoia West Residential LLC	202.58	REF:1092964_169860	
035711	7/17/2024	Shane Sullivan	24.00	GYM REIMBURSEMENT	
035712	7/17/2024	State Water Resources	90.00	D3 CERTIFICATION - S.STONE	
035713	7/17/2024	Steel In The Air, Inc.	12,000.00	Fair Market Valuation Services Related to Cell Leases	Yes
035714	7/17/2024	TASC	562.10	6/24 VEDA ADMIN & CLAIMS	
035715	7/17/2024	TerraVerde Energy, LLC	2,997.50	Vehicle Fleet Electrification Feasibility Study & Conceptual Plan Phase 1	Yes
035716	7/17/2024	Tom Kenney	23.51	REF:1077136_178920	
035717	7/24/2024	American Conservation & Billing Solutions, Inc.	3,251.00	8/24 AQUAHAWK SERVICES	
035718	7/24/2024	Applied Ind. Tech.	406.59	WTP SUPPLIES	
035719	7/24/2024	Asbury Environmental Services	100.00	WTP WASTE OIL DISPOSAL SERVICE	
035720	7/24/2024	AT & T	916.75	Utilities	Yes
035721	7/24/2024	Bay City Electric Works	3,163.38	RANCHO LAKES PS #2 MAINT	Yes
035722	7/24/2024	Bee Rescue LLC	1,850.00	Bee removal services - various locations	Yes
035723	7/24/2024	Adam Calm	100.00	WTR OP & MAINT CLASS REIMB	
035724	7/24/2024	Teresa L Chase	709.00	EXPENSE REIMBURSEMENT	
035725	7/24/2024	Chris Keirle	132.33	REF:1091120_225840	
035726	7/24/2024	City Treasurer	412.09	RECYCLED WATER PURCHASES	
035727	7/24/2024	Cliff Dais	7.93	REF:1089900_237235	
035728	7/24/2024	Corodata Media Storage Inc	418.91	6/24 OFFSITE RECORDS STORAGE	
035729	7/24/2024	County Of San Diego	46,574.68	FY 2024/2025 LAFCO COSTS	
035730	7/24/2024	Crystal Bidwell	107.65	REF:1091059_230215	
035731	7/24/2024	A1157 Design DBA Cultura	4,408.20	Purchase & Installation of New Office Furniture Ops Manager	Yes
035732	7/24/2024	Fallbrook Printing Corp	1,019.48	UNIT A PL RPLCMNT POSTCARDS	
035733	7/24/2024	Golden State Labor	850.00	Labor Compliance for the Recycled Water Pipeline Extension for CB, VP, & SH Project	Yes
035734	7/24/2024	Gabriel Hernandez	24.00	7/24 GYM REIMBURSEMENT	
035735	7/24/2024	Infrastructure Engineering Corporation	4,261.00	FIRE FLOW TEST - QUESTHAVEN	Yes
035736	7/24/2024	Jessica Triana	102.26	REF:1059273_194835	
035737	7/24/2024	Josh Westbrook	200.00	EDUCATION INCENTIVE	
035738	7/24/2024	Kara Basilio	70.83	REF:1094567_145890	
035739	7/24/2024	Katherine Hogan	102.26	REF:1014829_103410	
035740	7/24/2024	KDC Inc. dba	10,348.86	PLC Replacement Project Construction (Potable/Recycled)	Yes
035741	7/24/2024	Maribel Alonzo and/or Victor Alonzo	127.71	REF:1092986_156535	
035742	7/24/2024	Mark Reabold	151.27	REF:1092280_237065	
035743	7/24/2024	Marshall Scott	47.63	REF:1059855_217185	
035744	7/24/2024	Nova Construction Company, Inc.	1,358.77	REF:1093492_303560	
035745	7/24/2024	P Bonaguidi	87.19	REF:1055046_167660	
035746	7/24/2024	Pacific Pipeline Supply	284.95	6" Pipe/Fitting Restraint Romac Only	Yes
035747	7/24/2024	PWLC I, INC	14,848.00	LANDSCAPE MAINTENANCE	Yes
035748	7/24/2024	Rain Gibbs	66.35	REF:1093324_189405	
035749	7/24/2024	Rancho Santa Fe Community Svs	16,344.11	6/24 19.8 AC/FT RECYCLED WATER	
035750	7/24/2024	Republic Services	4,170.05	WASTE DISPOSAL SERVICES	
035751	7/24/2024	San Diego Gas & Electric	13,865.95	UTILITIES	Yes
035752	7/24/2024	Sean Siegler	95.87	REF:1062113_219765	
035753	7/24/2024	SoCal Saltworks LLC	7,412.98	WTP CHEMICALS	
035754	7/24/2024	State Water Resources	60.00	T2 CERT RENEWAL - M.SALAZAR	
035755	7/24/2024	Sean Stevenson	125.00	CROSS CONNECT CERT RENEW	
035756	7/24/2024	Tong Tang	90.00	D3 RENEWAL REIMBURSEMENT	
035757	7/24/2024	Valerie Kwiatkowski	65.72	REF:1049173_189410	
035758	7/31/2024	45 Ranch Gasoline & Car Wash	2,644.12	WWTP GASOLINE & CAR WASH	Yes
035759	7/31/2024	Alfa Laval Inc.	2,048.21	WWTP SUPPLIES	
035760	7/31/2024	AT & T	693.55	UTILITIES	
035761	7/31/2024	Bay City Electric Works	1,183.51	CONNEMARA PS MAINTENANCE SVC	
035762	7/31/2024	Bee Rescue LLC	2,490.00	BEE REMOVAL - VARIOUS LOCATIONS	Yes
035763	7/31/2024	Bob Turner's Crane Service Inc	1,075.20	WWTP POND CRANE SERVICES	
035764	7/31/2024	California State Disbursement Unit	123.23	GARNISHMENT	
035765	7/31/2024	City Treasurer	8,576.21	6/24 7.36 AF RECYCLED WATER	
035766	7/31/2024	Complete Office	5,401.51	Purchase & Installation of New Desk for Engineering Manager	Yes
035767	7/31/2024	Core & Main LP	37,173.75	Zinc anodes (Qty. 500)	Yes
035768	7/31/2024	County Of San Diego	603.00	Permit fee	
035769	7/31/2024	Douglas Alfred Company	742.16	REF:1009667_171670	
035770	7/31/2024	DXP Enterprises, Inc.	3,293.75	WTP 2ND STAGE REJECT MOTOR	Yes
035771	7/31/2024	Fallbrook Printing Corp	505.22	AMI POSTCARDS	Yes
035772	7/31/2024	Gillingham Water Planning and Engineering, Inc.	17,527.50	San Dieguito Groundwater Project Consulting	Yes
035773	7/31/2024	Guardian	990.76	8/24 DENTAL ADMIN FEES	
035774	7/31/2024	Gutermann Inc	409.00	AQUASCOPE CONNECTION CABLE (3)	
035775	7/31/2024	Hazen and Sawyer	18,302.66	Engineering Services During Construction of the DCMWTP Stage 4 Upgrades and Centriduge projects	Yes
035776	7/31/2024	Infosend	5,220.68	WATER BILL STATEMENTS	
035777	7/31/2024	Infrastructure Engineering Corporation	9,227.25	Recycled water hydraulic model development, calibration and master planning	Yes
035778	7/31/2024	Vince Dixon Ford dba	1,624.74	PU86 DISTRICT VEHICLE SUPPLIES	Yes
035779	7/31/2024	KRC Rock	4,124.41	PARKS SUPPLIES	
035780	7/31/2024	John Onkka	475.00	EDUCATION INCENTIVE	
035781	7/31/2024	Pacific Pipeline Supply	1,439.84	COUPLINGS, GASKETS, AND OTHER SUPPLIES	Yes
035782	7/31/2024	Palomar Health	280.00	EE PRE-EMPLOYMENT SERVICES	
035783	7/31/2024	RECON Environmental, Inc.	1,779.00	Environmental Services Agreement for Addtl EFRR NEPA, Rancho Paseana Revegetation	Yes
035784	7/31/2024	San Diego Gas & Electric	5,452.39	Utilities	Yes
035785	7/31/2024	Sarah Stocker	153.08	REF:1090865_196680	
035786	7/31/2024	Savanna Agriculture Enterprises Inc. dba	200.00	GARDENING & FIRE PREPARE WKSHp	
035787	7/31/2024	SiteOne Landscape Supply, LLC	410.42	IRRIGATION PARTS (HQ)	

Olivenhain Municipal Water District
July 2024 Warrant List - Check & EFT

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
035788	7/31/2024	Teichert Energy & Utilities Group, Inc.	187,755.15	Construction of the RW Pipeline Extensions for CB, Village Park & Summerhill	Yes
035789	7/31/2024	Tetra Tech Inc	245.00	Engineering Support PLC Replacement Project (Potable/Recycled)	Yes
035790	7/31/2024	ULINE	497.09	SIGN BASE (2)	
035791	7/31/2024	US Bank	2,190.51	Printer's lease	
035792	7/31/2024	West Yost & Associates, Inc	2,773.26	AS NEEDED INSPECTION SERVICES - VARIOUS RECYCLED WATER LOCATIONS	
EFT000000001433	7/3/2024	Standard Insurance Co.	6,198.13	7/254 LIFE & LTD INS PREMIUM	
EFT000000001434	7/3/2024	Escondido Metal Supply	27.02	SUPPLIES	
EFT000000001435	7/3/2024	Peterson Structural Engineers, Inc.	20,816.00	Design Services for Tank Safety Improvements Project	Yes
EFT000000001436	7/3/2024	DLM Engineering Inc	13,460.91	ENGINEER CONSULTING SERVICES	Yes
EFT000000001437	7/3/2024	Westamerica Communications, Inc.	165.00	BUDGET BOOK COVERS ART	
EFT000000001438	7/3/2024	Controlled Entry Specialists	290.00	WWTP GATE SERVICES	
EFT000000001439	7/3/2024	Evoqua Water Technologies	6,430.52	WWTP CHEMICALS (DEL DIOS P5)	
EFT000000001440	7/3/2024	Steven L. Sherman DBA	3,000.00	Conservation landscape services-evaluation	Yes
EFT000000001441	7/3/2024	USA Blue Book	1,023.56	WTP SUPPLIES	
EFT000000001442	7/3/2024	Valley Construction Management	22,282.00	Construction Management Services for the Recycled Water Extensions and RSF/Unit A Pipeline Replacement Projects	Yes
EFT000000001443	7/3/2024	Water for People	63.00	WTRPL 7/3/2024	
EFT000000001444	7/10/2024	City Of Carlsbad	3,142,997.00	TITLE XV1 GRANT DISBURSEMENT FOR 4/23-3/24 (FEDERAL GRANT PASS-THROUGH)	
EFT000000001445	7/10/2024	TS Industrial Supply	54.78	WTP SUPPLIES	
EFT000000001446	7/10/2024	Cyber Marketing Network Inc	286.08	Safety Boots	Yes
EFT000000001447	7/10/2024	Southern Counties Lubricants, LLC.	12,669.93	FUEL SUPPLIES	Yes
EFT000000001448	7/10/2024	Myers & Sons	69.52	PARKS DEPT SUPPLIES	
EFT000000001449	7/10/2024	Wageworks	556.00	6/24 FSA ADMIN FEE	Yes
EFT000000001450	7/10/2024	Controlled Entry Specialists	378.00	WWTP GATE SERVICES	
EFT000000001451	7/10/2024	Rincon Del Diablo Mwd	48,665.57	TITLE XV1 GRANT DISBURSEMENT FOR 4/23-3/24 (FEDERAL GRANT PASS-THROUGH)	
EFT000000001452	7/10/2024	San Elijo Joint Powers Auth.	10,446.82	TITLE XV1 GRANT DISBURSEMENT FOR 4/23-3/24 (FEDERAL GRANT PASS-THROUGH)	
EFT000000001453	7/10/2024	Geoscience Support Svcs, Inc.	12,004.50	San Dieguito Valley Groundwater Desal Services	Yes
EFT000000001454	7/10/2024	Sloan Electric	29,148.40	Repairs for Del Dios SPS Submersible Pump	Yes
EFT000000001455	7/10/2024	Zoho Corporation	7,800.00	ManageEngine OpManager Professional Edition	Yes
EFT000000001456	7/10/2024	IKG Environmental	9,375.17	Quarterly Well Monitoring for the San Dieguito Valley Groundwater project	Yes
EFT000000001457	7/10/2024	Be Gone Graffiti	3,450.00	WTP-ELECTRIC CABINET PAINTING	Yes
EFT000000001458	7/10/2024	Aqua Metric	60,754.20	Meters (qty 140) and MKU parts (qty 100)	Yes
EFT000000001459	7/10/2024	City of Oceanside	34,468.24	TITLE XV1 GRANT DISBURSEMENT FOR 4/23-3/24 (FEDERAL GRANT PASS-THROUGH)	
EFT000000001460	7/10/2024	USA Blue Book	897.72	WWTP SUPPLIES	
EFT000000001461	7/10/2024	Univar Solutions Usa Inc	2,949.20	WWTP CHEMICALS	
EFT000000001462	7/10/2024	Insight Public Sector, Inc.	2,778.47	LENOVO THINKPAD P17 GEN 2	Yes
EFT000000001463	7/10/2024	ESS	672.00	7/24-9/24 WWTP ALARM SERVICES	Yes
EFT000000001464	7/10/2024	Vallecitos Water District	87,523.90	TITLE XV1 GRANT DISBURSEMENT FOR 4/23-3/24 (FEDERAL GRANT PASS-THROUGH)	
EFT000000001465	7/17/2024	ACWA - JPIA	156,774.95	8/24 GROUP INSURANCE	
EFT000000001466	7/17/2024	Leucadia Wastewater District	9,718.85	7/24-6/25 ANNUAL SEWER SVC CHG	
EFT000000001467	7/17/2024	Myers & Sons	54.07	PARKS DEPT SUPPLIES	
EFT000000001468	7/17/2024	Traffic Supply Inc	251.06	HYDRANT MARKERS	
EFT000000001469	7/17/2024	Controlled Entry Specialists	2,288.00	OMWD HQ GATE SERVICES	
EFT000000001470	7/17/2024	McMaster-Carr Supply Co.	967.08	SUPPLIES	Yes
EFT000000001471	7/17/2024	Ninyo & Moore	3,376.00	Geotech Observations & Material Testing for Recycled Water Pipeline Extensions	Yes
EFT000000001472	7/17/2024	Panatrack, Inc.	3,022.00	ANNUAL MAINTENANCE RENEWAL	
EFT000000001473	7/17/2024	D-Max Engineering, Inc.	3,289.50	4/1-6/20/24 FOG INSPECTIONS	
EFT000000001474	7/17/2024	Industrial Solution Services, Inc.	8,787.56	40% Liquid Ammonium Sulfate Annual Purchase	Yes
EFT000000001475	7/17/2024	WREGIS	0.92	RENEW ENERGY	
EFT000000001476	7/17/2024	Rutan & Tucker, LLP	10,911.65	San Dieguito Groundwater Project Consulting and Legal Support	Yes
EFT000000001477	7/17/2024	Martin Marietta Materials Inc	185.00	DUMP YARD MATERIALS	Yes
EFT000000001478	7/17/2024	Rusty Wallis Inc.	4,550.00	7/24 WTP CHEMICALS	
EFT000000001479	7/17/2024	West Coast Sand & Gravel	1,127.50	YARD MATERIALS	
EFT000000001480	7/17/2024	Global Power Group Inc	614.58	WWTP PREVENT MAINT SERVICES	
EFT000000001481	7/17/2024	CDW Government Inc	6,480.00	Cisco Duo Security Standard Access - license - 1 license	Yes
EFT000000001482	7/17/2024	Dell Computers	1,424.44	SUPPORT SERVICES (SOLARWINDS)	
EFT000000001483	7/17/2024	Integrity Municipal Systems	4,315.80	NBHD #3 SPS SCRUBBER SERVICE	
EFT000000001484	7/17/2024	Konecranes Inc	657.71	Crane/Hoist PM Service & Inspections at DCMWTP	Yes
EFT000000001485	7/17/2024	Water for People	63.00	WTRPL 7/18/2024	
EFT000000001486	7/24/2024	ACWA - JPIA	10,624.45	CYBER LIABILITY INSURANCE	
EFT000000001487	7/24/2024	Underground Service Alert	309.25	6/24 DIG ALERT TICKETS	
EFT000000001488	7/24/2024	Dudek	4,600.00	Design Services	Yes
EFT000000001489	7/24/2024	Peterson Structural Engineers, Inc.	3,774.40	Design Services for Tank Safety Improvements	
EFT000000001490	7/24/2024	Encina Wastewater Authority	11,579.98	WATER SAMPLES	Yes
EFT000000001491	7/24/2024	Southern Counties Lubricants, LLC.	4,677.87	FUEL SUPPLIES	
EFT000000001492	7/24/2024	AG Tech Llc	1,829.00	WWTP BIOSOLIDS WASTE DISPOSAL	
EFT000000001493	7/24/2024	Evoqua Water Technologies	301.67	WWTP PREVENT MAINT SVCS	
EFT000000001494	7/24/2024	San Elijo Joint Powers Auth.	54,066.60	6/24 29.4 AC/FT RECYCLED WATER	
EFT000000001495	7/24/2024	PSI Water Technologies, Inc	22,397.00	Removal and Reinstallation of Hypochlorite System at the DCMWTP	Yes
EFT000000001496	7/24/2024	Ninyo & Moore	9,578.00	Geotech Observations & Material Testing for Recycled Water Pipeline Extensions	Yes
EFT000000001497	7/24/2024	Sloan Electric	467.39	SUPPLIES	Yes
EFT000000001498	7/24/2024	NexusTek Phoenix	7,491.32	6/24 CLOUD STORAGE SERVICE	Yes
EFT000000001499	7/24/2024	The Pun Group LLP	12,000.00	6/30/24 AUDIT PROGRESS BILLING	
EFT000000001500	7/24/2024	G. Briest Consulting, Inc.	3,342.90	ENGINEER CONSULTING SERVICES	Yes
EFT000000001501	7/24/2024	Mission Electric Supply, Inc.	227.07	WWTP SUPPLIES	Yes
EFT000000001502	7/24/2024	Alpha Mechanical, Inc	471.40	WWTP SCADA ROOM A/C	
EFT000000001503	7/24/2024	EcoConnect LLC	2,446.00	6/24 BACKFLOW REPORTS	
EFT000000001504	7/24/2024	Parsons	4,586.30	Preliminary and Final Design Services	
EFT000000001505	7/24/2024	Patriot Environmental	701.50	WWTP ROLLOFF BIN DISPOSAL	Yes
EFT000000001506	7/24/2024	Whitson CM	2,300.00	OMWD HQ INSPECTIONS	
EFT000000001507	7/24/2024	CDW Government Inc	52.53	SUPPLIES	
EFT000000001508	7/24/2024	County of San Diego, RCS	171.00	6/24 RADIO SERVICES	
EFT000000001509	7/24/2024	Integrity Municipal Systems	1,303.00	6/24 WWTP ODOR SRUBBER SVCS	
EFT000000001510	7/24/2024	Harrington Industrial Plastics Inc	664.41	WTP SUPPLIES	
EFT000000001511	7/24/2024	Vallecitos Water District	58,253.93	RECYCLED WATER PURCHASES	Yes

Olivenhain Municipal Water District
July 2024 Warrant List - Check & EFT

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
EFT000000001512	7/31/2024	Standard Insurance Co.	6,567.92	8/24 LIFE & LTD INSURANCE PREM	
EFT000000001513	7/31/2024	DLM Engineering Inc	12,951.14	ENGINEER CONSULTING SERVICES	Yes
EFT000000001514	7/31/2024	Interface Automation Inc.	2,092.50	DISTRICT-WIDE POTABLE/RECYCLED, WTP SERVICES	Yes
EFT000000001515	7/31/2024	CFM-San Diego Inc	34,865.40	AUMA ACTUATOR AND MOTOR	Yes
EFT000000001516	7/31/2024	B. Weber Consulting LLC	5,557.50	IT CONSULTING SERVICES - MAY & JUNE	Yes
EFT000000001517	7/31/2024	Hasa	19,215.21	WWTP CHEMICALS	Yes
EFT000000001518	7/31/2024	North County Powder Coating	186.45	WTP SUPPLIES	
EFT000000001519	7/31/2024	McMaster-Carr Supply Co.	303.26	SUPPLIES	Yes
EFT000000001520	7/31/2024	Ninyo & Moore	2,988.00	RSF RD EMERGENCY LEAK	Yes
EFT000000001521	7/31/2024	Woodard & Curran	20,167.75	NSDWRC GRANT ADMIN SUPPORT	Yes
EFT000000001522	7/31/2024	Ignacio Tool Supply Inc.	130.86	MISC TOOLS	Yes
EFT000000001523	7/31/2024	Rincon Consultants Inc.	4,871.75	NSDWRC GRANT ADMIN SUPPORT, GROUNDWATER DESAL PROJECT	Yes
EFT000000001524	7/31/2024	Aqua Metric	364,912.79	MXUs for AMI project (Qty. 1,620)	Yes
EFT000000001525	7/31/2024	Corrpro	535.34	SUPPLIES	Yes
EFT000000001526	7/31/2024	West Coast Sand & Gravel	1,506.15	YARD MATERIALS	Yes
EFT000000001527	7/31/2024	Carollo Engineers	17,371.38	WTP CONDITION ASSESSMENT SERVICES	Yes
EFT000000001528	7/31/2024	CDW Government Inc	402.97	SUPPLIES	
EFT000000001529	7/31/2024	NBS	15,271.03	CFD FORMATION PEER REVIEW (FUNDED BY DEVELOPER DEPOSIT), JULY - SEPT ASSESSMENT DISTRICT ADMIN SERVICES	Yes
EFT000000001530	7/31/2024	Valley Construction Management	91,760.63	Construction Management Services for Unit A, RSF Pipeline Replacement Proj., WTP stage 4 upgrades, N1SP5, recycled pipeline extensions	Yes
EFT000000001531	7/31/2024	Harrington Industrial Plastics Inc	165.43	WTP SUPPLIES	
EFT000000001532	7/31/2024	Water for People	63.00	WTRPL 8/1/2024	

5,960,891.13

*These are June warrants that were inadvertently excluded from the 2024-06 warrant list.

Olivenhain Municipal Water District
Monthly Directors Fee and Reimbursed Expenses for Directors and Staff
July 2024

<u>Name</u>	<u>Payment Date</u>	<u>Check#/ Credit Card</u>	<u>Meals & Lodging</u>	<u>Travel & Transport</u>	<u>Other</u>	<u>Total Reimbursed Expenses</u>	<u>Directors Fee*</u>
Director Guerin			0.00	0.00	0.00	0.00	600.00
			0.00	0.00	0.00	0.00	600.00
Director Hahn			0.00	0.00	0.00	0.00	450.00
			0.00	0.00	0.00	0.00	450.00
Director Meyers			0.00	0.00	0.00	0.00	750.00
			0.00	0.00	0.00	0.00	750.00
Director San Antonio			0.00	0.00	0.00	0.00	300.00
			0.00	0.00	0.00	0.00	300.00
Director Watt			0.00	0.00	0.00	0.00	750.00
			0.00	0.00	0.00	0.00	750.00
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 Selamat			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 May and June Per Diems. July Per Diems paid on August 1, 2024.

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.

Memo

Date: August 14, 2024
To: Olivenhain Municipal Water District Board of Directors
From: Paul Martinez, Engineering Technician I
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER ACCEPTANCE OF THE 6398 CLUBHOUSE DRIVE WATER SERVICE
INSTALL (DEL MAR ESTATE INVESTMENTS, LLC.) INTO OMWD'S SYSTEM AND
ORDER A NOTICE OF COMPLETION FILED**

Purpose

The purpose of this agenda item is to consider acceptance of the transfer of the facilities constructed by Del Mar Estate Investments, LLC. (Developer) into OMWD's system and authorize the filing of a Notice of Completion with the San Diego County Recorder.

Recommendation

Staff recommends acceptance of the potable water facilities into OMWD's system.

Alternative(s)

None; the Project is complete, and facilities were constructed according to the approved plans to OMWD's Standard Specifications and Drawings per the Development Construction Agreement.

Background

The 6398 Clubhouse Drive Water Service Installation Project (Project) is east of San Dieguito Road in Director Division 1 (Director San Antonio). The project consisted of the installation of one (1) two-inch water service.

OMWD entered into an agreement with the Developer in May of 2024 to construct the facilities and dedicate said facilities to OMWD. The facilities are now complete and have been built in accordance with the approved plans and OMWD Standard Specifications and Drawings. The warranty period will terminate one (1) year following the acceptance of the facilities by OMWD's Board.

Fiscal Impact

There is no fiscal impact to accepting the facilities into OMWD's system. The new assets will be reported to Finance for capitalization.

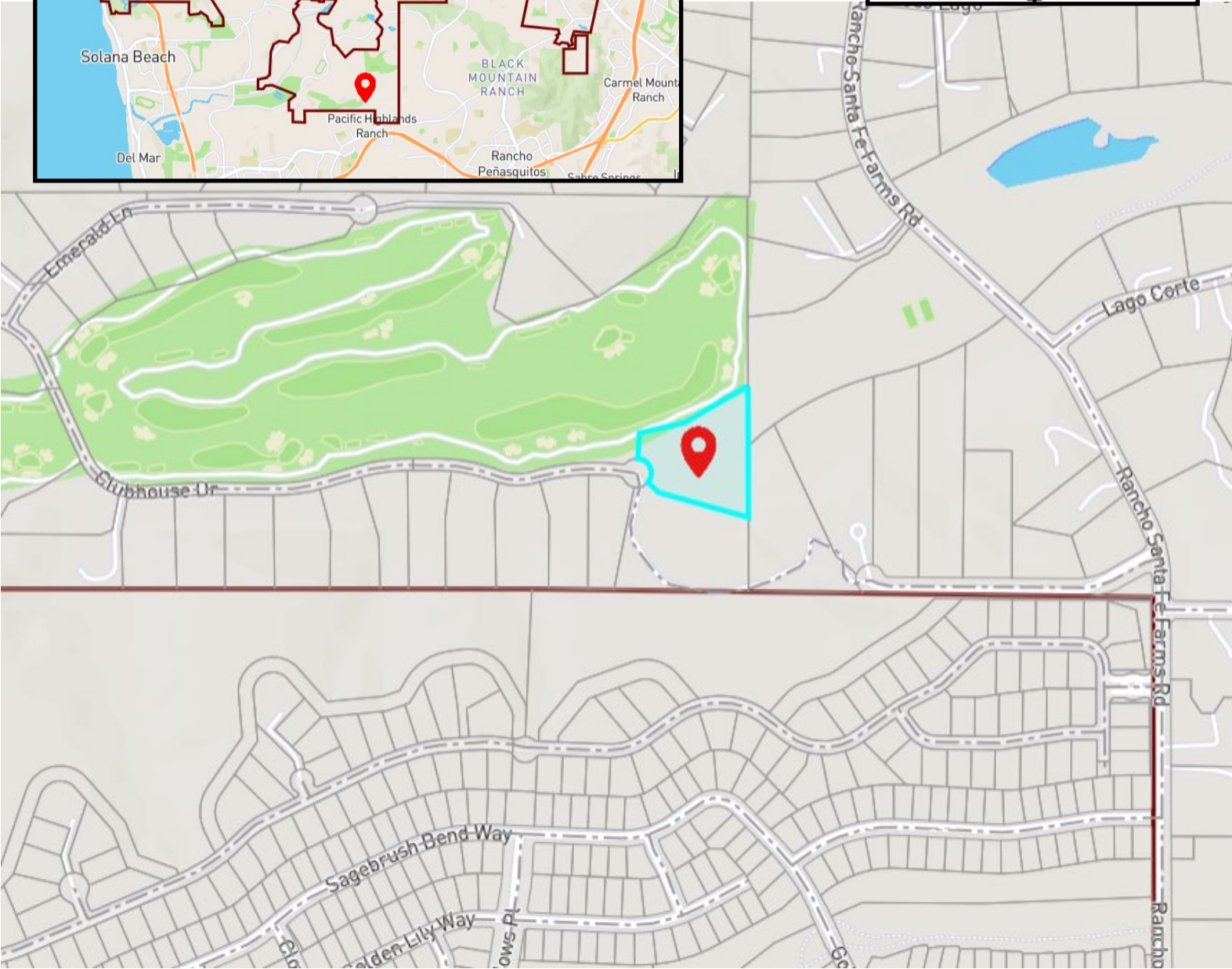
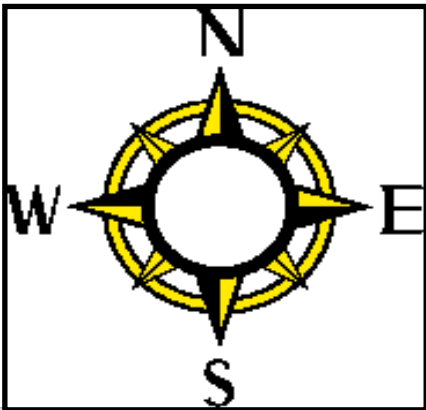
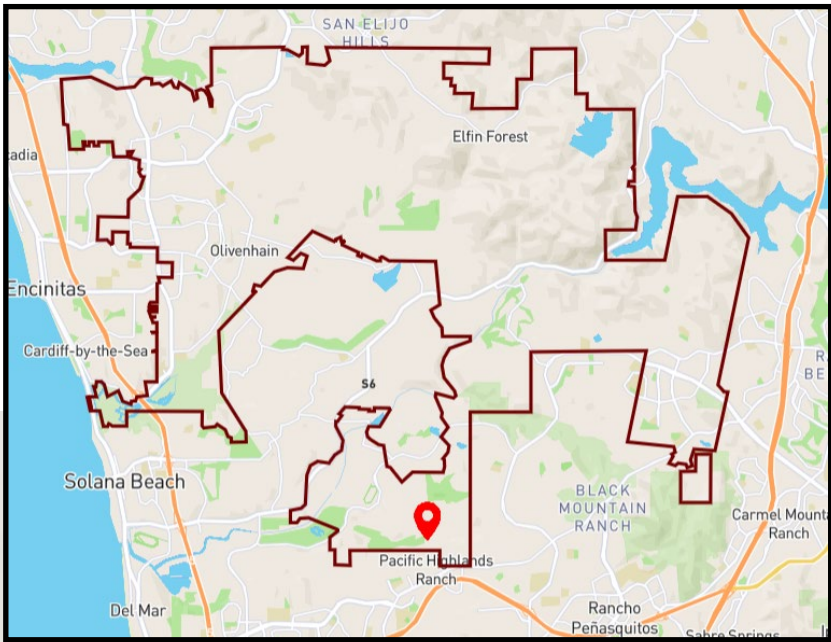
Discussion

Staff is available to answer questions.

Attachments:

Location Map

Notice of Completion



6398 CLUBHOUSE DR
WATER SERVICE INSTALL
DISTRICT PROJECT NO. W590341

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

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

(This space for recorder's use)

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that the facilities shown on improvement plans for Parcel 305-071-33-00 of Map No. 17708, recorded on Date of Map Recording located in the County of San Diego, State of California for which Del Mar Real Estate Investments, LLC., ("Developer") contracted with the OLIVENHAIN MUNICIPAL WATER DISTRICT ("Owner," in fee, of the facilities), headquartered at 1966 Olivenhain Road, Encinitas, CA 92024, have been completed in accordance with the approved plans and standard specifications and drawings as of July 24th, 2024. The facilities have been accepted by the Board of Directors of the OLIVENHAIN MUNICIPAL WATER DISTRICT on this 14th day of August 2024.

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: August 14, 2024
To: Olivenhain Municipal Water District Board of Directors
From: Melody Colombo, Administrative Analyst
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER ADOPTING A POSITION ON CALIFORNIA PROPOSITION 4: THE SAFE DRINKING WATER, WILDFIRE PREVENTION, DROUGHT PREPAREDNESS, AND CLEAN AIR BOND ACT OF 2024**

Purpose

The purpose of this agenda item is to consider adopting a position on California Proposition 4: The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024. Proposition 4, if approved by the voters on the November ballot, would authorize a \$10 billion general obligation bond for climate resiliency projects in California.

Recommendation

Staff recommends that the board adopt a position of “Watch” on California Proposition 4: The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Climate Resiliency Bond).

If the board decides to take a position other than watch, staff will return with a resolution at the next board meeting formally adopting the oppose or support position.

Alternative(s)

- The board could choose to not take a position.
- The board could choose to take a position other than a watch position, such as support or oppose.

Background

Historically, OMWD has considered positions on bonds on a case-by-case basis. OMWD has not supported water bonds that don't have a narrow enough focus on water infrastructure projects, such as The Safe Drinking, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84). This water bond only allocated 28 percent of total funding for water infrastructure projects but was marketed as a measure that would provide all Californians with a reliable water supply. In November 2009, OMWD's board voted to oppose another bond called the Safe, Clean, and Reliable Drinking Water Supply Act of 2010. This was due to the bond's large scope and billions of dollars in projects with no beneficial effect on water supply. However, by 2014, this bond was amended (making the ballot as Proposition 1) and provided greater funding for recycled water, which the board adopted a position of support on September 24, 2014 via Resolution 2014-28. OMWD has been successful in securing funding through previous water bonds, including Proposition 84 (despite not supporting the measure), as well as funding from other board-supported bonds such as Proposition 50, and Proposition 1, particularly through its cooperation with the North San Diego Water Reuse Coalition. OMWD also supported Proposition 3, The Water Supply and Quality Act of 2018, which provided \$8.877 billion in bond funding for projects pertaining to water supply and quality, watershed restoration, fish and wildlife protection, sustainable groundwater management, and repair of existing dams and canals. Proposition 3 was subsequently rejected by the voters.

At the March 2024 board meeting, Ashley Walker of Nossaman, LLP presented an informational report regarding the potential November 2024 climate bond. While Ms. Walker acknowledged that the details of the bond had yet to be determined in the legislature, she stated that the bond could fund improvements to water supply reliability, water quality, water infrastructure, drought preparation, open spaces, and climate resilience. The board directed staff to return and present the board with OMWD's climate bond priorities for consideration.

In May 2024, the board established and approved climate bond priorities which were incorporated into OMWD's Legislative Guidelines.

At the July 2024 board meeting, the board directed staff to conduct an analysis and recommend a position on Proposition 4 for board consideration at the August 14 board meeting.

Fiscal Impact

There is no direct fiscal impact associated with adopting a watch position for Proposition 4. Should the proposition be passed by voters in November, the bond would create funding opportunities that OMWD may apply for through a competitive grant process that could offset costs associated with OMWD capital projects.

Discussion

Due to the state's limited bond capacity, as well as the desire to have a climate bond and an education bond on the November ballot, the legislature created climate bond working groups in both the Senate and Assembly. These working groups worked on recasting and reducing the amount of the proposed climate bond from \$15 billion to \$10 billion. SB 867 was passed by the legislature and signed by Acting Governor Mike McGuire, therefore qualifying for the November ballot, per election guidelines by the Secretary of State on July 3, 2024.

Proposition 4: The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 would authorize the state to issue \$10 billion in general obligation bonds to pay for climate, water, and environmental projects. General obligation bonds are both attractive and challenging since they avoid a significant hit to the state's General Fund in a budget year but result in significant ongoing expenses in future years.

All general obligation bonds must be approved by voters. Some voters may have a limited appetite for the state taking on additional debt. For example, earlier this year, Proposition 1, which authorizes \$6.28 billion in bonds to build mental health treatment facilities narrowly passed on the March 2024 Primary ballot. This indicated that voters may not be supportive of additional bonds on the November ballot. If voters approve Proposition 4, California taxpayers will have to pay back the bond with interest. According to Assembly bill analysis, it would take 30 years and \$19.3 billion (\$9.3 billion of that being interest) in total to pay off the bond. It should also be noted that it is expected that there will be higher voter turnout for the November election.

If Proposition 4 is approved by voters in November, OMWD may choose to apply for general obligation bond funding that would become available via competitive grant opportunities.

The \$10 billion bond is broken down into the following “chapters” of funding:

- \$3,800,000,000 for safe drinking water, drought, flood, and water resilience programs.
- \$1,500,000,000 for wildfire and forest resilience programs.
- \$1,200,000,000 for coastal resilience programs.
- \$450,000,000 for extreme heat mitigation programs.
- \$1,200,000,000 for biodiversity protection and nature-based climate solution programs.
- \$300,000,000 for climate-smart, sustainable, and resilient farms, ranches, and working lands programs.
- \$700,000,000 for park creation and outdoor access programs.
- \$850,000,000 for clean air programs.

This bond is wide in scope, focusing on climate resiliency, and is not a focused “water” bond.

The \$3,800,000,000 of funding in the first bullet above breaks down into the following categories:

- \$1,885,000,000 to protect and increase water supply and water quality.
- \$1,140,000,000 to reduce flood risk and improve stormwater management.
- \$605,000,000 to protect and restore rivers, lakes, and streams, and to improve watershed resilience, including the resilience of fish, and wildlife within the watershed.
- \$150,000,000 for acquisition of water or water rights, acquisition of land that includes water rights or contractual rights to water, and short- or long-term water transfers, and leases.
- \$20,000,000 for grants to nature and climate education, research facilities, nonprofit organizations and public institutions, natural history museums, etc.

Alignment of OMWD’s Climate Bond Priorities and Proposition 4

Proposition 4 would add twelve individual sections to Public Resources Code that would provide the funding identified in the categories above that also align with OMWD climate bond priorities.

It is likely that water districts throughout the entire state will also be competing for this funding if the bond passes in November, which will make this funding highly competitive.

The following is a summary of OMWD climate bond priorities that are in alignment with Proposition 4:

Climate Bond Priorities:		Alignment with Proposition 4 Funding Levels
1	WATER STORAGE	Up to \$461million
2	CONTROLLING WHOLESALE RATES	Up to \$175 million
3	AGING INFRASTRUCTURE	Up to \$996 million
4	CYBER INFRASTRUCTURE PROTECTION	\$0
5	DAM SAFETY	Up to \$480 million
6	REGULATORY COMPLIANCE	\$0
7	DEVELOPMENT OF NEW SUPPLIES	Up to \$672 million
8	MAINTENANCE & IMPROVEMENT OF OPEN SPACES SURROUNDING WATER RESERVOIRS	Up to \$475 million
9	EFFICIENT PROCEDURES	\$0
10	CENTRALIZED MANAGEMENT & CONSISTENT ALLOCATION OF FUNDING	\$0

- **\$1,885,000,000 to protect and increase water supply and water quality category. A total of seven funding sections align with four OMWD climate bond priorities as listed below:**
 - OMWD Climate Bond Priority 1 – *Allocates funds to developing water storage infrastructure that will bolster resilience against droughts and ensures reliable supplies.*
 - Funding §91014. (a) Of the funds made available by §91010, \$386,250,000 shall be available, upon appropriation by the

legislature, to the State Water Resources Control Board for grants and projects related to water reuse and recycling, including, but not limited to, the following: (1) Treatment, storage, conveyance, and distribution facilities for potable and nonpotable recycling projects.

- Funding §91015. Of the funds made available by §91010, \$75,000,000 shall be available, upon appropriation by the legislature, to the California Water Commission for projects under the Water Storage Investment Program.
- OMWD Climate Bond Priority 2 - *Provides OMWD's wholesalers with funding that protects local ratepayers from rising costs while offering solutions that benefit the region.*
 - Funding §91018. Of the funds made available by §91010, \$75,000,000 shall be available, upon appropriation by the legislature, to the Natural Resources Agency and the Department of Water Resources for competitive grants for regional conveyance projects or repairs to existing conveyances. Priority shall be given to projects that provide one or more of the following benefits: (a) Improvements in regional or interregional water supply or water supply reliability. (b) Increased groundwater recharge or mitigation of conditions of groundwater overdraft, salinity intrusion, water quality degradation, or subsidence. (c) Adaptation to the impacts of hydrologic changes. (d) Improvements in water security from drought, natural disasters, or other events that could interrupt water supplies. (e) Providing safe drinking water for disadvantaged communities and economically distressed areas.
- OMWD Climate Bond Priority 3 - *Allocates resources for the rehabilitation and modernization of aging water and wastewater (recycled) infrastructure that improves operational efficiency and minimizes water loss.*
 - Funding §91011. (a) Of the funds made available by §91010, \$610,000,000 shall be available, upon appropriation by the legislature, to the State Water Resources Control Board for grants or loans that improve water quality or help provide clean, safe, and reliable drinking water.
 - Funding §91014. (a) Of the funds made available by §91010, \$386,250,000 shall be available, upon appropriation by the legislature, to the State Water Resources Control Board for grants and projects related to water reuse and recycling, including, but not limited to, the following: (1) Treatment, storage, conveyance, and distribution facilities for potable and nonpotable recycling projects.

- (2) Dedicated distribution infrastructure to serve residential, commercial, agricultural, and industrial end user retrofit projects to allow use of recycled water. (3) Multiple-benefit recycled water projects that improve water quality.
- OMWD Climate Bond Priority 7 – *Advances investment in new water supply projects that maximize and diversify limited water resources.*
 - Funding §91011. (a) Of the funds made available by §91010, \$610,000,000 shall be available, upon appropriation by the Legislature, to the State Water Resources Control Board for grants or loans that improve water quality or help provide clean, safe, and reliable drinking water.
 - Funding §91016. Of the funds made available by Section 91010, \$62,500,000 shall be available, upon appropriation by the Legislature, for capital investments in brackish desalination, contaminant and salt removal, and salinity management projects to improve California water and drought resilience. Priority shall be given to projects that use new incremental eligible renewable energy resources during operation and reduce greenhouse gas emissions associated with their construction and operation.
- **\$605,000,000 to protect and restore rivers, lakes, and streams, and to improve watershed resilience, including the resilience of fish, and wildlife within the watershed category. One funding section aligns with one OMWD climate bond priority as listed below:**
 - OMWD Climate Bond Priority 2 - *Provides OMWD's wholesalers with funding that protects local ratepayers from rising costs while offering solutions that benefit the region.*
 - Funding §91031. Of the funds made available by §91030, \$100,000,000 shall be available, upon appropriation by the legislature, to the Department of Water Resources for projects related to integrated regional water management to improve climate resilience on a watershed basis. The department shall update and revise the guidelines for the integrated regional water management program to address impacts associated with climate risk.
- **\$1,140,000,000 to reduce flood risk and improve stormwater management category. One funding section aligns with one OMWD climate bond priority as listed below:**
 - OMWD Climate Bond Priority 5 - *Provides funding for the Lake Hodges Dam which serves OMWD in an emergency capacity and helps to control wholesale rates.*

- Funding §91022. Of the funds made available by §91020, \$480,000,000 shall be available, upon appropriation by the Legislature, to the Department of Water Resources for the Dam Safety and Climate Resilience Local Assistance Program for competitive grants for projects that enhance dam safety and reservoir operations and protect public benefits pursuant to §6700 of the Water Code.
- **\$1,500,000,000 for wildfire and forest resilience programs category. One funding section aligns with one OMWD climate bond priority as listed below:**
 - OMWD Climate Bond Priority 8 - *Prioritizes the allocation of funds for open spaces surrounding water reservoirs.*
 - Funding §91510. \$175,000,000 shall be available to the Department of Forestry and Fire Protection's Forest Health Program for long-term forest health projects, including improved forest management, prescribed fire, prescribed grazing, cultural fire, forest watershed restoration, reforestation, upper watershed, riparian, and mountain meadow restoration, and activities that promote long-term carbon storage and sequestration.
- **\$700,000,000 for park creation and outdoor access programs category. Two funding sections align with one OMWD climate bond priority as listed below:**
 - OMWD Climate Bond Priority 8 - *Prioritizes the allocation of funds for open spaces surrounding water reservoirs.*
 - Funding §94020. Of the funds made available by §94000, \$200,000,000 shall be available, upon appropriation by the Legislature, to the Natural Resources Agency and its departments, boards, and conservancies for the reduction of climate impacts on disadvantaged communities and vulnerable populations and the creation, protection, and expansion of outdoor recreation opportunities.
 - Funding §94030. Of the funds made available by §94000, \$100,000,000 shall be available, upon appropriation by the Legislature, to the Natural Resources Agency and its departments, boards, and conservancies for the protection, restoration, and enhancement of the natural resource values of the state park system and for projects to expand recreational opportunities and public access to state and public park nonmotorized trails. Projects may include enhancing and expanding existing trails and creating new trails.

Other Agency Positions and Advocacy

Advocates of the climate resiliency bond, such as San Diego County Water Authority, see it as an opportunity for the state to provide funding for water and energy sectors including safe drinking water, drought, flood and water resilience, dam safety, wildfire

and forest resilience, sea level rise, and coastal resilience, extreme heat mitigation, and biodiversity and nature-based climate solutions. Proponents believe Proposition 4 could help various projects in our region, including:

- Recycled water
- Water conservation
- Stormwater
- Safe and affordable drinking water
- Border rivers (Tijuana/New)
- San Diego River Conservancy
- Sea level rise funding (e.g., cliff collapses in Encinitas and Del Mar)

Arguments in opposition of Proposition 4 include the Howard Jarvis Taxpayers Association which states that bonds almost double (and in many cases, have more than doubled) the cost of projects in nominal terms, and these bonds will be paid by people decades from now that did not even get to vote for their authorization. Due to inflation, interest rates are higher than they have been in decades. According to Howard Jarvis Taxpayers Association's calculations, these bonds would add more than \$17 billion in interest over 30 years for a total (principal and interest) cost of more than \$32 billion.

At the time of writing this report, ACWA and CSDA both have watch positions on the proposition. Agencies with a watch or neutral position on the climate resiliency bond see it falling short on funding dedicated to water infrastructure projects. ACWA advocated for ten categories of funding to be included in the bond. The levels of funding, however, are significantly lower than requested by ACWA and other agencies. The bond includes some funding levels that are very low for some categories that are fundamental to water management. Below is a breakdown of the funding for the ten ACWA recommended categories that were advocated for: (ACWA's ten recommended categories do not equal \$3,800,000,000.)

- Flood Protection/Stormwater: \$660 million
- Drinking Water/Water Quality: \$610 million
- Dam Safety: \$480 million
- Recycling and Brackish Water Desalination: \$448.75 million
- Groundwater: \$386.25 million
- Regional Watershed Resilience: \$100 million
- Regional Water Conveyance: \$75 million
- Surface Water Storage: \$75 million
- Water Use Efficiency: \$75 million
- State Water Project (public benefits): \$0

It should be noted that SDCWA advocated for funding to be included in the bond to help San Diego County for dam safety. Although \$480 million of funding was allocated for dam safety in Proposition 4, this funding allocation is for the entire state. Dam safety funding is urgently needed across the state including San Diego, and this funding allocation is grossly insufficient to meet those needs. The Lake Hodges Dam project alone requires an estimated \$375 million, so this funding is not sufficient for all dam safety needs across California.

Ashley Walker of Nossaman, LLP has provided input and analysis on this report. Nossaman, LLP supports the recommended watch position on California Proposition 4: The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024. Nossaman acknowledges that this bond does have water infrastructure funding that may be beneficial for OMWD, as demonstrated in the aligned board priorities. Nossaman was engaged in advocacy efforts to increase the overall funding for water infrastructure in the final bond, however, given competing climate-related interests, the final funding amount included for water infrastructure projects was not ideal. For those reasons, a watch position is appropriate. Nossaman will still work with OMWD to identify funding sources within the bond, should the voters pass the proposition in November.

Adopting a watch position is aligned with our strategic objectives, legislative priorities, and past practice. While OMWD's legislative guidelines oppose water bond legislation that prioritizes disproportionate non-water related funding priorities, this bond initiative is a climate resiliency bond, with significant funding allocated toward water infrastructure.

Note that there are some restrictions on the actions that public agencies may take pertaining to supporting or opposing a ballot measure. It is permissible for an agency to analyze and evaluate the impacts of a ballot measure; adopt a formal position; and to educate the public on a measure, its impacts, and the agency's position. An agency may not, however, advocate a "yes" or "no" vote or a particular course of action.

Memo

Date: August 14, 2024
To: Olivenhain Municipal Water District Board of Directors
From: Leo Mendez, Accounting Supervisor
Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER DISCUSSION AND APPROVAL OF PRE-BUYING 3,449 ACRE FEET OF WATER AND PLACING IT INTO STORAGE IN DECEMBER 2024**

Purpose

The purpose of this agenda item is to consider discussion and approval of OMWD pre-buying 3,449-acre feet of water from San Diego County Water Authority (SDCWA) in one lump sum purchase in December 2024. This is a follow-up to an item presented at the May 2024 Board meeting.

Recommendation

Staff recommends that the board consider approval of OMWD pre-buying 3,449-acre feet of water from SDCWA for savings to OMWD.

Background

In 2010, OMWD, SDCWA, and the City of San Diego entered into a settlement agreement that included OMWD's right to store up to 3,449-acre feet of water in the SDCWA system until December 2026. Based on the agreement, OMWD has the right to place water in storage at the current cost of SDCWA water and remove it from SDCWA's Olivenhain Reservoir's storage via its Unit AA pipeline when needed. The stored water would also be subject to evaporation and seepage losses as identified in the Olivenhain Reservoir Regulating Plan adopted in 2006 by both boards.

Since the settlement agreement was signed in 2010, OMWD has not purchased nor placed water into storage. It did not make financial sense in years that the SDCWA rate increases were in single digits, due to lost interest revenues on the upfront cash to buy the water and water lost to evaporation and seepage.

The OMWD General Manager brought the idea of pre-buying 3,449-acre feet of water to the Board at the May 2024 meeting. The General Manager presented preliminary savings calculations that were based on the potential 20% and 16% SDCWA rate increase options that were known at the time but not yet finalized. The Board's consensus was to have staff come back in July or August, after SDCWA rates were known, with revised savings calculations and a recommendation on whether to pursue the pre-buying of 3,449-acre feet of water.

Prior to the May 2024 Board meeting, the General Manager discussed this proposal with the General Manager of SDCWA. Overall, there was no resistance to OMWD undertaking this action by SDCWA. An earlier cash inflow than previously anticipated from OMWD would be a favorable offset to this transaction for them as well.

Fiscal Impact

Estimated savings to OMWD for FY 25 of about \$247,641, net of evaporation, seepage, and estimated loss of opportunity to invest the funds used for pre-buying water, calculated as follows:

	<u>CY 2024 Rate</u>	<u>CY 2025 Rate</u>	Note
			(1)
Supply Rate	\$ 1,200	\$ 1,355	
Transportation Rate	\$ 189	\$ 141	
Total	\$ 1,389	\$ 1,496	
 \$ Increase in Supply Cost per AF		\$ 107	
X Amount of AF to pre-purchase		<u>3,449</u>	
 Total Savings		\$ 369,043	
 Less: loss of opportunity to invest funds used for pre- buying water		\$ (58,175)	(2)
Less: loss from evaporation and seepage		\$ (63,227)	(3)
 Estimated Net Savings		\$ 247,641	
 Payment Amount for Pre Purchase (3,449 AF x \$1,389 CY 2024 CWA Variable Rate)		\$ 4,790,661	

Notes:

(1) CY 2025 rates are based on SDCWA's adopted rates effective January 1, 2025

(Option 2 adopted on 7/25/24).

(2) Loss of opportunity to invest funds used for pre-buying water. Based on a 3-month Treasury Bill rate of 5.24% as of July 2024.

(3) Loss from evaporation and seepage estimated at 45.52 AF of water from January to June of 2025 (45.54 AF x \$1,389 CY 2024 CWA Variable Rate = \$63,227).

Discussion

At their July 2024 SDCWA Board meeting, the Board adopted a 14% rate increase beginning January 1, 2025. Considering this increase, staff is proposing pre-buying water in late 2024 at the current SDCWA water rates and placing it in storage in the SDCWA system and then drawing it out as soon as possible the following calendar year.

Staff would purchase 3,449-acre feet of water from SDCWA in December of 2024 at the \$1,389 per acre foot cost, which would mean that OMWD would send SDCWA a check for \$4,790,661 to pre-buy the water. The savings to OMWD comes in the difference in the 2024 rates to the 2025 rates. With the SDCWA Supply and Transportation (variable) rates effective January 1, 2025 increasing from a total of \$1,389 to a total of \$1,496, it is

a differential in rates on the 3,449-acre feet of water of \$369,043. With the deduction of an estimated loss of opportunity to invest the funds used for pre-buying water of \$58,175 in addition to the estimated amount lost to evaporation and seepage of \$63,227, the net savings to OMWD is \$247,641, which will help offset future SDCWA increases anticipated in CY 2026.

Pre-buying 3,449-acre feet of water at \$4,790,661 would keep OMWD in compliance with the Board's Reserves Policy, and staff anticipates that the full 3,449-acre feet will be taken out of storage by June of 2025.

In the event that OMWD needs cash to serve as a bridge from the prepayment amount to anticipated revenues, staff would consider utilizing a short-term borrowing if it is cost-efficient for the District under prevailing market conditions, consistent with OMWD's Debt Management Policy. Staff would bring this potential borrowing to the Finance Committee for discussion after market conditions are assessed and deemed favorable.

Staff will be available to answer any questions.

Memo

Date: August 14, 2024
To: Olivenhain Municipal Water District Board of Directors
From: Lindsey Stephenson, Engineering Manager
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER APPROVAL OF A CONTRACT WITH J.R. FILANC CONSTRUCTION COMPANY, INC. IN THE AMOUNT OF \$1,899,728 FOR THE CONSTRUCTION OF THE GARDENDALE AND VILLAGE PARK WEST PRESSURE REDUCING STATION REPLACEMENT PROJECT, APPROPRIATE AN ADDITIONAL \$600,000 TO THE PROJECT FROM CAPITAL RESERVE FUND, AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD**

Purpose

The purpose of this agenda item is to consider approval of a contract with J.R. Filanc Construction Company, Inc. (Filanc) in the amount of \$1,899,728 for the construction of the Gardendale and Village Park West Pressure Reducing Station (PRS) Replacements (Project), and appropriate an additional \$600,000 to the project from the Capital Reserve Fund, and authorize the General Manager to sign on behalf of the Olivenhain Municipal Water District (OMWD).

Recommendation

Staff recommends awarding a contract to Filanc in the amount of \$1,899,728 for construction of the Project, appropriate an additional \$600,000 to the Project from the Capital Reserve Fund, and authorize the General Manager to sign on behalf of OMWD.

Alternative(s)

The Board could elect to:

- Reject all bids and direct staff to re-bid the Project;
- Elect to delay the Project until a future date; or
- Proceed in a manner as otherwise directed by the Board.

Background

The proposed Gardendale and Village Park West PRS replacements are located in Director Division 3 (Guerin) and Director Division 2 (Watt), respectively. To continue providing reliable water service, the Project will replace the existing pressure reducing stations, which were originally constructed in the 1970's and are approaching the end of their useful service life. The Project is a key milestone to achieving the 2024 Annual Goal 1, Objective 2, "commence construction of two pressure reducing station replacements to minimize water loss and control replacement of aging infrastructure."

The existing underground PRS stations will be replaced with pre-assembled units manufactured by EFI Solutions Inc. (EFI), that are owner-furnished to the contractor, consistent with previous PRS replacements. The District 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, the pre-assembled units significantly reduce installation time and help minimize water service disruptions to customers during replacement.

To complete the design of the Project, a Request for Proposals for preliminary and final design services was advertised in June 2022. Three proposals were received, and Balboa Engineering, Inc. was selected to complete the design, in accordance with Administrative and Ethics Code, Section 6. Once the design was completed, the contract documents for the Project were prepared to advertise for bid.

The Project qualifies for categorical exemption under CEQA Guidelines Section 15301(b) and 15302 repair and replacement, respectively, of existing facilities involving negligible or no expansion of existing use or capacity. At the December 13, 2023 Board meeting, the Board adopted a resolution making CEQA exemption findings and authorized staff to file a Notice of Exemption with the County Clerk of San Diego.

Fiscal Impact

The Project is included in the FY '25 budget under the Gardendale PRS Replacement (D120105) and Village Park West PRS Replacement (D120104) to replace the existing pressure reducing stations to continue providing reliable water service. Both project budgets are cumulatively presented in the fiscal table below.

The Project does not have sufficient budget available for FY '25 to accommodate the construction phase, and staff requests that an additional cumulative \$600,000 be added to the overall Project budgets (reflected as \$300,000 to both CIP accounts) and appropriated to the Project in FY '25 to award and complete the work. The capital reserve fund has a current balance of approximately \$38.75 million.

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: **\$2,220,000**

Current Fiscal Year Appropriation: **\$1,953,000 (per Board approved budget)**

To Date Approved Appropriations: **\$2,220,000**

Target Project Completion Date: **Summer 2025**

Expenditures and Encumbrances as of July 17, 2024: **\$629,662**

Is this change order within the appropriation of this fiscal year? **N/A**

If this change order is outside of the appropriation, Source of Fund: **N/A**

Discussion

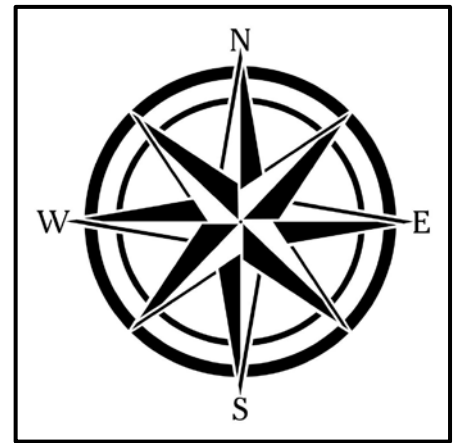
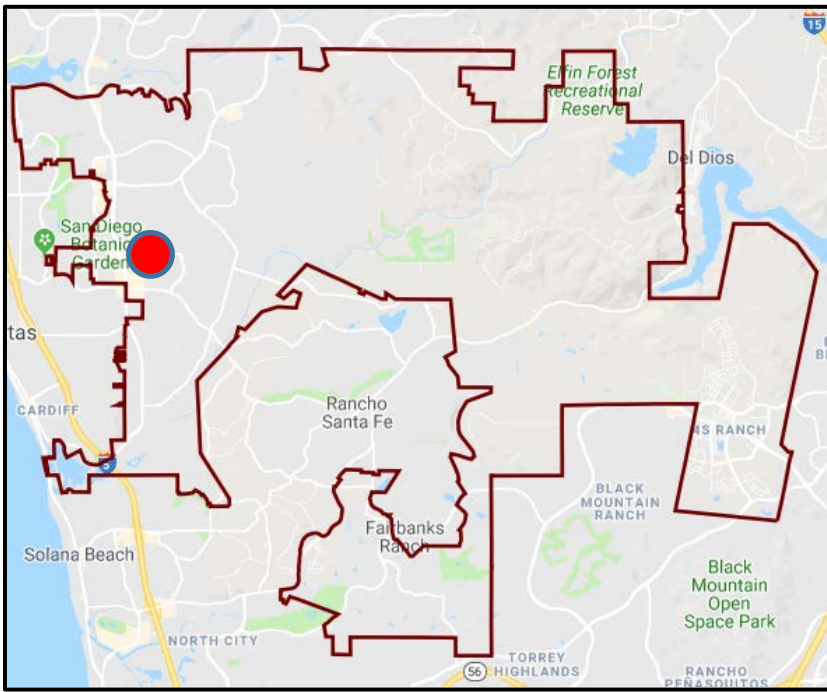
In accordance with Administrative and Ethics Code, Section 6, staff publicly issued a Request for Bids for the Project on May 9, 2024. Following the bid posting, a non-mandatory pre-bid meeting was held. Two addenda were issued during the bidding process to respond to questions received by contractors. One (1) bid was publicly received on June 25, 2024 from Filanc for \$1,899,728. The engineer's cost estimate for the project was \$1.3M (Balboa). Although the cost estimate was very close on many Project elements, dewatering came in much higher than estimated by the engineer. Staff reached out to prospective bidders who attended the pre-bid meeting but did not provide bids on this

project to help ascertain why they chose not to bid. The Project's dewatering requirements for potential groundwater and seasonal constraints had associated risk that concerned prospective bidders and contributed to their decision to not bid. Staff also discussed dewatering with Filanc, who similarly noted that the risk associated with the dewatering requirements and seasonal constraints led to their high pricing for anticipated efforts for dewatering. Staff has continued discussions with Filanc and is exploring opportunities to switch construction to more favorable groundwater conditions anticipated in summer months. Based on OMWD's field experiences, groundwater will likely be encountered throughout the entire year, but at a significantly lower quantity in summer than in winter. Considering construction in the summer months is anticipated to reduce the amount of groundwater encountered, potentially reducing dewatering costs under the contract.

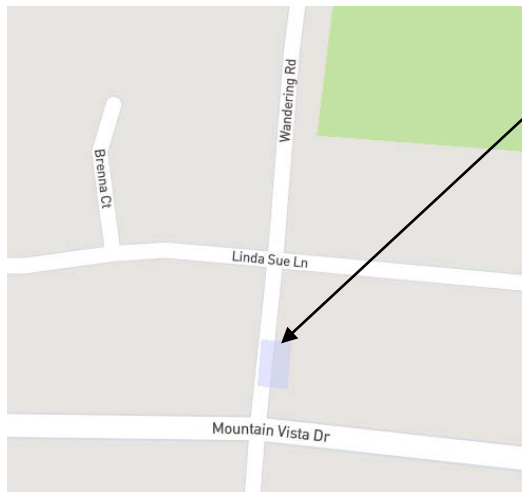
Staff has reviewed the apparent low bid and their qualifications and recommends Filanc as the lowest responsive and responsible bidder and recommends awarding a contract to Filanc in the amount of \$1,899,728 for construction of the Project, appropriating \$600,000 to the Project from the Capital Reserve Fund, and authorize the General Manager to sign on behalf of OMWD.

Staff is available to answer questions.

*Attachment(s):
Project Site Map
Bid Results*



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



Gardendale and Village Park West Pressure Reducing Station (PRS) Replacement Project Bid Opening June 25, 2024 at 2pm					
Contractor	Total Bid Price (Schedule A&B)	Bid Form Checklist (Y/N)	Addendum No. 1 (Y/N)	Addendum No. 2 (Y/N)	Bid Bond (Y/N)
Filanc	\$1,899,728	Y	Y	Y	Y

Final determination and Award to be considered by OMWD Board of Directors.
District reserves the right to award any or all Bid Schedules, reject any and all bids, to waive any irregularity in the bids received and to award the Contract on the basis of the responsive bids.

Memo

Date: August 14, 2024
To: Olivenhain Municipal Water District Board of Directors
From: Lindsey Stephenson, Engineering Manager
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER DRAFT SUMMARY OF THE 2024 POTABLE AND RECYCLED WATER MASTER PLAN UPDATE AND RECEIVE INPUT FROM THE BOARD**

Purpose

The purpose of this agenda item is to provide an informational update regarding the draft summary of the 2024 Potable and Recycled Master Plan Update and receive input from the Board. This agenda item relates to 2024 Annual Objectives: #58 to *Update the 10-Year Capital Improvement Plan*; #59 to *Complete Potable Water and Recycled Water Master Plan update*; and #61 to *Incorporate 2023 condition assessment results for DCMWTP, 4S WRF, wastewater system, and pipeline replacement into 2024 budget process, cost of service update, and Proposition 218 notices*, per the recommendation of the Facilities Committee.

Recommendation

This is an informational item only. No action is required at this time. Staff appreciates comments and any direction from the Board and will bring back the final 2024 Potable and Recycled Master Plan for consideration in fall. While the Master Plan reflects a 10-year lookahead, the projects included in this Master Plan for the next 2 years were also included in the recently approved 2-year budget and were derived from the DCMWTP Condition Assessment, the Long-term Pipeline Replacement Study, and the Wastewater

Master Plan, which were reviewed by the Facilities Committee. The costs for these projects have been contemplated in the Cost of Service Study that is currently underway.

Alternatives

The Board could instruct staff to modify or prepare alternatives to the proposed CIP.

Background

Long-term capital planning is a dynamic process and is part of OMWD's overall strategic plan and is reviewed as part of the budget process. The potable and recycled water systems are critical and valuable components of OMWD's assets, and infrastructure management needs to be considered as the system ages.

Fiscal Impact

The proposed CIP for the next 2 years was incorporated into the previously approved 2-year CIP Budget for FYs 25 and 26, and has been subsequently incorporated into the Potable Cost of Service Study for the next 5 years.

Discussion

A capital planning process involves identifying current and future capital needs and prioritizing those needs to support OMWD's mission. The primary objective of the capital planning process is to create a stable long-range financial plan to support an orderly, efficient program of improvement, expansion, and replacement of its capital needs.

Staff proactively conducts planning and assessment activities to continuously update a comprehensive list of capital projects in OMWD's Long-Term CIP to respond to changing priorities. From that Long-Term CIP Plan, OMWD's 2-year CIP budget appropriations and 10-year CIP are prioritized and reviewed with the Board as part of the budget process. As OMWD's infrastructure ages, one of its goals is to cost effectively sustain reliable and quality service through infrastructure management and replacement.

The Potable and Recycled Master Plan is being updated by DLM Engineering as a key component of planning efforts. The Potable and Recycled Master Plan was last updated in 2015. This current master plan is being undertaken to update and calibrate the hydraulic models and develop a 10-year prioritized CIP to cost effectively provide reliable potable and recycled service. The current master plan leverages staff input and various studies completed by consultants. The current master plan includes the development of hydraulic models of both the potable and recycled distribution systems, and use of the

models to identify any deficiencies and to evaluate potential scenarios developed by staff. The master plan is also based on a series of assessments of the condition and performance of various infrastructure in the treatment and distribution system, each of which is summarized in the attachment. The results of these assessments and evaluations drive the proposed projects in the 10-year CIP.

The key condition assessments that were recently completed and incorporated into the the Potable and Recycled Master Plan Update include:

- The Long-Term Pipeline Replacement Budgeting completed by HDR and presented to the Facilities Committee (President Guerin and Director Watt) on September 12, 2023.
- The DCMWTP Condition Assessment completed by Carollo and presented to the Facilities Committee (President Guerin and Director Watt) on December 4, 2023.
- The Wastewater Master Plan Update was completed by Dudek. Recommendations were presented to the Facilities Committee (President Guerin and Director Watt) on December 4, 2023 and March 7, 2024. The draft was presented to the full Board on March 20, 2024 and approved by the Board on April 17, 2024.

Since those presentations, the Potable and Recycled Master Plan Update has continued to progress. An update on the progress of the Potable and Recycled and proposed 10-year CIP for potable and recycled was presented to the Facilities Committee (President Guerin and Director Watt) on March 7, 2024, and the proposed 10-year CIP for potable and recycled water was incorporated into the FY 25 and 26 budget that was reviewed by the Finance Committee (Directors Meyers and Watt) on April 1, 2024, reviewed by the Board on April 17, 2024 and approved by the Board on June 19, 2024.

This draft summary has been developed for review by the Board and to collect input for staff to incorporate. Following this item, feedback will be incorporated, and the Potable and Recycled Water Master Plan report will be finalized and presented to the Board for consideration of approval in the fall. In parallel to the Potable and Recycled Water Master Plan Update progress, the Potable Cost of Service Study has incorporated the approved CIP budget.

Staff will review the attached presentation at the meeting and is available to answer any questions.

Attachments:

Presentation

Draft Summary of the 2024 Potable and Recycled Water Master Plan

2024 POTABLE AND RECYCLED WATER MASTER PLAN

DRAFT SUMMARY

OMWD Board of Directors
August 14, 2024





The Master Plan is OMWD's Roadmap for Infrastructure Management

- It also provides the basis for capital improvement plan budgeting and financial planning

2024 Annual Objectives

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

Objective

- 58. Update the 10-year Capital Improvement Plan
- 59. Complete Potable Water and Recycled Water Master Plan update
- 60. Complete update to Wastewater Master Plan
- 61. Incorporate 2023 condition assessment results for DCMWTP, 4S WRF, wastewater system, and pipeline replacement into 2024 budget process, cost of service update, and Proposition 218 notices per the recommendation of the Facilities Committee

Timeline and Next Steps

2023:

Completed recent infrastructure planning and condition assessments
Updated and calibrated hydraulic models

Early 2024:

Ran scenarios with calibrated hydraulic models
Updated cost estimates
Updated 10-year CIP for FY 25/26 Budget Prep; Finance reviewing
Presented proposed 10-year CIP to Facilities Committee and Board

April-June 2024:

Board workshop for FY 25&26 budget
Board consideration of FY 25&26 budget

Summer 2024:

Incorporate 10-year CIP into water cost of service study

Fall 2024:

Present final Master Plan Update for Board consideration

The Planning Focus Has Changed

- Last completed in 2015 – Series of focused facility studies, maintenance programs, updated demand forecast, 10- and 20-Year CIP
- 2024 Master Plan - Aging Infrastructure
 - Infrastructure Condition Assessments
 - Prioritization of Infrastructure Rehabilitation or Replacement
 - Updated Planning Criteria
 - Updated and Calibrated Hydraulic Models
 - Updated 10-Year Capital Improvement Plan (CIP)

Methodology

- Build on Knowledge of OMWD Staff
- Consider Demands and Supplies
- Consider Regulatory Drivers
- Condition Assessment Programs
- Consider Planning Criteria and Hydraulic Modeling
- Develop 10-year CIP

Supply Considerations and Regulatory Drivers

Potable Demands & Supplies

- OMWD nearly built out
- 2020 UWMP: Demands forecast to decline slightly due to conservation
- Primary Supply – SDCWA
- Long-Term - considering San Dieguito Groundwater Supply

Type	2020	2025	2030	2035	2040
Potable	17,100	17,410	16,960	16,640	16,310
Recycled	2,482	2,693	2,819	2,834	2,855
Total	19,582	20,103	19,779	19,474	19,165

Recycled Water Demands & Supplies

- Major users served
- Bridges Golf Course and HOA requires large infrastructure investment
- Extensions continue as cost-effective with grants
- Supplies
 - 4S Ranch WRF
 - Vallecitos
 - SEJPA
 - City of San Diego
 - Rancho Santa Fe CSD



Regulatory Drivers

- Fleet Electrification – selected consultant for strategic plan
- PFAS – in compliance. sampling & monitoring, significant cost to treat
- Making Conservation a Way of Life – could reduce demands



*14 Spaces Available for Charging
Source: TerraVerde*

Hydraulic Modeling and Analyses

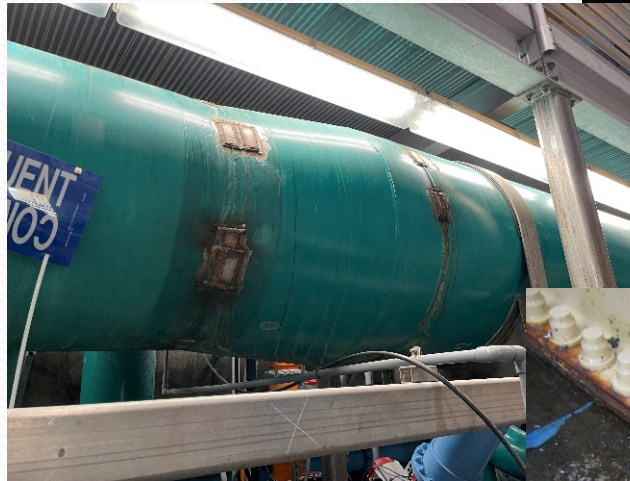
Hydraulic Modeling, Scenario Analyses

- Updated planning criteria
 - Pressure, velocity, pipe size, head loss, etc.
 - Most recent adopted fire flow criteria, which has and will to continue to change with time
- Built and calibrated potable and recycled hydraulic models
- Consultant/staff developed scenarios for analyses
- The system generally met, or was close to meeting, newly adopted fire flow planning criteria
- ID'd Areas with deficiencies, consider if there are CIP projects or new development requests in the vicinity

Condition Assessments

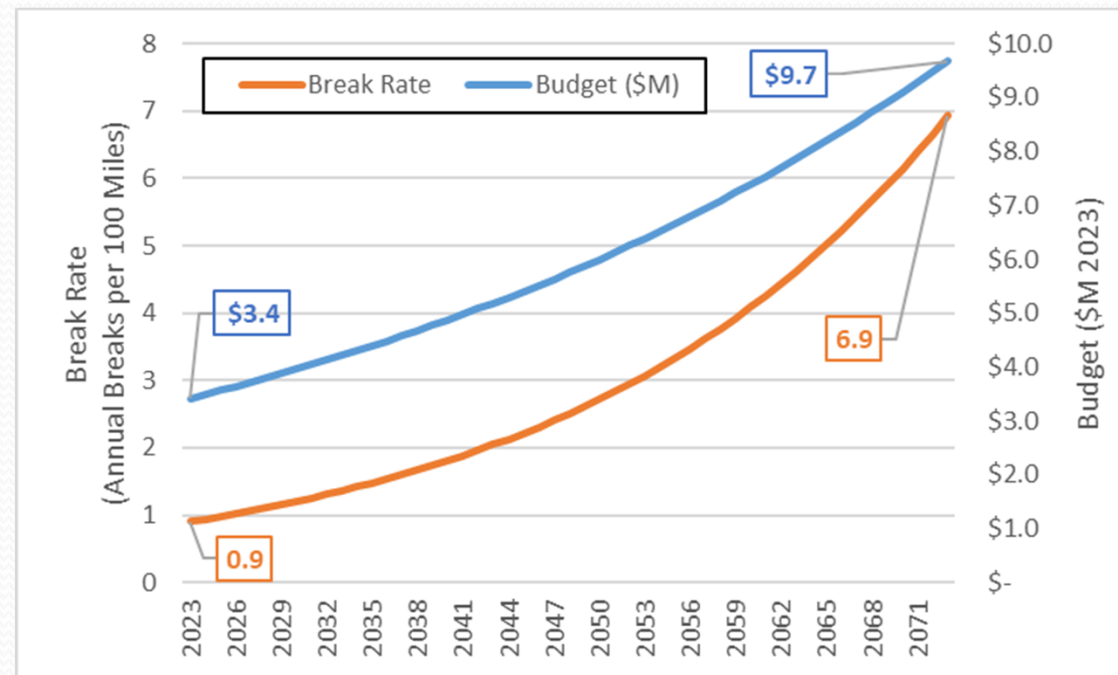
DCMWTP Condition Assessment

- 2018 - Capacity Reliability Study – Adding a 2nd Centrifuge in FY 2025
- 2024 – Condition Assessment
 - Interviews
 - Inspections
 - Testing
 - \$17.3 million, 10-Years
 - Presented to Facilities Committee



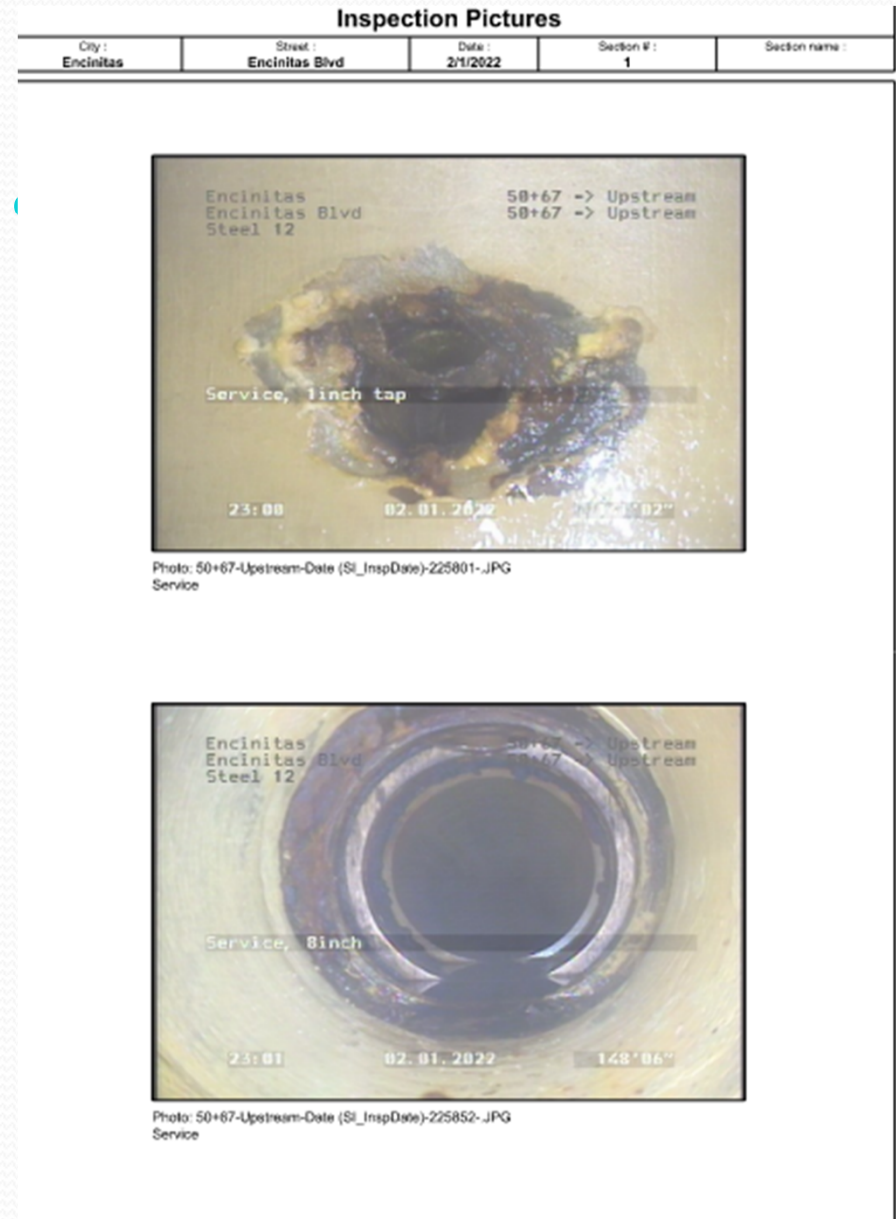
Long-term Pipeline Replacement Budgeting

- OMWD history of pipeline breaks is low
 - Other agencies
 - Industry associations
- Recommended budget based on OMWD performance
- Current investment rates accepts but will increase with time
- Presented to Facilities Committee



Pipeline Condition Assessments

- Unit A 12-Inch –
 - Replace section in FY 2025
 - Repairs in Encinitas Blvd.
 - Leak Detection
- Units B&K –
 - Repairs
 - Additional Inspections



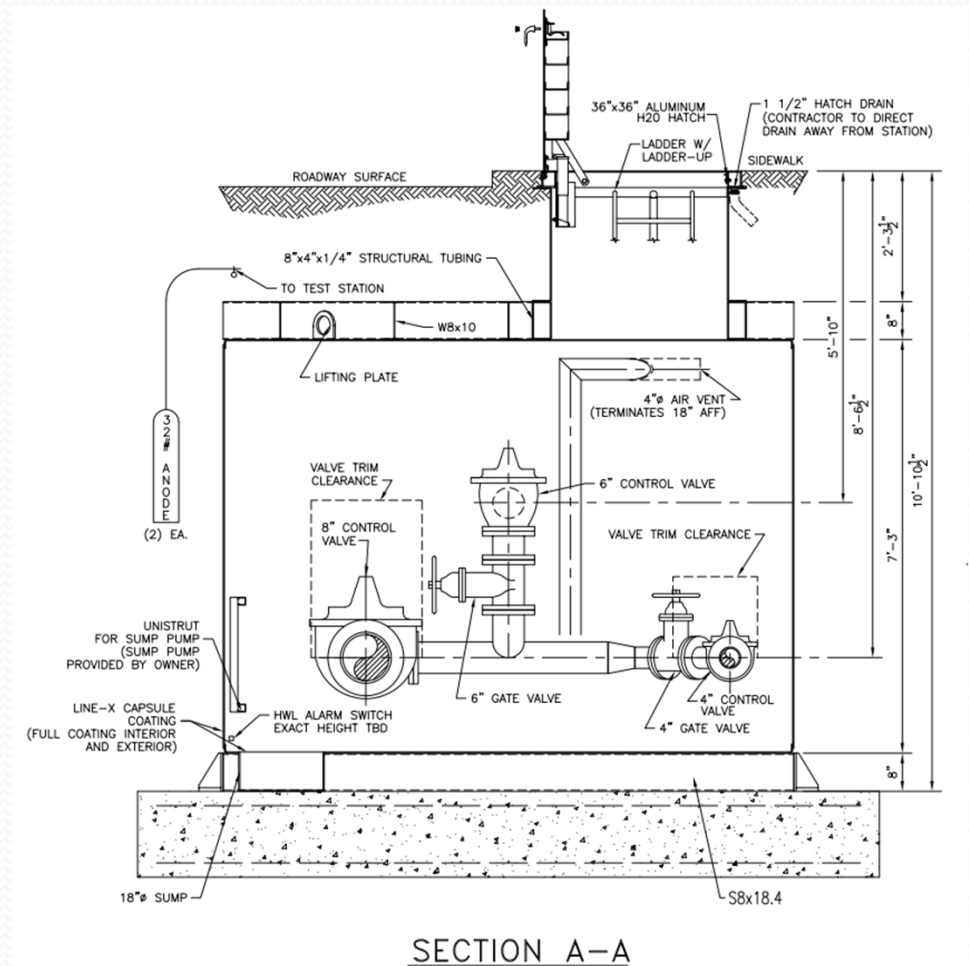
Concrete Tank Assessments

- Assessed all 5 concrete tanks
- Designing high-priority safety improvements, construction anticipated to start in FY 2025
 - Berk
 - Gano
 - Gaty II
 - Santa Fe Valley (RW)
- Budget for on-going maintenance and to monitor
- Presented to Facilities Committee



Pressure Reducing Station Replacements

- Routine inspections by Engineering & Operations
- Prioritized replacements
- FY 2025 – Village Park and Gardendale
- 10-Year CIP – 4 more replacements planned



Wastewater Master Plan

- Risk assessment of 4S WRF
- Presented to Facilities Committee & Board of Directors
- 4S Ranch Provides WW Treatment and RW Production
- Shared Facilities 60% WW, 40% RW
- Some Dedicated RW Facilities
- Budget in RW 10-Year CIP



10-Year Capital Improvement Plan

10-year CIP

- Incorporated recommendations from planning efforts
- Incorporated on-going projects
- Presented to Facilities Committee and to Board
- Incorporated into FY 25 and 26 budget and water cost of service study

10-Year CIP Project Description	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34
Total Potable	\$17,833,000	\$12,424,000	\$13,427,000	\$8,786,000	\$11,091,000	\$13,167,000	\$9,995,000	\$39,566,000	\$39,194,000	\$9,198,000
Total Recycled	\$4,416,000	\$1,034,000	\$842,000	\$3,055,000	\$2,752,000	\$679,000	\$607,000	\$881,000	\$748,000	\$801,000
Total Potable and Recycled	\$22,249,000	\$13,458,000	\$14,269,000	\$11,841,000	\$13,843,000	\$13,846,000	\$10,602,000	\$40,447,000	\$39,942,000	\$9,999,000

Large Projects for FY 2025 & 26

Project	Budget (Millions)
DCMWTP Centrifuge	\$2.96
DCMWTP 2 nd Stage Basin Rehabilitation	\$1.78
DCMWTP 1 st Stage Beam Replacement	\$2.21
Rancho Santa Fe Road North Unit A PL Replacement	\$1.43
PLC Replacements	\$1.24
AMI	\$0.72
Village Park and Gardendale PRS Replacements	\$1.95
Unit B & K Pipeline Rehabilitation (+\$580K FY 27)	\$1.33
DCMWTP Raw Water Equalization Tanks	\$0.67
Tank Safety Improvements	\$0.5
Palms Tank Replacement (with PRSs) (+\$1.212M in FY 27)	\$0.5
Calle Barcelona, Village Park, & Summerhill Recycled Extensions	\$3.3

Next Steps

- Incorporate Board feedback
- Finalize report and present for Board consideration in fall
- Potable Cost of Service Study has been progressing in parallel with approved CIP incorporated

Questions & Discussion

Olivenhain MWD
2024 Potable and Recycled Water Master Plan
Draft Summary (July 24, 2024)

Introduction

Olivenhain Municipal Water District (OMWD) is a retail potable and recycled water purveyor, and wastewater utility for water customers in North San Diego County. OMWD was organized and is operating pursuant to Water Code Sections 71000 et seq., and was incorporated on April 9, 1959. Potable water storage tanks, pipelines, and appurtenant facilities were constructed starting in 1960, to distribute water from connections to the San Diego County Water Authority (CWA) regional aqueduct system. Today the potable distribution system covers the developed portions of OMWD, as shown in Figure ES-1. Raw water is supplied by CWA and is treated at the OMWD-owned and operated David C McCollom Water Treatment Plant (DCMWTP), with a capacity of 34 million gallons per day (MGD). Several treated water interconnections with CWA and other agencies provide water supply redundancy. OMWD serves an average of approximately 17,000 acre-feet per year (15 MGD) of potable water.

OMWD operates three recycled water service areas known as the Northwest Quadrant, the Southeast Quadrant, and Manchester Avenue. The recycled systems are shown respectively in Figures ES-2, ES-3, and ES-4 and only serve portions of the developed areas of OMWD. On average, 2.5 MGD of recycled water is provided to OMWD customers for the irrigation of homeowner's association common areas, schools, parks, streetscapes, and golf courses, representing approximately 15 percent of total daily demands. In the Northwest Quadrant, recycled water is supplied by Vallecitos Water District and the San Elijo Joint Powers Authority (SEJPA). Recycled water for Manchester Avenue is supplied by SEJPA, and the Southeast Quadrant is supplied by the OMWD 4S Ranch Water Reclamation Facility (WRF), with a capacity of 2.0 MGD, the Rancho Santa Fe Community Services District and two City of San Diego recycled water connections.

A comprehensive Potable Water Master Plan and Capital Improvement Program (CIP) was completed in 2000 by Boyle Engineering. This master plan included an update of the hydraulic model and water system analysis. Subsequently, the model was maintained by consultants and utilized to evaluate new development and specific operations. In 2006, the Potable Master Plan and CIP was updated by CH2M Hill, and potable water pipeline rehabilitations and replacements were prioritized based on age, material, and pressure. The 2006 Comprehensive Master Plan also summarized previous studies and evaluated the rehabilitation and replacement of the recycled water facilities and wastewater collection systems. A series of recycled water planning studies were completed for the recycled water systems starting in the 1990s. Focused planning studies were completed for the Village Park recycled water system, in the Northwest Quadrant in the early 2000s. Potable and Recycled Water Master Plans were then completed in 2011 by AECOM and 2015 by DLM Engineering but they focused on specific projects, and did not include an update or calibration of the hydraulic model.

As OMWD has approached build out, has a well-developed potable water treatment, conveyance, and distribution system some key infrastructure is approaching the end of its useful life. This current master plan is being undertaken to update and calibrate the hydraulic models and develop a 10-year prioritized CIP to cost effectively provide reliable potable and recycled service to OMWD customers. CIP projects are

developed to address the needs of OMWD to reliably serve its customers with potable and recycled water in a cost-effective manner. The projects are developed in response to drivers, such as supply needs, regulatory changes, or infrastructure condition. Projects are prioritized based on risk, reviewing the likelihood of an event and the potential consequence of that event.

This summary covers the highlights of the master plan and is organized as follows:

1. A brief description of the master planning methodology
2. A summary of supply considerations
3. A summary of regulatory drivers
4. Brief summaries of the hydraulic modeling and planning criteria
5. A summary of results from infrastructure planning and condition assessment programs
6. A summary of the 10-year CIP for both the potable and recycled water systems

Methodology

The potable water master plan is fundamentally based on the experience of OMWD staff regarding the water treatment and distribution system condition and performance. OMWD staff input led to several CIP projects, and staff, with assistance from consultants, developed the recurring project budgets in the CIP. OMWD also monitors supply and demand needs, as well as regulatory drivers that may result in changes for OMWD. The current master plan includes the development of a hydraulic model of the distribution system, and use of the model to identify any deficiencies, and to evaluate scenarios developed by staff. The potable master plan is also based on a series of assessments of the condition and performance of various infrastructure in the treatment and distribution system, each of which is summarized in the next section.

The recycled water master plan is also based on OMWD staff input and the use of a hydraulic model to identify hydraulic deficiencies, and evaluate scenarios developed by staff. The recently completed wastewater master plan identified several components at the 4S Ranch Water Reclamation Facility that are integral to the production, storage, and distribution of recycled water. If any of the facilities which are integral to recycled water delivery required repair or replacement, a portion or all of the project cost was assigned to the recycled water capital improvement plan.

Supply Considerations and Regulatory Drivers

OMWD monitors and evaluates supply and demand needs, as well as regulatory drivers that may result in changes for OMWD.

Supply Considerations

2020 Urban Water Management Plan and Demands

The State of California requires that all water agencies submit an Urban Water Management Plan (UWMP) every five years. OMWD's most recent UWMP was submitted on July 1, 2021, and it will be updated again for a July 1, 2026 deadline. The UWMP contains a:

- Description of the OMWD system
- Characterization of potable and non-potable water uses
- Description of water use reduction targets and reports on compliance with the targets in 2020
- Characterization of existing and future water supplies
- Description of water service reliability and drought risk assessment, and
- Water shortage contingency plan.

The 2020 UWMP included a water demand forecast that predicted OMWD's demand would decline slightly over time, due to the small remaining amount of developable land, the cost of water, and a trend of landscape turf conversions. The potable and recycled demands presented in the UWMP are shown in the Table ES-1:

Table ES-1: Total Water Use, Demand Forecast (Potable and Recycled; AFY)

Type	2020	2025	2030	2035	2040
Potable	17,100	17,410	16,960	16,640	16,310
Recycled	2,482	2,693	2,819	2,834	2,855
Total	19,582	20,103	19,779	19,474	19,165

The reader is referred to the UWMP for a detailed description of the forecast as it will not be covered in this master plan document. The UWMP also summarized OMWD's future sources of water including CWA, recycled water for irrigation, and conceptually the San Dieguito Valley Brackish Groundwater Desalination Project. OMWD's CWA supply is considered highly reliable and the groundwater project, if implemented, would further increase reliability. Again, the reader is referred to the UWMP for details as water supply will not be covered in detail in this master plan document. With the exception of the San Dieguito Brackish Groundwater Desalination Project, there are no CIP projects in the 10-year to expand and diversify the potable water supply.

OMWD planned and expanded its recycled water systems to prioritize service to large users such as homeowner's associations, parks, and golf courses, because it is the most cost-effective approach, with the most demand served for the least infrastructure investment. OMWD has identified additional potential recycled water demands and this is the basis of the forecast. OMWD will expand the distribution system to serve these customers, as grant funding becomes available to make the projects more cost effective. The Manchester Avenue Recycled Water Project is an example of a recent recycled system expansion receiving grant funding.

Existing and Potential Development in OMWD, Equivalent Dwelling Units (EDUs)

OMWD uses the EDU to track customers in its billing system. A typical single-family dwelling unit is defined as one EDU. Typically, each multi-family unit is less than one EDU, and large estate-type development may be more than one EDU. In September 2023, Gillingham Water completed an EDU forecast for OMWD based upon the latest San Diego Association of Governments (SANDAG) growth forecast. This EDU forecast, as well as known developments on the 10-year horizon, are utilized in the calculation of capacity fees for new development. The forecast estimated the following, with total buildout predicted in Table ES-2:

- Approximately 50 EDUs/year up to 2030
- Approximately 35 EDUs/year between 2031 and 2040, and
- Approximately 30 EDUs/year between 2041 and 2050

Table ES-2 Adjusted Counts of Total Potable EDUs in 2050 by Zone of Benefit

Zone of Benefit	Current EDUs	EDU Projections	Build-Out EDUs
Zone A	16,113	359	16,472
Zone B	4,834	515	5,349
Zone C	590	93	683
Zone D	4,838	126	4,964
Zone E	5,374	87	5,461
Total	31,749	1,180	32,929

Regulatory Drivers

The water industry is governed by a number of State and Federal agencies and their regulations. Their regulations are continually being updated, in response to the identification of new constituents of concern, and governmental mandates. These regulatory updates will drive CIP projects, but OMWD generally does not add them to the CIP until they are relatively certain. Some key regulatory drivers that OMWD is monitoring include fleet electrification, PFAS, and conservation.

Fleet Electrification

The California Air Resources Board has adopted advance clean fleets (ACF) regulations which are intended to:

- Deploy medium- and heavy-duty zero-emissions vehicles (ZEV)
- Compliment the Advanced Clean Trucks (ACT) regulation of which ensures acceleration of large-scale fleet transition to ZEV, and
- Help achieve the State's health protective air quality standards and climate goals.

In response to these regulations, OMWD has selected TerraVerde Energy to evaluate OMWD's fleet and develop a plan to meet the regulations. Preliminary budgets have been included in the CIP for potable water, recycled water, and wastewater, to fund the electrification effort.

PFAS

The U.S. Environmental Protection Agency (EPA) and the State Division of Drinking Water (DDW) regulate the constituents in the water supply and set maximum contaminant levels, or MCLs. Recently, EPA has set MCLs for Per- and Polyfluoroalkyl substances, known collectively as PFAS. Monitoring is required by 2027 and compliance is required by 2029. Setting PFAS standards is a priority for DDW. None of these substances are present in the water supplies OMWD purchases from the Metropolitan Water District of Southern California (MWD), nor have they been detected in the treated water OMWD serves to our customers. OMWD will continue its drinking water supply sampling and monitoring to ensure the continued delivery

of safe drinking water to customers. At some point in the future, should the PFAS in OMWD's water supply be detected and exceed the MCLs, CIP projects would be required and would be costly. The best available technology to remove PFAS from water is reverse osmosis membranes. Staff will continue to monitor this issue and a more complete description of water quality can be found in OMWD's Consumer Confidence Report, available on its website. The OMWD Board opted out of PFAS class action settlements in 2023 and preserved its rights to sue in the future if it needs to treat for PFAS.

Conservation

OMWD has been promoting water conservation and water use efficiency for many years. MWD and CWA have been incentivizing conservation through rebates for programs like turf removal, smart irrigation controllers, and low-flush toilets. Recently, the State of California has approved a program known as Making Conservation a Way of Life. The program sets specific water use targets for indoor and outdoor water use and will be effective in the next 10 years. This program may further reduce OMWD's water demands in 2040 and beyond and may impact capital projects, and staff will continue to monitor the impacts.

Hydraulic Modeling and Analyses

The current master plan includes the development and calibration of hydraulic models for both the potable and recycled distribution systems. The hydraulic models are used to identify any deficiencies and to evaluate scenarios developed by staff.

Water System Planning Criteria

The current master plan included the review of the OMWD existing planning criteria, and that of industry associations and local districts, for both potable and recycled water. The planning criteria includes:

- Peaking factors
- Minimum and maximum system pressures
- Minimum pipeline sizes and maximum allowable velocities
- Pump station pumps and capacities
- Pressure reducing station valving, and
- System storage volumes

This planning criteria is the basis for identifying deficiencies in the existing distribution systems. It will also be utilized by developers, as they layout and plan facilities to service their developments. The planning criteria for the potable water system is listed at the end of the executive summary in Table ES-3. The planning criteria for recycled water is similar.

Hydraulic Model Development and Scenario Analyses

For many years, OMWD has retained IEC (now Ardurra) with expertise in the hydraulic modeling of distribution systems to maintain and operate a hydraulic model for the analyses of new developments, and specific operational scenarios on the potable system. A hydraulic model of the Northwest Quadrant recycled water system was developed for planning the Village Park recycled water system, and other possible improvements. A hydraulic model was not available for the Southeast Quadrant. A hydraulic model was developed as a part of the Manchester Avenue recycled water system planning. In this year's master plan, Ardurra built new models for both the potable and recycled water systems based on the

OMWD geographic information system (GIS). Details of the models, including pump station, pressure reducing station, and other settings were coordinated closely with the OMWD Operations Department. Flow and pressure data was collected on specific days, and the models were successfully calibrated to the data.

The potable system was evaluated by Ardurra under maximum day, peak hour, and maximum day plus fire flow scenarios. The fire flow analysis was based on the more recently updated and adopted criteria of the cities and fire districts that cover OMWD, which has changed over time. The criteria were generally consistent with that of Vallecitos Water District and Vista Irrigation District. The system generally met, or was close to meeting the newly adopted fire department planning criteria. While these analyses did not result in specific CIP projects, they did identify areas within OMWD with deficiencies in meeting the newly adopted fire department planning criteria that should be considered in conjunction with other CIP projects, or new developments, in the vicinity.

OMWD's planning criteria is utilized as a "best practice." Velocities are limited to avoid damage to pipelines, fittings, valves, and appurtenances, especially as infrastructure ages. Head loss limitations are intended to avoid significant pressure decreases, and low pressures. Minimum pressure limitations increase the system ability to fight fires, and also provide customers with adequate pressure to deliver flows, operate irrigation systems, water fixtures and appliances, and other equipment. With the information provided by Ardurra and the hydraulic model, OMWD staff now have a reference for the location of the small diameter pipelines, and their impact on the distribution system. This information will be used to plan future CIP projects, and new development projects, to improve the system capability efficiently. Developers may be required to upsize pipelines.

For the potable system, specific scenarios involving the replacement of the Palms Tanks with Pressure Reducing Stations (PRS) and the feasibility of a groundwater pump station for the San Dieguito Groundwater Project were evaluated utilizing the model. Replacement of the Palms Tanks with PRS' is feasible and the modeling provided PRS locations for design. The groundwater pump station was also feasible, with additional investigations needed, if the San Dieguito Project moves forward.

The recycled system was evaluated under maximum day and peak hour scenarios. The systems generally met the planning criteria, and no capital projects were recommended.

For the Northwest Quadrant recycled system, the model was used to evaluate increasing the water supply from SEJPA, through the use of the Wanket Tank and a connecting pipeline. The analysis concluded that with several facility improvements, the concept could meet the planning criteria. This concept was considered feasible, subject to some additional investigations, after confirming sources of supply and future demands. However, no improvements for this scenario were incorporated in the current CIP, and the option can be further evaluated in the future if needed. In the Southeast Quadrant, the model was used to evaluate theoretical increased demands in the San Dieguito Valley. This analysis provided valuable system capability information, should demands increase, but no additions to the CIP were made.

Infrastructure Planning and Condition Assessments

The potable and recycled master plan is also based on a series of assessments of the condition and performance of various infrastructure in the treatment and distribution systems, which prioritizes projects based on risk, reviewing the likelihood of an event and the potential consequence of that event.

2024 DCMWTP Condition Assessment

In 2023, OMWD selected Carollo Engineers for this work on the DCMWTP. They have specialized expertise in the condition assessment and operation of water treatment plant facilities. Carollo performed a condition assessment of the DCMWTP, which was originally put in operation in 2003, with a scope of work that included:

- Extensive interviews and coordination with OMWD staff
- Review of Plant records
- Physical inspection of Plant facilities
- Concrete testing for the membrane basins
- Various testing of metallic components
- CCTV inspections of pipelines
- Corrosion testing
- Structural analysis

The condition assessment reviewed 2,000 assets and found that less than one percent had a severe risk of failure. The assessment identified \$17.3 million dollars in projects over the next ten years, \$5.3 million of which are considered high-priority. The projects have been incorporated into the OMWD 10-Year CIP and are summarized at the end of this executive summary in tables ES-10 and ES-15.

2018 DCMWTP Capacity Reliability Study

In 2017, Hazen and Sawyer was selected to perform a capacity reliability study of the DCMWTP, investigating five specific areas:

- Recovery of backwash waste water from the influent strainers to reduce waste streams
- Addition of one ultrafiltration membrane treatment train to stage 2 of the treatment process to improve reliability and flexibility
- Addition of dissolved air flotation to stage 3 to remove solids
- Addition of a centrifuge to stage 4 to provide reliability, and
- Evaluation of disinfection alternatives and disinfectant by product control.

Staff carefully considered the recommendations in Hazen's 2018 study report and prioritized them. The plant currently has just one centrifuge for dewatering the second stage membrane reject water, and if it is offline for more than one to two days, either an alternative disposal method must be used for the reject water, or the plant must be shut down. Staff recognized this as the most critical project for reliability, completed the design of a second centrifuge and a construction contract has been awarded. Other improvements in the study report have been prioritized beyond the 10-year CIP. The DCMWTP disinfection system is performing well and meeting all regulations. The evaluation of alternatives was intended to address changing source water quality, or changing regulations. Because these

improvements are not currently needed, the other recommended projects have not been scheduled in the 10-year CIP.

2024 Budgeting for Long-Term Pipeline Replacement

OMWD retained HDR, Inc. who has specialized experience in pipeline asset management to provide guidance on long-term pipeline replacement budget planning. The consultant collected and analyzed OMWD's history of pipeline leaks and breaks, and compared it to more than 20 local and national water agencies. They also reviewed guidance provided by national industry associations. HDR considered three different approaches to establish budgets for pipeline replacements: age-based, OMWD's historical investment levels, and an approach based on the performance of OMWD's pipelines. Overall, they concluded that OMWD had a relatively low rate of pipeline leaks and breaks, and, compared to other agencies, has been budgeting sufficiently to maintain the system. They recommended the performance-based approach for a 50-year pipeline replacement budget forecast at a balanced level. There are two large pipeline replacement projects in the 10-year CIP shown in Table ES-7, at the end of this executive summary. However, the consultant noted that as the pipelines continue to age, OMWD will have to significantly increase the CIP budget for replacement.

2020 to 2023 Potable Pipeline Condition Assessments

The OMWD potable pipeline condition assessment program was initiated with a pipeline risk prioritization study, prepared by Pure Technologies, that identified 30 pipelines of interest, 11 of which were steel pipelines. OMWD then selected PICA, and Pure Technologies to conduct electromagnetic or CCTV inspection of four pipelines including:

- Unit A 12-Inch Pipelines in Rancho Santa Fe Road and Encinitas Boulevard in 2020
- Unit B 24-Inch Pipeline in 2019
- Unit K 27-Inch Pipeline in 2019

The prioritization also recommended assessment procedures for asbestos-cement and polyvinyl chloride (PVC) pipe. OMWD retained HDR, Inc., with specialized experience in pipeline internal inspections and evaluating the results, to plan repair and rehabilitation projects, and lay out the next phase of inspections. Because of its poor condition, the northerly portion of the Unit A Pipeline in Rancho Santa Fe Road has been scheduled for replacement in FY 2025. Four other inspection and rehabilitation projects have been incorporated into the OMWD 10-Year CIP and are summarized in Table ES-7, at the end of this executive summary.

Program to Maintain Potable and Recycled Water Steel Storage Tanks

OMWD has contracted with Utility Services Company to maintain all of its steel water storage tanks in "like new" condition. The cost of this service is shown in the budget as an operating expense. As a result of this approach, there are no CIP projects for the steel water storage tanks.

Condition Assessments for Potable and Recycled Water Concrete Storage Tanks

In 2021 and 2022, OMWD selected two consultants, Peterson Structural Engineers, and Richard Brady and Associates, with prestressed concrete tank design and assessment experience, to assess the condition of its concrete water storage tanks. The assessment reports identified improvements required in the short term, and recommendations for on-going inspection and assessments. From the reports, a CIP project was developed to address high priority safety improvements at the Berk, Gano, Gaty II, and

Santa Fe Valley Tanks. The design is in progress and construction is scheduled for FY 2025. On going inspections and lower priority improvements are also scheduled for later in the 10-year CIP, as shown in Table ES-8, except for the Santa Fe Valley Tank, which is shown in Table ES-16, because it is for the storage of recycled water.

Pressure Reducing Station (PRS) Replacement Prioritization

Staff from the OMWD Operations Department visit the pressure reducing stations on a regular basis and complete a visual inspection of their condition. Based on this experience and consequences of failure, staff prioritized the replacement of the PRS' in the 10-year CIP, starting with Village Park and Gardendale, which are scheduled to be replaced in FY 2025. Balboa Engineering completed the design of the first two replacements. Del Lago, Southeast #1, Quail Gardens, and Via Valle Verde are scheduled for replacement later in the next 10 -years, as shown in Table ES-9. Additional replacements are tentatively scheduled in years 11 through 20 and can be re-prioritized.

2024 Wastewater Master Plan – Recycled Water Projects

The recently completed wastewater master plan (Dudek) assessed the condition of the 4S Ranch Water Reclamation Facility (WRF), and required improvements. The WRF not only treats the wastewater to secondary standards, but also treats it to tertiary standards, producing recycled water for irrigation. Because some of the facilities provide both wastewater treatment and recycled water production capability, the Wastewater Master Plan identified some projects required for facilities that provide the recycled treatment, and some general projects that will be split with 60 percent of the improvement cost assigned to the wastewater CIP, while 40 percent assigned to the recycled water CIP. These percentages were assigned by the OMWD Finance Department, and are commonly used in the industry. The recycled improvements are listed in Tables ES-16 and ES-17.

10-Year Capital Improvement Program Projects for Potable Water and Recycled Water

With these initiatives, a 10-year CIP was prioritized for potable and recycled systems based on risk due to likelihood of failure or consequence of failure. The CIP projects developed in the master plan and infrastructure assessments are listed in Tables ES-4 through ES-17, by system type, for both potable and recycled water, showing the years in which the expenditures are planned.

The larger projects scheduled for FY 2025 and FY 2026 include:

- DCMWTP 4th Stage Centrifuge Addition
- DCMWTP 2nd Stage Basin Rehabilitation and Beam Replacement
- Rancho Santa Fe Road North Unit A Pipeline Replacement
- PLC Replacements and AMI
- Gardendale and Village Park Pressure Reducing Station Replacements
- Unit B & K Pipeline Rehabilitation
- Palms Tank Replacement
- Calle Barcelona, Village Park, and Summerhill HOA Recycled Water Pipeline Extensions

These larger projects result in most of the CIP cost. There are however many other smaller projects that round out the CIP including:

- Smaller pipeline and facility projects
- SCADA upgrades
- Security improvements
- Smaller projects at DCMWTP
- Planning projects
- Recurring pump, motor, meter, pipeline, valve, tank, and cathodic protection projects
- Smaller projects at the 4S Ranch WRF for recycled water production

These efforts are the basis for the 10-year CIP budget which supports rate studies. The master plan also serves as a guide for OMWD's reference when revisiting the CIP budget in future years. With time, priorities and budgets may need to be modified to meet the immediate needs of OMWD, and these proposed projects and budgets can be re-assessed and re-prioritized.

Figure ES-1 Existing Potable System [REDACTED FOR PUBLIC USE]

Redacted

Figure ES-2 Existing Recycled System – Northwest Quadrant

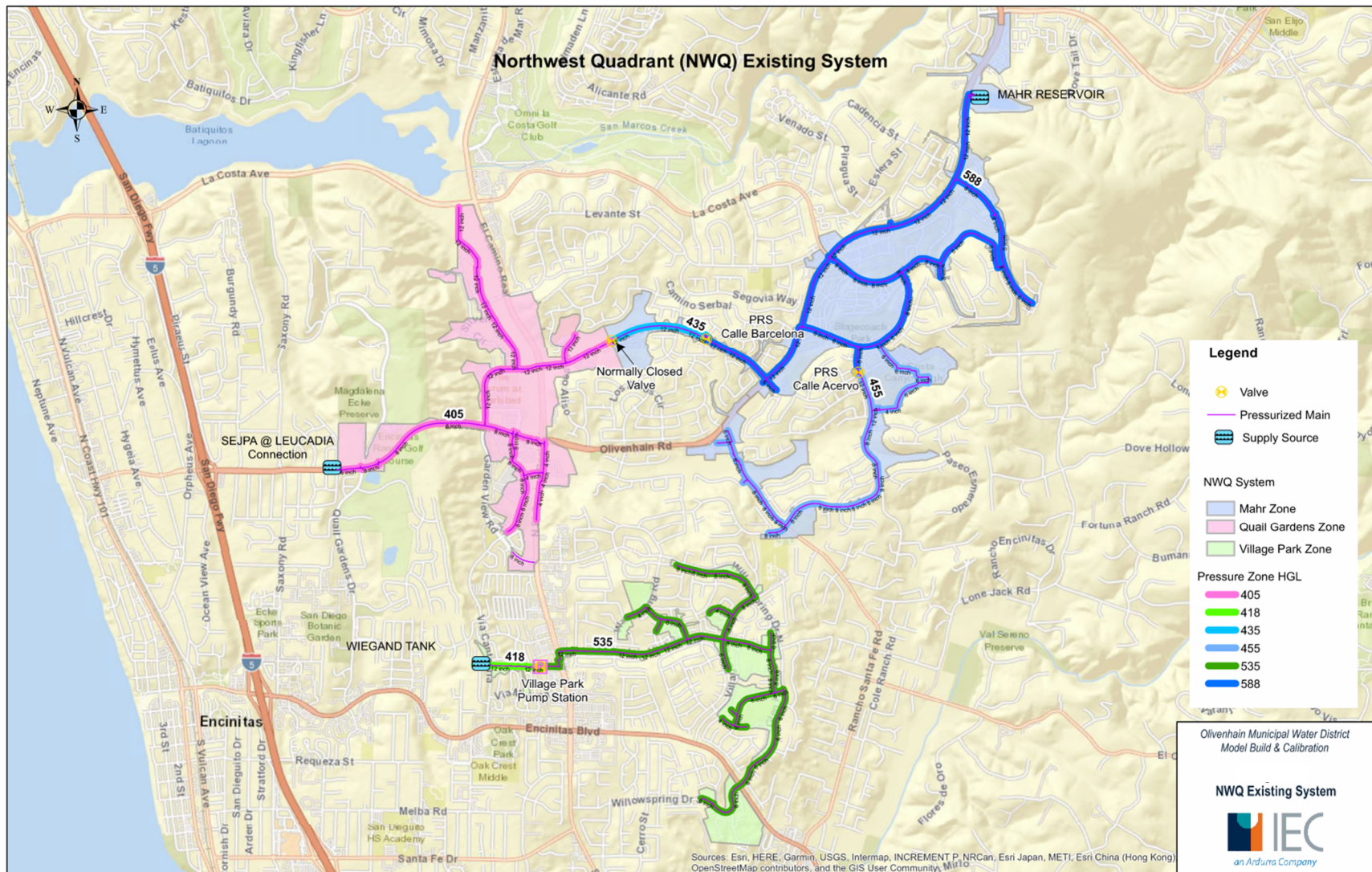
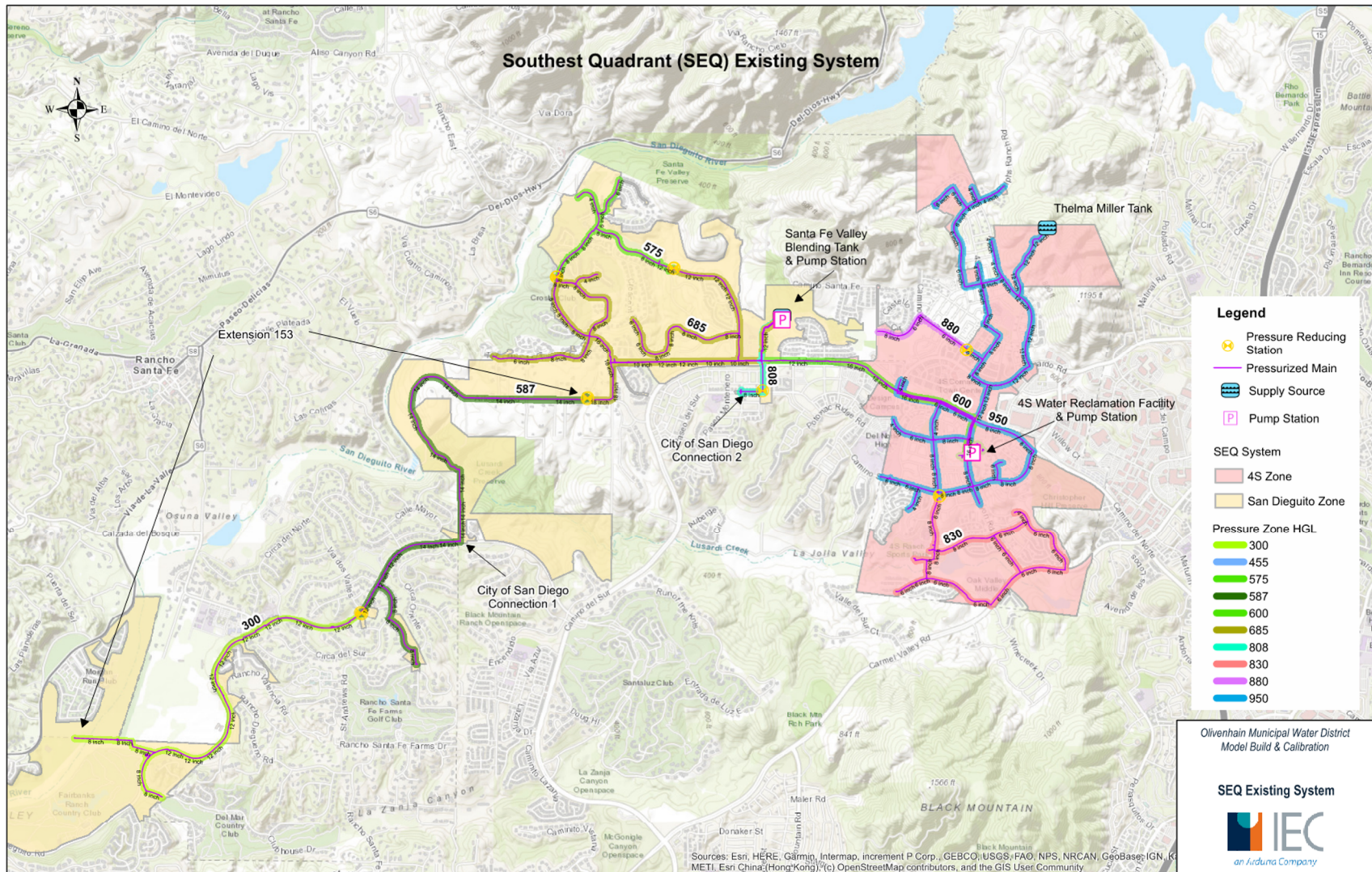


Figure ES-3 Existing Recycled System – Southeast Quadrant



5 Star Quality Care #32080

Encinitas Enclave

Grauer Foundation

Lux Art Institute

Carlos Floral Co

Pacific Pines Racquet Club HOA

Calle Ryan HOA

Pacific Ranch

Sage Canyon HOA

Sage Canyon Encinitas LLC

El Camino Kingdom Hall

North Coast Presbyterian Church

Westmont Senior Living

Temple Solel

Belmont Village

Escondido Country Day School

Saints Constantine and Helen Greek Orthodox Church

MiraCosta College

Manchester Senior Living

Escondido Creek

San Eljo Lagoon

Via POCO Connection

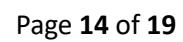
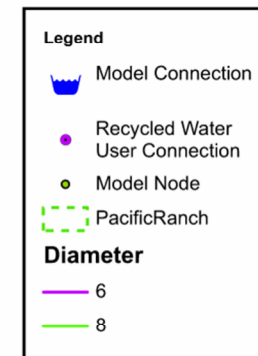


Table ES-3 Potable System Planning Criteria

Table 1. Distribution System Criteria Comparison and Recommendation

Facility	Criteria	Vallecitos Water District (2018 Water Master Plan)	San Dieguito Water District (2021 Water Master Plan)	Carlsbad Municipal Water District (2019 Water Master Plan)	AWWA Manual M32: Computer Modeling of Water Distribution Systems	Water Agencies Standards	OMWD (Current Standards) ¹	Recommended for OMWD 2024 Water Master Plan
System Pressures	Maximum Desired Pressure (psi)	65	120	125	90	80; 150 (with house regulator)	120	120
	Maximum Allowable Pressure (psi)	150	150	150	110	200	150	150
	Minimum Pressure at Peak Hour Demand (psi)	40	40	40	40-50	40	40	40
	Minimum Pressure at Hydrant Node with Max Day Demands plus Fire Flow (psi)	20	20	20 (with reservoirs half full) ²	20	20	20	20 (with reservoirs half full)
Pipelines	Minimum Pipe Size for New Construction with Fire Hydrant (in.)	8	8	8	-	-	8	8
	Maximum Allowable Velocity at Peak Flow (fps)	7	7	8	> 4-6	8	7	7
	Maximum Allowable Velocity with Max Day Demands plus Fire Flow (fps)	7	15	15	-	10 (15 fps for hydrant laterals)	7	10 ³
	Maximum Allowable Head Loss at Peak Flow (ft/1000 ft)	15	10	10	5-7 (<16-inch) 2-3 (16-inch and greater)	-	10	10

¹ Source: 2000 Water Master Plan² Source: City of Carlsbad Engineering Standards (Volume 2 – Potable and Recycled Water Standards, 2016 Edition)³ Pipe integrity will be considered on velocity requirements. District may consider variations to velocity requirements based on pipe age, material, and condition.

Tables ES-4 through 15 10-year CIP Budget for Potable and Recycled

10-Year CIP Project Description	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34
Table ES-4 Planning/Water Supply										
San Dieguito Valley Groundwater Desal	\$417,000	\$344,000	\$1,146,000	\$1,921,000	\$3,098,000	\$2,922,000	\$1,814,000	\$28,010,000	\$29,153,000	
PW and RCW Master Plan Update	\$117,000					\$550,000				
<i>Subtotal - Planning/Water Supply</i>	\$534,000	\$344,000	\$1,146,000	\$1,921,000	\$3,098,000	\$3,472,000	\$1,814,000	\$28,010,000	\$29,153,000	\$0
Table ES-5 Site Improvements										
OMWD Parking and Access Improvements						\$255,000				
EFRR Parking Lot Expansion	\$381,000	\$909,000								
Site Asphalt Improvements	\$60,000	\$50,000	\$30,000	\$30,000	\$30,000					
<i>Subtotal - Site Improvements</i>	\$441,000	\$959,000	\$30,000	\$30,000	\$30,000	\$255,000	\$0	\$0	\$0	\$0
Table ES-6 E&I/Technology										
Advanced Metering Infrastructure (AMI)	\$715,000									
CIS Infinity System Upgrade	\$213,000	\$184,000								
District Wide SCADA Upgrades	\$127,000									
District-Wide PLC Replacements (PW/RCW)	\$1,237,000									
District Wide Physical Security Improve	\$52,000									
Fleet Electrification Project (PW/RCW)	\$165,000	\$750,000	\$1,490,000							
<i>Subtotal - E&I/Technology</i>	\$2,509,000	\$934,000	\$1,490,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Table ES-7 Distribution System - Pipeline										
RSF Unit A North PL Repl	\$1,428,000									
Golem 14" Pipeline Inspection and Rehab	\$133,000									
Dusty Trail PL Replacement	\$120,000	\$710,000	\$350,000							
Rancho La Cima/Aliso Canyon PL Relocation	\$102,000	\$150,000								
Harris Ranch Right-of-Way Acquisition		\$150,000								
Unit B & K Rehab	\$327,000	\$1,000,000	\$580,000							
Unit B & K EM CCTV Inspect & Rehab Ph 2				\$412,000	\$1,838,000					
Encinitas Blvd Pipeline Inspection/ Rehab	\$271,000	\$403,000								
Encinitas Blvd Pipeline Replacement							\$710,000	\$5,280,000	\$2,110,000	
RSF Rd Pipeline Inspection		\$164,000	\$524,000							
RSF Rd Pipeline Replacement									\$655,000	\$675,000
Access improve pipe below Gano to SDR	\$20,000	\$55,000								
<i>Long-term Pipeline Budget per HDR</i>						\$50,000				
<i>Subtotal - Pipeline</i>	\$2,401,000	\$2,632,000	\$1,454,000	\$412,000	\$1,838,000	\$50,000	\$710,000	\$5,280,000	\$2,765,000	\$675,000
Table ES-8 Distribution System - Tanks										
Tank Safety Improvements	\$516,000								\$200,000	\$700,000
Palms I and II Reservoirs Replacemt	\$194,000	\$303,000	\$1,212,000							
Concrete Tank Condition Assessment						\$275,000				
Gano Reservoir Improvements									\$27,000	\$178,000
Gaty I Reservoir Decommissioning				\$398,000						
Berk Reservoir Improvements									\$9,000	\$53,000
<i>Subtotal - Tanks</i>	\$710,000	\$303,000	\$1,212,000	\$398,000	\$0	\$275,000	\$0	\$0	\$236,000	\$931,000

Table ES-9 Distribution System - Pressure Z	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34
Village Park PRS Replacement	\$969,000									
Gardendale PRS Replacement	\$984,000									
Del Lago PRS Replacement		\$123,000	\$846,000							
SE #1 PRS Replacement					\$135,000	\$936,000				
Quail Gardens PRS Replacement									\$152,000	\$1,075,000
Via Valle Verde PSR Replacement									\$152,000	\$1,075,000
Replace Maryloyd Pump Station									\$510,000	
<i>Subtotal - Pressure Zones</i>	\$1,953,000	\$123,000	\$846,000	\$0	\$135,000	\$936,000	\$0	\$0	\$814,000	\$2,150,000
Table ES-10 DCMWTP	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34
DCMWTP 4th Stage Centrifuge Addition	\$2,956,000									
DCMWTP Chlorine Gen Rm Lining Rehab	\$123,000									
DCMWTP Gen WTP Inspect & Cond Assess						\$500,000				
DCMWTP 2nd Stage Mem Train Overhaul	\$126,000	\$100,000	\$100,000							
DCMWTP 2nd Stage Basin Rehab/Beam Rep	\$577,000	\$1,207,000								
DCMWTP 1st Stage Beam Replacement	\$560,000	\$980,000	\$666,000							
DCMWTP Inlet Strainer MOV Actuator Repl	\$63,000									
DCMWTP Combined Filter Influent & Backwash Pipe Replacement	\$180,000	\$528,000								
DCMWTP Raw Water Equal Tanks Rehab	\$668,000									
DCMWTP Fluoride Room, Permeate Pump Stanchion, Bldg Rehab		\$142,000								
DCMWTP 1st Stage Basins Rehab			\$1,295,000	\$1,295,000	\$1,295,000	\$1,295,000	\$1,295,000			
DCMWTP FCV Actuators Replacement			\$310,000							
DCMWTP BWWEQ Tank Rehab			\$596,000							
DCMWTP Plate Settler Coating Rehab				\$123,000						
DCMWTP Brine Area Rehab				\$192,000						
DCMWTP Sodium Hypochlorite Rm Rehab					\$98,000					
DCMWTP HVAC Replacement					\$46,000					
DCMWTP Septic Pipe Relining & Cleaning						\$469,000				
DCMWTP RWEQ BFVs Replacement Project						\$525,000				
DCMWTP Backup Tanks Repl Project							\$849,000			
DCMWTP Plate Settlers MOV Act Repl							\$33,000			
DCMWTP Sodium Hypochlorite Gen Rehab								\$959,000		
DCMWTP WTP Replace Strainer Iso Valves						\$90,000				
DCMWTP Replace Chemical Feed Systems						\$100,000	\$103,000	\$106,000		
DCMWTP Replace Chem Storage Systems						\$215,000	\$222,000	\$228,000		
DCMWTP WTP Repl Main Compressors						\$194,000				
DCMWTP Replace Strainers									\$1,073,000	
DCMWTP Bridge Crane Coating Rehab										\$112,000
DCMWTP Bridge Crane Rehab	\$65,000									
<i>Subtotal - DCMWTP</i>	\$5,318,000	\$2,957,000	\$2,967,000	\$1,610,000	\$1,439,000	\$3,388,000	\$2,502,000	\$1,293,000	\$1,073,000	\$112,000

Annually Recurring Projects - Potable	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34
Table ES-11 E&I/Technology										
Network Security	\$100,000	\$104,000	\$109,000	\$114,000	\$119,000	\$124,000	\$129,000	\$133,000	\$137,000	\$141,000
Replace Pumps and Motors	\$175,000	\$180,000	\$185,000	\$191,000	\$197,000	\$203,000	\$209,000	\$215,000	\$221,000	\$228,000
Table ES-12 Distribution System - Pipeline	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34
Replace Potable Meters	\$830,000	\$927,000	\$849,000	\$874,000	\$900,000	\$927,000	\$955,000	\$984,000	\$1,014,000	\$1,044,000
Replace Pipelines	\$500,000	\$515,000	\$530,000	\$546,000	\$562,000	\$579,000	\$596,000	\$614,000	\$632,000	\$651,000
Replace Valves	\$750,000	\$773,000	\$796,000	\$820,000	\$845,000	\$870,000	\$896,000	\$923,000	\$951,000	\$980,000
Steel Mains Protection	\$304,000	\$313,000	\$322,000	\$332,000	\$342,000	\$352,000	\$363,000	\$374,000	\$385,000	\$397,000
Impressed current system protection			\$74,000	\$63,000	\$50,000	\$135,000	\$152,000			
Replace Meter Anodes	\$158,000	\$163,000	\$168,000	\$173,000	\$178,000	\$183,000	\$188,000	\$194,000	\$200,000	\$206,000
Table ES-13 Distribution System - Tanks	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34
Rehab Concrete Tanks	\$25,000	\$26,000	\$27,000	\$28,000	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000
Table ES-14 Distribution System - Pressure Zone	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34
Replace PRS Valves	\$54,000	\$56,000	\$58,000	\$60,000	\$62,000	\$65,000	\$68,000	\$71,000	\$73,000	\$75,000
Table ES-15 DCMWTP	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34
Replace DCM WTP Membranes	\$936,000	\$973,000	\$1,012,000	\$1,052,000	\$1,094,000	\$1,138,000	\$1,184,000	\$1,231,000	\$1,280,000	\$1,331,000
Misc Equipment and Instrumentation Repl	\$100,000	\$106,000	\$115,000	\$124,000	\$134,000	\$145,000	\$157,000	\$170,000	\$184,000	\$199,000
Membrane Train Control Wiring Repl	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000	\$41,000	\$42,000	\$43,000	\$44,000
<i>Subtotal - Potable Annually Recurring</i>	\$3,967,000	\$4,172,000	\$4,282,000	\$4,415,000	\$4,551,000	\$4,791,000	\$4,969,000	\$4,983,000	\$5,153,000	\$5,330,000
Total Potable	\$17,833,000	\$12,424,000	\$13,427,000	\$8,786,000	\$11,091,000	\$13,167,000	\$9,995,000	\$39,566,000	\$39,194,000	\$9,198,000

Table ES-16 Recycled	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34
Manchester Recycled Pipeline Ext.	\$129,000									
Calle Barcelona, VP, & Summerhill Exten	\$3,298,000									
Wanket RW Reservoir Rehabilitation	\$157,000									
Santa Fe Valley RW Reservoir Improve	\$150,000									
Off-Spec and High-Flow Diversion Pipeline	\$244,000							\$10,000	\$40,000	
Upgrade Filter Electrical	\$17,000	\$101,000								
Upgrade Flow Equalization Basins			\$382,000	\$2,227,000						
Recycled Water Storage Pond Upgrades				\$390,000	\$2,278,000					
Repl Recycled Water Pump Station VFDs								\$243,000		
Site Paving Improvements									\$63,000	\$134,000
Replace Main Switchboard S (MSB-S) ATS	\$75,000	\$439,000								
Repl WRF Elect Conduits, Enclose,	\$22,000	\$125,000								
Rehabilitation of Generator Enclosure Top			\$8,000							
Chemical Area Upgrades			\$37,000							
Replace Roll-Up Doors						\$91,000				
<i>Subtotal - Recycled</i>	\$4,092,000	\$665,000	\$427,000	\$2,617,000	\$2,278,000	\$91,000	\$0	\$253,000	\$103,000	\$134,000
Table ES-17 Annually Recurring Projects - Recycled	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34
Recycled Conversions	\$65,000	\$80,000	\$100,000	\$73,000	\$76,000	\$79,000	\$82,000	\$85,000	\$88,000	\$91,000
Replace Recycled Meters	\$30,000	\$41,000	\$52,000	\$54,000	\$56,000	\$58,000	\$60,000	\$62,000	\$64,000	\$66,000
Replace Recycled Pipeline	\$50,000	\$52,000	\$54,000	\$56,000	\$58,000	\$60,000	\$62,000	\$64,000	\$66,000	\$68,000
Replace Recycled Valves	\$75,000	\$77,000	\$79,000	\$81,000	\$83,000	\$85,000	\$88,000	\$91,000	\$94,000	\$97,000
4S WRF Physical Security Upgrades	\$12,000	\$12,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Plant A Rehabilitation						\$25,000	\$26,000	\$27,000	\$28,000	\$28,000
Valve and Gate Replacement Program		\$10,000	\$20,000	\$30,000	\$40,000	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000
Small Pump and Motor Repl Program	\$80,000	\$85,000	\$90,000	\$96,000	\$101,000	\$106,000	\$109,000	\$113,000	\$116,000	\$120,000
Instrumentation Replacement Program				\$10,000	\$16,000	\$33,000	\$34,000	\$36,000	\$36,000	\$38,000
Misc Equip. Replacement Program	\$12,000	\$12,000	\$14,000	\$16,000	\$18,000	\$7,000	\$7,000	\$7,000	\$7,000	\$8,000
Mech and Yard Piping Repl Program				\$16,000	\$20,000	\$77,000	\$80,000	\$82,000	\$84,000	\$87,000
<i>Subtotal - Recycled Annually Recurring</i>	\$324,000	\$369,000	\$415,000	\$438,000	\$474,000	\$588,000	\$607,000	\$628,000	\$645,000	\$667,000
Total Recycled	\$4,416,000	\$1,034,000	\$842,000	\$3,055,000	\$2,752,000	\$679,000	\$607,000	\$881,000	\$748,000	\$801,000
Total Potable and Recycled	\$22,249,000	\$13,458,000	\$14,269,000	\$11,841,000	\$13,843,000	\$13,846,000	\$10,602,000	\$40,447,000	\$39,942,000	\$9,999,000



Memo

Date: August 14, 2024

To: Olivenhain Municipal Water District Board of Directors

From: Rainy Selamat, Finance Manager

Via: Kimberly Thorner, General Manager

Subject: **CONSIDER SETTING A TIME AND PLACE FOR A PUBLIC HEARING TO RECEIVE PUBLIC COMMENT REGARDING THE PROPOSED INCREASES TO OLIVENHAIN MUNICIPAL WATER DISTRICT (OMWD) WATER CHARGES BEGINNING WITH JANUARY 1, 2025 WATER CONSUMPTION AND AN ORDINANCE AUTHORIZING OMWD TO PASS THROUGH ANY INCREASES IN PURCHASED WHOLESALE WATER COSTS, INCREASES TO SAN DIEGO COUNTY WATER AUTHORITY INFRASTRUCTURE ACCESS CHARGE, INCREASES TO OMWD'S COST OF OPERATIONS, MAINTENANCE, AND CAPITAL FACILITIES BASED ON CHANGES IN CPI (Public Hearing tentatively scheduled for October 16, 2024 – 5:30 p.m.)**

Purpose

Staff is requesting the Board to consider and set a time and place for a public hearing to receive public comments on:

1. The Proposed Water Charges beginning with January 1, 2025, water consumption included in the 2024 Water Rate Study Report (attached) and shown in the Draft Notice of Public Hearing (attached);
2. Adoption of an ordinance that would authorize OMWD, commencing January 1, 2025, and at any time through and including December 31, 2029, to pass through Purchased Wholesale water cost increases, to pass through the San Diego County Water Authority Infrastructure Access Charge imposed on

OMWD, to pass through increases to OMWD's cost of operations and maintenance and capital facilities based on June end to June end percentage change in San Diego Consumer Price Index (SDCPI). These pass-through increases shall not exceed 12% each year and in no event shall these pass-through increases be more than OMWD's actual cost of providing water services to customers.

The Board would still be required to approve Staff recommended pass-through increases; however, a public hearing will not be required each subsequent year if the ordinance is approved and adopted.

The attached Notice of Public Hearing (Notice) and the 2024 Water Rate Study Report (Report) have been reviewed by the General Counsel, Mr. Alfred Smith.

Recommendation

Staff is recommending that the Board set the public hearing and approve the release of the Notice and Report to receive public comment regarding OMWD staff's proposal to adopt increases to OMWD's Water Charges beginning on January 1, 2025, and the proposed Pass-Through Increases as described in the Notice (attached).

Proposition 218 requires that the Notice of Public Hearing be mailed out to all customers at least 45 days before the public hearing (no later than August 30, 2024).

Alternative

The Board may choose not to set a time and place for a public hearing, thereby not considering OMWD staff's proposal to increase OMWD's Water Charges in 2025 and the proposed Pass-Through Increases for the next five years (January 1, 2025 to December 31, 2029). The Board could also choose to do an annual Proposition 218 process at additional costs for printing, mailing, and posting.

Background

Section 53756 of the Government Code allows agencies, such as OMWD, that provide water and sewer services, to pass through increases in wholesale charges for water and annual inflationary adjustments for water and sewer operations as long as these increases do not exceed the cost of providing the service.

The last pass-through ordinance was adopted by the Board in 2019. OMWD's water charges have been increased over the last four years to pass through purchased water wholesale cost increases from OMWD's potable water wholesalers, the San Diego County Water Authority (SDCWA) and Metropolitan Water District of Southern California (MWD) and by OMWD's recycled water suppliers (Vallecitos Water District, San Elijo Joint Power Authority, Rancho Santa Fe Community Services District, and City of San Diego), and to pass through an annual inflation adjustment based on the San Diego Consumer Price Index. OMWD increased its revenues collected from water service charges by 5%, on average, over the last four years to pay for higher water supply costs and to keep pace with inflation.

OMWD retained Raftelis Financial Consultants, to conduct a comprehensive cost of service water rate study to establish proposed water rates and charges for fiscal years 2025 through 2029. At the July meeting, Mr. Sudhir Pardiwala with Raftelis presented to the Board financial assumptions and methodology used in calculating and developing OMWD's proposed water rates and charges. Details of Mr. Pardiwala's presentation and input received from the Board from the water rate workshop are incorporated in the draft report and attached to the memo for Board's review. Based on the 2024 Water Rate Study, Raftelis also recommended that OMWD maintain its existing water rate structure for all customers, which consist of (1) a Water Consumption Charge, also known as a volumetric charge, and (2) fixed monthly service charges (e.g., System Access Charge, SDCWA Infrastructure Access Charge, and Fire Meter Charge). OMWD bills monthly for water services.

Fiscal Impact

OMWD's cost of service to be recovered from rates and charges based on its fiscal year 2025 budget, including purchased water wholesale costs from SDCWA and other recycled water suppliers, is approximately \$66 million. OMWD's projected operating costs, water capital infrastructure needs, and debt service obligations over the next five years are included in the Report and are consistent with the Long-Term Finance Plan section included in the General Manager's Recommended Operating and Capital Budget document for fiscal years 2025 and 2026 adopted by the Board in June 2024.

The 2024 Water Rate Study clearly demonstrated that OMWD needs to implement revenue adjustments based on the proposed increases because current water charges will not generate sufficient revenues to cover OMWD's cost of providing water services to customers.

The proposed and estimated 5-Year-Revenue Adjustments included in the study, beginning with January 1, 2025, water consumption, are illustrated in the chart below. Revenue adjustments from FY 2026 until FY 2029 are calculated based on forecasted inflation and purchased water wholesale cost increases. Board approval, however, will still be required for any revenue adjustments in each fiscal year.

Table 1-1: 5-Year Revenue Adjustments

	FY 2025 Proposed	FY 2026 Estimated	FY 2027 Estimated	FY 2028 Estimated	FY 2029 Estimated
System Access Charges (Inflation/Wholesale Pass-Through)	8.0%	8.0%	8.0%	5.0%	4.0%
Fire Meter Charges	5.0%	6.0%	6.0%	5.0%	4.0%
Commodity Charges including Inflation/Wholesale Pass-Through	8.0%	8.0%	8.0%	5.0%	4.0%
Infrastructure Access Charges SDCWA IAC Pass-Through*	3.2%	8.5%	11.5%	4.0%	4.0%
TOTAL REVENUE ADJUSTMENT	7.9%	8.0%	8.1%	5.0%	4.0%

*Based on projected increases from SDCWA

The Rate Reimbursement Credit per unit of water reviewed and approved by the Board at the July meeting for the next two years (2025 and 2026) are shown in the table below and included in the attached Notice and Report.

Table 5-11: Projected FY 2025- FY 2027 Average Domestic Bills with RRC

	Current Bill	2025	2026	2027
RRC (\$/unit)	\$0.11	\$0.22	\$0.11	\$0.00
Average Domestic Bill with RRC	\$170.46	\$179.66	\$196.98	\$215.46
Year over Year Difference (%)		5.4%	9.6%	9.4%

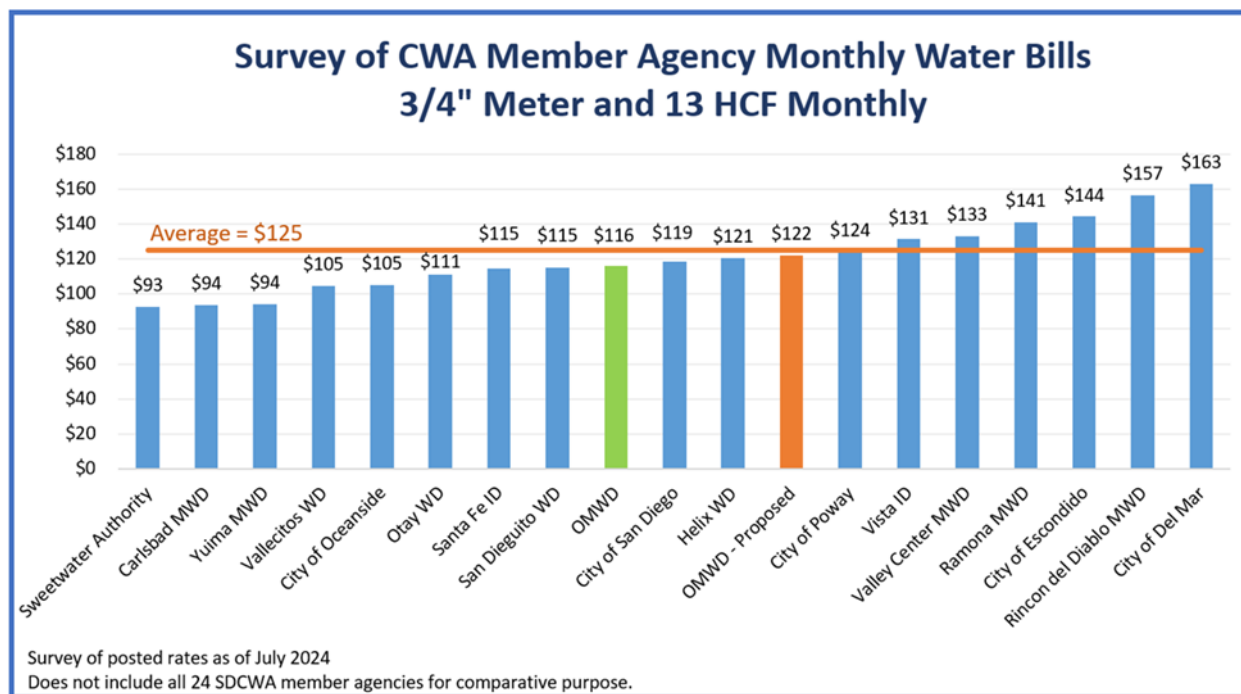
Discussion

Staff's proposed increases to Water Charges beginning January 1, 2025, and Pass-Through Increases for the next five years described in the Notice and included in the Report are necessary to pay for higher Purchased Water Wholesale Costs imposed on OMWD by SDCWA and by recycled water wholesalers, and to pay for cost increases to OMWD's water operations, maintenance, and capital infrastructure resulting from inflation.

While OMWD continues to keep the costs of its water operations as low as possible, purchased water wholesale costs are external and non-controllable. Absorbing significant increases in Purchased Water Wholesale Costs from SDCWA, which could increase by as much as 39% over the next five years, would negatively impact OMWD's financial health.

Additionally, the inflation rate has risen more than 18% since the pandemic. OMWD needs to continue maintaining, replacing, and upgrading its aging water infrastructure. To pay for higher costs to operate and maintain its water operations and to replace water infrastructure, OMWD needs to keep pace with inflation.

With the Proposed Water Charges for 2025, OMWD's water pricing remains competitive compared to other water agencies in the County. OMWD's monthly water bill for a residential customer using 13 units of water with a $\frac{3}{4}$ " meter based on the proposed rates equates to approximately \$122, which is still below the County's average monthly water bill of \$125 as shown in the graph below.



If a public hearing is set by the Board, a copy of the attached public hearing notice will be mailed out to water customers to comply with Proposition 218 requirements no later than 45 days before the public hearing. A copy of the 2024 Water Rate Study prepared by Raftelis Financial Consultants, Inc. and reviewed by Nossaman LLP will be available for public review and comment on OMWD's website.

Attachments:

- Draft Notice of Public Hearing
- 2024 Water Rate Study Report

DRAFT

NOTICE OF PUBLIC HEARING

REGARDING PROPOSED INCREASES TO OLIVENHAIN MUNICIPAL WATER DISTRICT WATER CHARGES

OMWD is proposing changes that will affect charges on your water bill.

The public hearing will be held on October 16, 2024, at 5:30 p.m. at Boardroom of OMWD's administrative office, 1966 Olivenhain Road, Encinitas, CA 92024

Olivenhain Municipal Water District ("OMWD") will conduct a public hearing on October 16, 2024, at 5:30 p.m., in the Boardroom of OMWD's administrative office, located at 1966 Olivenhain Road, Encinitas, California 92024. The purpose of the hearing is to receive public comment regarding OMWD staff's proposal to adopt increases to OMWD's water service charges and other water charges (collectively, "Water Charges") beginning on January 1, 2025, and an ordinance that would authorize OMWD to pass through to customers certain increases in purchased water wholesale costs, inflationary costs, and other costs as described in this notice.

For Zoom Participation:

www.zoom.us/join
Meeting ID: 865 5633 4158
Passcode: 257024

For Zoom Call-in Only:

Call: (669) 900-9128
Meeting ID: 865 5633 4158
Passcode: 257024

The public hearing may continue in person even if Zoom access is disrupted or unavailable.

You are receiving this notice in compliance with Proposition 218, which requires OMWD to inform property owners and water customers that OMWD is proposing changes to its Water Charges that will affect your water bill.

This notice includes information about 1) the water system, 2) reasons for the proposed increases, 3) basis upon which the proposed Water Charges are calculated, 4) the proposed Water Charges, 5) pass-through increases, and 6) procedures for protesting the proposed Water Charges.

The basis for allocating costs and calculating the proposed increases to OMWD's Water Charges shown and described in this notice is a comprehensive cost of service water rate study ("Water Rate Study Report") conducted in 2024 by an independent financial consulting firm. A copy of OMWD's Water Rate Study Report is available at www.olivenhain.com/rates or at our administrative office.

WATER SYSTEM

OMWD provides water services to approximately 87,000 customers in portions of Encinitas, Carlsbad, Solana Beach, Rancho Santa Fe, San Marcos, Elfin Forest, 4S Ranch, San Diego and the Olivenhain Valley. OMWD's water service area spans about 31,100 acres. OMWD owns and operates two water treatment plants, the David McCollom Water Treatment Plant and the 4S Ranch Water Reclamation Facility. Water is delivered from OMWD's water treatment plants to approximately 29,000 connections through approximately 500 miles of potable and recycled pipes, 10 pump stations, and 17 storage reservoirs.

OMWD purchases all of its potable water supply from San Diego County Water Authority ("SDCWA"). SDCWA in turn purchases a substantial portion of its water supplies from the Metropolitan Water District of Southern California ("MWD"). MWD imports water from two sources: the Colorado River via the Colorado River Aqueduct and the Sacramento-San Joaquin Delta via the California Aqueduct. Water from SDCWA is treated at OMWD's David C. McCollom Water Treatment Plant and distributed to OMWD customers to meet their potable water demand.

The 4S Ranch Water Reclamation Facility produces recycled water to meet irrigation demand in a portion of OMWD's recycled water system. OMWD also purchases recycled water from the following public agencies: Vallecitos Water District, San Elijo Joint Powers Authority, Rancho Santa Fe Community Services District, and City of San Diego (collectively referred to as "Recycled Water Wholesalers") to meet OMWD customers' recycled water demand.

REASONS FOR THE PROPOSED INCREASES

OMWD is committed to providing high-quality and professional water services to its customers while meeting or exceeding all regulatory requirements in a cost-effective and environmentally responsive manner. OMWD charges its customers for these services. Revenues collected from Water Charges are used to fund safe and reliable water service. The costs include purchasing water, operating and maintaining the water system, reinvesting in water system infrastructure, and paying off debt used to finance the David C. McCollom Water Treatment Plant.

The proposed increases to Water Charges are necessary to pay for higher purchased water wholesale costs imposed on OMWD by SDCWA and by Recycled Water Wholesalers and to pay for cost increases to OMWD's water operations, maintenance, and capital infrastructure resulting from inflation.

Purchased Water Wholesale Costs

The potable water wholesalers from which OMWD receives water, MWD and SDCWA, have both recently implemented dramatic increases in their water rates. While OMWD continues to keep the costs of its water operations as low as possible, purchased water wholesale costs are external and non-controllable. Purchased water wholesale costs imposed on OMWD by SDCWA and by Recycled Water Wholesalers (collectively, “Purchased Water Wholesale Costs”) make up approximately 60% of OMWD’s water operating costs.

Purchased Water Wholesale Costs could increase by as much as 39% over the next five years starting on January 1, 2025. Absorbing these significant increases in Purchased Water Wholesale Costs would negatively impact OMWD’s financial stability. Therefore, to avoid these impacts, OMWD is proposing to pass through to customers increases in the Purchased Water Wholesale Costs as a part of the proposed Water Charges.

Rate Reimbursement Credit

OMWD used funds available in its reserves to partially offset increases in purchased water wholesale costs from SDCWA. A rate relief program was approved by OMWD’s Board of Directors in 2021. The resulting credit to customers (referred to as “Rate Reimbursement Credit”) is a result of money refunded from lawsuits filed by SDCWA that successfully challenged the legality of certain MWD rates and charges, and it helps to offset increases in purchased water wholesale costs from SDCWA.

Inflation

OMWD has been able to control cost increases in its water operations, maintenance, and infrastructure needs through re-evaluation of internal business processes and optimal utilization of its assets for cost savings. OMWD also received grant funds to complete some of its capital infrastructure program, which has helped offset increases in costs that resulted from higher inflation and post-pandemic supply chain issues. However, costs have risen more than 18% due to inflation from January 2021 to June 2024 based on changes in the San Diego-Carlsbad Consumer Price Index for All Urban Customers (“CPI”).

OMWD is proposing to increase Water Charges for the next five years to keep pace with inflation in order to operate and maintain its water operations and to replace its aging water infrastructure; many parts of OMWD’s Water System are over 50 years old. OMWD needs to continue maintaining and upgrading its water system to minimize water service interruptions. Therefore, OMWD is proposing to pass through to customers inflationary adjustments based on CPI as a part of the proposed increases to its Water Charges.

BASIS UPON WHICH THE PROPOSED WATER CHARGES ARE CALCULATED

OMWD provides both potable (i.e. treated) water and recycled water service. The proposed rate structure for OMWD's Water Charges has seven customer classes: (1) Domestic (single-family and multi-family residential); (2) Agriculture; (3) Permanent Special Agriculture Water Rate ("PSAWR"); (4) Commercial; (5) Irrigation; (6) Construction; and (7) Recycled Water.

The rate structure for all customer classes consists of (1) a volumetric charge known as the Water Consumption Charge, and (2) fixed monthly service charges consisting of the System Access Charge, SDCWA Infrastructure Access Charge, and Fire Meter Charge. OMWD bills monthly for water service.

The basis used to calculate all components of the proposed Water Charges included in this notice are structured to proportionally allocate the costs of providing water service to all customer classes and tiers based on their respective proportion of usage and burden on the water system. The Water Rate Study Report describes the methodology used in calculating the proposed rates, adjustments, and increases to OMWD's Water Charges shown and described in this notice. The Rate Study Report is available at www.olivenhain.com/rates or at our administrative office.

Water Consumption Charge

OMWD assesses a Water Consumption Charge on each unit of water delivered each month. One unit of water equals one hundred (100) cubic feet (HCF) or 748 gallons. Volumetric water rate structures vary by customer class. Domestic customers are subject to a four-tier volumetric rate structure, while irrigation customers are subject to a two-tier volumetric rate structure. Agricultural, commercial, construction, and recycled water customers are subject to distinct uniform rates.

The Water Consumption Charge for potable water is calculated based on the cost of providing potable water service to each customer and customer class, including the costs of treating water and purchasing water from SDCWA and MWD, and it recovers a portion of OMWD's fixed costs.

The Water Consumption Charge assessed to recycled water customers is calculated based on the cost of providing recycled water service to recycled water customers, including the costs of treating at 4S Ranch Water Reclamation Facility and purchasing recycled water from the Recycled Water Wholesalers, and it recovers a portion of OMWD's fixed costs.

System Access Charge

The System Access Charge is a fixed monthly charge that varies by water meter size and is assessed per water meter, potable and recycled, to recover a portion of OMWD's costs. These costs include, among others, meter reading, billing and collections, customer service, water

facilities repairs and maintenance, and certain other costs imposed on OMWD by SDCWA and MWD.

SDCWA Infrastructure Access Charge

All meters, excluding construction, fire, and recycled water meters are subject to a monthly SDCWA Infrastructure Access Charge which varies by water meter size. The SDCWA Infrastructure Access Charge is assessed by SDCWA to recover a portion of costs associated with the construction of county-wide water infrastructure projects. The SDCWA Infrastructure Access Charge is a monthly fixed water meter charge that is passed through by OMWD directly to its customers.

Fire Meter Charge

For customers with a dedicated fire line, the Fire Meter Charge is a monthly fixed charge assessed per meter to recover their proportionate share of OMWD's costs attributable to the system's fire flow demand. It varies by water meter size on certain properties as a condition of extending or initiating water service by (1) the installation of a fire suppression system, and (2) upon the request of the property owner for the delivery of water to the property for the purpose of fire service protection.

Demand Reduction Rate Adjustments

Fluctuating availability of water resulting from drought, water supply emergencies, or other reasons will cause OMWD to experience decreased water sales, and therefore, less water revenue. To help mitigate future losses in revenue from reduced water sales and to ensure that OMWD is able to continue to provide and deliver safe drinking water to its customers, OMWD is proposing to authorize adjustments ("Demand Reduction Rates") to the potable Water Consumption Charge that would only be implemented by OMWD's Board of Directors' action under the terms of OMWD's Water Demand Reduction Condition Ordinance.

OMWD will implement Demand Reduction Rates for the potable Water Consumption Charge, as necessary, depending on the level of potable water use cutbacks, to ensure that OMWD is able to provide safe, reliable drinking water to its customers while meeting or exceeding regulatory requirements and recovering sufficient revenues to meet its expenses, including financial obligations.

OMWD's Water Rate Study Report considered the effects of decreased water sales and developed rates that may be implemented so that OMWD could still maintain safe and reliable water service during decreased sales during the next five years from January 1, 2025, through December 31, 2029. In the event that OMWD activates its Demand Reduction Rates, OMWD will notify its customers in advance of implementation.

The table below shows the proposed maximum increases that could be implemented by OMWD during various levels of mandatory reductions in water usage and added to the potable Water Consumption Charge. Water Demand Reduction Rates for reductions in usage that are in between those shown below may be prorated.

Demand Reduction Rate Adjustments - \$/HCF For Potable Water Commodity Charges	
Demand Reduction Levels	Increase in Commodity Charges
10%	\$0.30
20%	\$0.68
30%	\$1.12

PROPOSED WATER SERVICE CHARGES

The proposed maximum Water Charges beginning with January 1, 2025 water consumption for potable water customers and recycled water customers are set forth in the tables below:

CUSTOMER TYPE	COMMODITY CHARGE BASE RATES - \$/HCF		WATER SUPPLY SHORTAGE RATES (6)		
			10% DEMAND REDUCTION - \$/HCF	20% DEMAND REDUCTION - \$/HCF	30% DEMAND REDUCTION - \$/HCF
	Current (2)(3)	Proposed 1/1/2025 (5)	Proposed 1/1/2025 (5)	Proposed 1/1/2025 (5)	Proposed 1/1/2025 (5)
Potable:					
Domestic					
Tier 1: 0-6 Units (1)	\$4.24	\$4.43	\$4.73	\$5.11	\$5.55
Tier 2: 7-23 Units	\$6.14	\$6.47	\$6.77	\$7.15	\$7.59
Tier 3: 24-80 Units	\$6.85	\$7.25	\$7.55	\$7.93	\$8.37
Tier 4: 80+ Units	\$8.14	\$8.20	\$8.50	\$8.88	\$9.32
Agricultural (4)	\$6.75	\$6.90	\$7.20	\$7.58	\$8.02
Combined Agricultural/Domestic					
First 23 Units per month: Follow Domestic rate structure.					
Over 23 Units per month: Follow Agricultural rate structure.					
Commercial	\$5.78	\$6.14	\$6.44	\$6.82	\$7.26
Irrigation					
Tier 1	\$6.50	\$6.91	\$7.21	\$7.59	\$8.03
Tier 2	\$6.94	\$7.80	\$8.10	\$8.48	\$8.92
<u>Rate Reimbursement</u>					
<u>Credit (RRC) (7)</u>	<u>(\$0.11)</u>	<u>(\$0.22)</u>	<u>(\$0.22)</u>	<u>(\$0.22)</u>	<u>(\$0.22)</u>
Construction	\$8.21	\$8.60	\$8.90	\$9.28	\$9.72
Recycled:					
Recycled Water	\$4.29	\$4.68	\$4.68	\$4.68	\$4.68

OMWD System Access Charge (\$/Meter Size)		
Meter Size	Current (2)	Proposed 1/1/2025 (5)
5/8"	\$34.25	\$37.16
3/4"(*)	\$44.79	\$48.53
1"	\$76.41	\$82.64
1-1/2"	\$118.54	\$128.11
2"	\$185.30	\$200.11
2-1/2"	\$336.33	\$363.05
3"	\$367.94	\$397.16
4"	\$610.30	\$658.63
6"	\$1,274.14	\$1,374.83
8"	\$2,292.73	\$2,473.76

SDCWA Infrastructure Access Charge (\$/Meter Size)		
Meter Size	Current (2)	Proposed 1/1/2025 (5)
5/8"	\$4.41	\$4.55
3/4"(*)	\$4.41	\$4.55
1"	\$8.39	\$8.65
1-1/2"	\$13.70	\$14.11
2"	\$22.09	\$22.75
2-1/2"	\$41.10	\$42.32
3"	\$45.08	\$46.41
4"	\$75.58	\$77.81
6"	\$159.10	\$163.80
8"	\$287.29	\$295.75

OMWD Fire Meter Charge (\$/Meter Size)						
Meter Size	Current (2)	Proposed 1/1/2025 (5)	Proposed 1/1/2026	Proposed 1/1/2027	Proposed 1/1/2028	Proposed 1/1/2029
5/8"	\$5.85	\$6.13	\$6.50	\$6.89	\$7.24	\$7.53
3/4"(*)	\$5.85	\$6.13	\$6.50	\$6.89	\$7.24	\$7.53
1"	\$6.57	\$6.87	\$7.29	\$7.73	\$8.12	\$8.45
1-1/2"	\$7.54	\$7.84	\$8.32	\$8.82	\$9.27	\$9.65
2"	\$9.08	\$9.39	\$9.96	\$10.56	\$11.09	\$11.54
2-1/2"	\$12.55	\$12.89	\$13.67	\$14.50	\$15.23	\$15.84
3"	\$13.27	\$13.62	\$14.44	\$15.31	\$16.08	\$16.73
4"	\$18.85	\$19.24	\$20.40	\$21.63	\$22.72	\$23.63
6"	\$34.13	\$34.63	\$36.71	\$38.92	\$40.87	\$42.51
8"	\$57.56	\$58.23	\$61.73	\$65.44	\$68.72	\$71.47

Irrigation Unit Allotments		
Tier 1 Allotment / Based upon water use by meter size		
Meter Size	Winter (Nov 1-April 30)	Summer (May 1-Oct 31)
5/8"	10	15
3/4"(*)	20	30
1"	35	50
1-1/2"	50	110
2"	100	200
3"	200	500
4"	600	3500
6"	3100	11800
8"	5600	21300

Notes to the Rate Table

* Typical residential meter size

- (1) One (1) unit of water is equal to one hundred cubic feet (HCF) or 748 gallons.
- (2) These rates and charges are currently used to calculate OMWD's monthly water bills in 2024.
- (3) Domestic Tier 2 rate currently applies to consumption between 7 and 23 units. Domestic Tier 3 rate currently applies to consumption between 24 units and 80 units. For combined Agricultural/Domestic, Domestic rate structure currently applies to the first 23 units. Over 23 units per month follows Agricultural rate structure. For Irrigation customers, all monthly water usage in excess of Tier 1 allotment shown in the Irrigation Unit Allotments table is charged at the Irrigation Tier 2 rate.
- (4) The Agricultural water rate is available only to those who meet the program criteria. Visit www.olivenhain.com/ag for details.
- (5) The proposed charges, if approved, will be effective beginning on January 1, 2025.
- (6) Demand Reduction Rates would only be implemented by General Manager or Board of Directors action under the terms of OMWD's Water Demand Reduction Condition Ordinance.
- (7) Rate Reimbursement Credit (RRC) is a temporary rate relief program approved by OMWD's Board of Directors to reduce the impact of increased SDCWA Purchased Water Wholesale costs on OMWD customer water bills.

Below are examples of the bill impact from the Proposed Water Service Charges to be effective January 1, 2025 for Domestic customers.

Low Residential Water Bill Based on 6 HCF per Month-3/4" Meter 1 unit = 1 HCF		
Charge/Rate	Current	Proposed 1/1/2025
Commodity Charge - Base Rates		
Tier 1 Water	\$25.44	\$26.58
SDCWA Infrastructure Access Charge	\$4.41	\$4.55
System Access Charge	\$44.79	\$48.53
Rate Reimbursement Credit (RRC)	(\$0.66)	(\$1.32)
Monthly Total	\$73.98	\$78.34

Average Residential Water Bill Based on 23 HCF per Month-3/4" Meter 1 unit = 1 HCF		
Charge/Rate	Current	Proposed 1/1/2025
Commodity Charge - Base Rates		
Tier 1 Water	\$25.44	\$26.58
Tier 2 Water	\$104.38	\$109.99
SDCWA Infrastructure Access Charge	\$4.41	\$4.55
System Access Charge	\$44.79	\$48.53
Rate Reimbursement Credit (RRC)	(\$2.53)	(\$5.06)
Monthly Total	\$176.49	\$184.59

Customers that wish to determine the impact to their monthly bill statement of the proposed rates, increases, and adjustments may visit www.olivenhain.com/estimator for an estimate.

PASS-THROUGH INCREASES

To avoid operational deficits, depletion of reserves, and inability to address water capital infrastructure needs for the next five years, OMWD is proposing to adopt an ordinance that would authorize OMWD, commencing January 1, 2025 and at any time through and including December 31, 2029, to automatically pass through to customers certain cost increases experienced by OMWD ("Pass-Through Increases"). The Pass-Through Increases include: increases in purchased water wholesale charges from SDCWA, and any other purchased water wholesale water charge increases imposed on OMWD, including by Recycled Water Wholesalers (collectively referred to as "Purchased Water Wholesale Pass-Through"); increases imposed by SDCWA to the SDCWA Infrastructure Access Charge; inflationary cost increases based on June end to June end percent change in CPI ("Inflationary Pass-Through").

Any future increases in the SDCWA Infrastructure Access Charge will only impact the SDCWA Infrastructure Access Charge. Any Purchased Water Wholesale Pass-Through and any Inflationary Pass-Through will impact the OMWD Water Consumption Charges and System Access Charge.

If approved by the Board of Directors, Pass-Through Increases will be automatically implemented annually after giving notice to customers and be effective for the five-year period commencing January 1, 2025, through December 31, 2029. All Pass-Through Increases shall not exceed 12% per year, and in no event shall any Pass-Through Increases result in rates exceeding OMWD's cost of providing water services to its customers.

Prior to implementing any Pass-Through Increases, OMWD will provide written notice of proposed changes to customers not less than 30 days prior to the effective date of the Pass-Through Increases.

PROTESTING THE PROPOSED WATER CHARGES

Any property owner of a parcel upon which the water service charges are proposed for imposition or any tenant directly liable for the payment of water service charges (i.e., a water customer who is not a property owner) may submit a written protest to the water rates and rate structure shown and described in this notice; provided, however, only one protest will be counted per identified parcel subject to the water rates. To be used in determining whether there is a majority protest, each protest must: (1) be in writing; (2) state that the identified property owner or tenant is opposed to the proposed water rate adjustments and pass-through increases; (3) provide the location of the identified parcel for which the protest is submitted (by assessor's parcel number or water service address); and (4) include the printed full name and signature of the property owner or tenant submitting the protest. Written protests may be submitted by mail or in person to the Board Secretary at 1966 Olivenhain Road, Encinitas, CA 92024, or at the public hearing on October 16, 2024, so long as they are received by the Board Secretary prior to the close of the public comment portion of the Public Hearing. Any protest

submitted via e-mail or other electronic means will not be accepted as a valid written protest. Please indicate "Attn: Rate Hearing" on the outside of any envelope mailed to OMWD.

The Board of Directors will accept and consider all written protests and hear and consider all public comments made at the public hearing. Oral comments at the public hearing will not qualify as the written protests to be used in determining whether there is a majority protest. At the conclusion of the public hearing, the Board of Directors will consider adoption of the proposed rates and rate structure. If written protests against the proposed water rates and rate structure included in this notice are not presented by owners or tenants of a majority of the identified parcels subject to the water service charges, the Board of Directors will be authorized to adopt the rates. If approved, the Board of Directors will be able to impose the rates, which may include Pass-Through Increases and the Demand Reduction Rates described in this notice, for a five-year period commencing January 1, 2025, through December 31, 2029.

California law (Government Code section 53759) provides a 120-day statute of limitations for judicially challenging any new, increased, or extended fee or charge such as these rates.

**OLIVENHAIN MUNICIPAL WATER
DISTRICT**

Water Rate Study

FINAL DRAFT / AUGUST 7, 2024



August 7, 2024

Ms. Kimberly A. Thorner
General Manager
Olivenhain Municipal Water District
1966 Olivenhain Road
Encinitas, CA 92029

Subject: 2025 Water Rate Study Report

Dear Ms. Thorner,

Raftelis is pleased to provide this 2025 Water Rate Study Report (Report) to the Olivenhain Municipal Water District (District). The overall goal of the study was to develop updated water rates for the District for FY 2025 that are fair and equitable and in compliance with Proposition 218 requirements.

The major objectives of the study include the following:

- Develop a five-year financial plan through FY 2029 that sufficiently funds the District's operating costs, debt obligations, and necessary capital expenditures
- Review and revise as necessary the current water rate structure
- Perform a cost-of-service analysis to equitably allocate costs across customer classes
- Propose equitable water rates for FY 2025 and rates for the subsequent four years subject to pass-through of water costs and inflation

This Report summarizes the key findings and recommendations related to the development of the financial plan and proposed water rates. It has been a pleasure working with you and we would like to thank Ms. Rainy Selamat, Mr. Jared Graffam, and Ms. Georgeanna Clark for the support provided to Raftelis during this study.

Sincerely,

A blue ink signature of Sudhir Pardiwala, written in a cursive style.

Sudhir Pardiwala
Executive Vice President

A blue ink signature of Katelyn Milius, written in a cursive style.

Katelyn Milius
Senior Consultant

Contents

1. Executive Summary	1
1.1. Study Overview	1
1.2. Financial Plan	2
1.3. Proposed Water Rates	4
1.4. Water Demand Reduction Rates	7
1.5. Rate Reimbursement Credit	8
1.6. Customer Impacts	9
2. Introduction	10
2.1. Water System Overview	10
2.2. Study Objectives	10
2.3. Legal Requirements and Rate-Setting Methodology	11
2.3.1. California Constitution - Article XIII D, Section 6 (Proposition 218)	11
3. Financial Plan	13
3.1. Existing Water Rates	13
3.2. Assumptions	15
3.2.1. Inflationary Assumptions	15
3.2.2. Water Account and Usage Assumptions	15
3.3. Revenues	19
3.4. Operations and Maintenance Expenses	21
3.5. Debt Service	22
3.6. Capital Improvement Plan	23
3.7. Financial Policies	27
3.7.1. Debt Coverage	27
3.7.2. Reserve Policies	27
3.8. Status Quo Financial Plan	28
3.9. Proposed Financial Plan	30
4. Cost of Service	34
4.1. Process and Approach	34
4.2. Revenue Requirement	34
4.3. Functionalization and Allocation of Expenses	36

4.4. Peaking Factors	36
4.5. Allocation of Functional Categories to Cost Causation Components.....	38
4.6. O&M Allocation	41
4.7. Capital Allocation	43
4.8. Revenue Offset Allocation.....	45
4.9. Allocation of Revenue Requirements to Cost Causation Components	48
4.10. Units of Service	50
4.10.1. Equivalent Meters.....	50
4.10.2. Customer Bills	51
4.11. Units Cost Development.....	53
4.12. Cost of Service by Customer Class.....	53
5. Rate Design	57
5.1. Rate Structure Overview.....	57
5.2. OMWD System Access Charge Calculation.....	58
5.3. Fire Meter Charge Calculation	58
5.4. SDCWA Infrastructure Access Charges.....	59
5.5. Volumetric Rate Calculations.....	60
5.5.1. Peaking Unit Rates	60
5.5.2. Revenue Offsets	62
5.5.3. Proposed FY 2025 Volumetric Rates	62
5.6. Proposed Water Rates	63
5.7. Rate Reimbursement Credit	65
5.8. Water Rates for Largest Users.....	66
5.9. Proposed Potable Water Demand Reduction Rates.....	66
6. Customer Impacts.....	70
6.1. Monthly Bill Impacts	70
6.2. Monthly Bill Comparison	72
Revised Water Consumption Charge	88

Tables

Table 1-1: 5-Year Revenue Adjustments	4
Table 1-2: Proposed Monthly Fixed Charges	6
Table 1-3: Proposed Volumetric Rates per Unit	7
Table 1-4: Proposed FY 2025 Water Demand Reduction Rates per Unit	8
Table 1-5: Projected FY 2025- FY 2027 Average Domestic Bills with RRC	8
Table 3-1: Existing Monthly Fixed Charges	13
Table 3-2: Existing Volumetric Rates per Unit	14
Table 3-3: Tier 1 Monthly Allotments for Irrigation Customers in Units	14
Table 3-4: Expense and Revenue Escalation Assumptions	15
Table 3-5: Number of Water Meters by Customer Class (FY 2024)	16
Table 3-6: Number of Water Meters	16
Table 3-7: Projected Water Usage in Units by Customer Class and Accounts	18
Table 3-8: Projected Operating Revenues Under Existing Water Rates	19
Table 3-9: Projected Other Operating Revenues, Non-Operating Revenues, and Capital Revenues	20
Table 3-10: Revenue Summary	20
Table 3-11: Projected O&M Expenses	21
Table 3-12: Existing Debt Service Payments	22
Table 3-13: Total Debt Service	23
Table 3-14: Potable Water CIP Projects	24
Table 3-15: Recycled Water CIP Projects	26
Table 3-16: Proposed 5-Year Revenue Adjustments	30
Table 3-17: Proposed Financial Plan	31
Table 4-1: Proposed Revenue Requirement	35
Table 4-2: System Peaking Factor Allocations	37
Table 4-3: Peaking Factors by Customer Class	38
Table 4-4: Allocation of Functional Categories to Cost Causation Components	40
Table 4-5: O&M Cost Allocation	42
Table 4-6: Capital Cost Allocation	44
Table 4-7: Revenue Offset Allocation	46
Table 4-8: Allocation of Revenue Requirement to Cost Causation Components	49
Table 4-9: Equivalent Meter Units (FY 2025)	50
Table 4-10: Equivalent Fire Meter Units (FY 2025)	51
Table 4-11: Projected Annual Customer Bills (FY 2025)	51
Table 4-12: Max Day Units of Service	52

Table 4-13: Max Hour Units of Service.....	52
Table 4-14: Summary of Units of Service by Cost Causation Component.....	53
Table 4-15: Calculation of Unit Costs by Cost Causation Component.....	53
Table 4-16: Proposed Cost of Service by Customer Class.....	55
Table 5-1: Irrigation Tier Definitions	58
Table 5-2: Monthly OMWD System Access Charge Calculation.....	58
Table 5-3: Monthly Fire Meter Charge Calculation	59
Table 5-4: Monthly SDCWA Infrastructure Access Charge	60
Table 5-5: Max Day Unit Rates by Customer Class	61
Table 5-6: Max Hour Unit Rates by Customer Class	61
Table 5-7: Revenue Offsets by Customer Class and Tier.....	62
Table 5-8: Calculation of Proposed FY 2025 Volumetric Rates per Unit.....	63
Table 5-9: Proposed Monthly Fixed Charges	64
Table 5-10: Proposed Volumetric Rates per Unit	65
Table 5-11: Projected FY 2025- FY 2027 Average Domestic Bills with RRC.....	66
Table 5-12: Percent Reduction in Water Usage by Customer Class and Tier.....	67
Table 5-13: Projected Water Usage by Stage	67
Table 5-14: Calculation of Water Demand Reduction Rate Surcharges	68
Table 5-15: Proposed FY 2025 Water Demand Reduction Rates	69
Table 6-1: Domestic Monthly Bill Impacts at Varying Levels of Usage	71
Table 6-2: Commercial Monthly Bill Impacts at Varying Levels of Usage (1" Meter Size).....	71
Table 6-3: Irrigation Monthly Bill Impacts at Varying Levels of Usage (1-1/2" Meter Size).....	71

Figures

Figure 1-1: Projected O&M Expenses	2
Figure 1-2: 10-year CIP by Funding Source	3
Figure 1-3: Proposed Financial Plan	4
Figure 1-4: Domestic Bill Impacts at Varying Levels of Usage	9
Figure 3-1: Actual and Projected Water Usage in AF	18
Figure 3-2: FY 2025 Revenue Composition	21
Figure 3-3: FY 2025 O&M Expenses Composition	22
Figure 3-4: CIP by Funding Source	27
Figure 3-5: Total Fund Balance Under Status Quo Financial Plan	29
Figure 3-6: Projected Debt Coverage Under Status Quo Financial Plan	29

Figure 3-7: Proposed Operating Financial Plan..... 32

Figure 3-8: Projected Debt Coverage Ratios under Proposed Revenue Adjustments 33

Figure 3-9: Projected Ending Balances Under Proposed Financial Plan 33

Figure 4-1: Cost of Service Comparison: Current and Prior Studies..... 56

Figure 6-1: Domestic Bill Impacts at Varying Levels of Usage 70

Figure 6-2: Domestic Monthly Bill Comparison..... 72

Appendices

Appendix A: Water Purchase Cost Calculations

Appendix B: Status Quo Cash Flow

Appendix C: Proposed Financial Plan Cash Flow

Appendix D: Revised Rates with Adopted SDCWA Costs

1. Executive Summary

1.1. Study Overview

Olivenhain Municipal Water District (District) provides water service to a population of approximately 86,000 across a 48 square mile service area in northern San Diego County. The District's potable water supply is provided by the San Diego County Water Authority (SDCWA), of which the District has been a member since 1960. The District's potable water system consists of a water treatment plant with 34 MGD of capacity, 13 storage reservoirs, 7 pump stations, and over 400 miles of water pipelines. Additionally, the District operates a water reclamation facility that produces up to 2 MGD of recycled water. The District also purchases recycled water from the City of San Diego, Vallecitos Water District, San Elijo Joint Powers Authority, and Rancho Santa Fe Community Services District. The District's recycled water distribution system includes 5 storage reservoirs, 3 pump stations, and 46 miles of recycled water pipelines that are used to deliver recycled water to non-potable landscape/irrigation water users.

The District engaged Raftelis in 2024 to conduct a comprehensive cost of service water rate study to establish proposed water rates for fiscal years (FY) 2025 to 2029. The District's existing water rate structure consists of the following charges:

1. **OMWD System Access Charge:** This fixed monthly meter charge varies by water meter size and recovers a portion of the District's fixed costs.
2. **SDCWA Infrastructure Access Charge:** All water meters, excluding construction, fire, and recycled water meters, are subject to a monthly SDCWA Infrastructure Access Charge, which varies by water meter size. SDCWA assesses the Infrastructure Access Charge to recover a portion of debt service costs associated with the construction of county-wide water infrastructure projects. The SDCWA Infrastructure Access Charge is treated as a pass-through charge by the District, as charges paid by the District to SDCWA are directly recouped from the District's customers.
3. **Volumetric Rate:** The District assesses volumetric rates per unit (1 unit = 1 hundred cubic feet (HCF)) of water delivered each month. Volumetric water rates vary by customer class and by Water Demand Reduction level. Domestic customers, including single family and multi-family have a four-tier volumetric rate structure, while irrigation customers have a two-tier structure. Agricultural, commercial, construction, and recycled water customers have unique uniform rates.
4. **Fire Meter Charge:** Meters dedicated to automatic fire sprinkler service are not subject to the three charges listed above but are assessed a fixed monthly Fire Service Charge, which varies by meter size. Customers are only assessed this charge if they have a dedicated water meter for automatic fire sprinkler service.

The major objectives of the water rate study include the following:

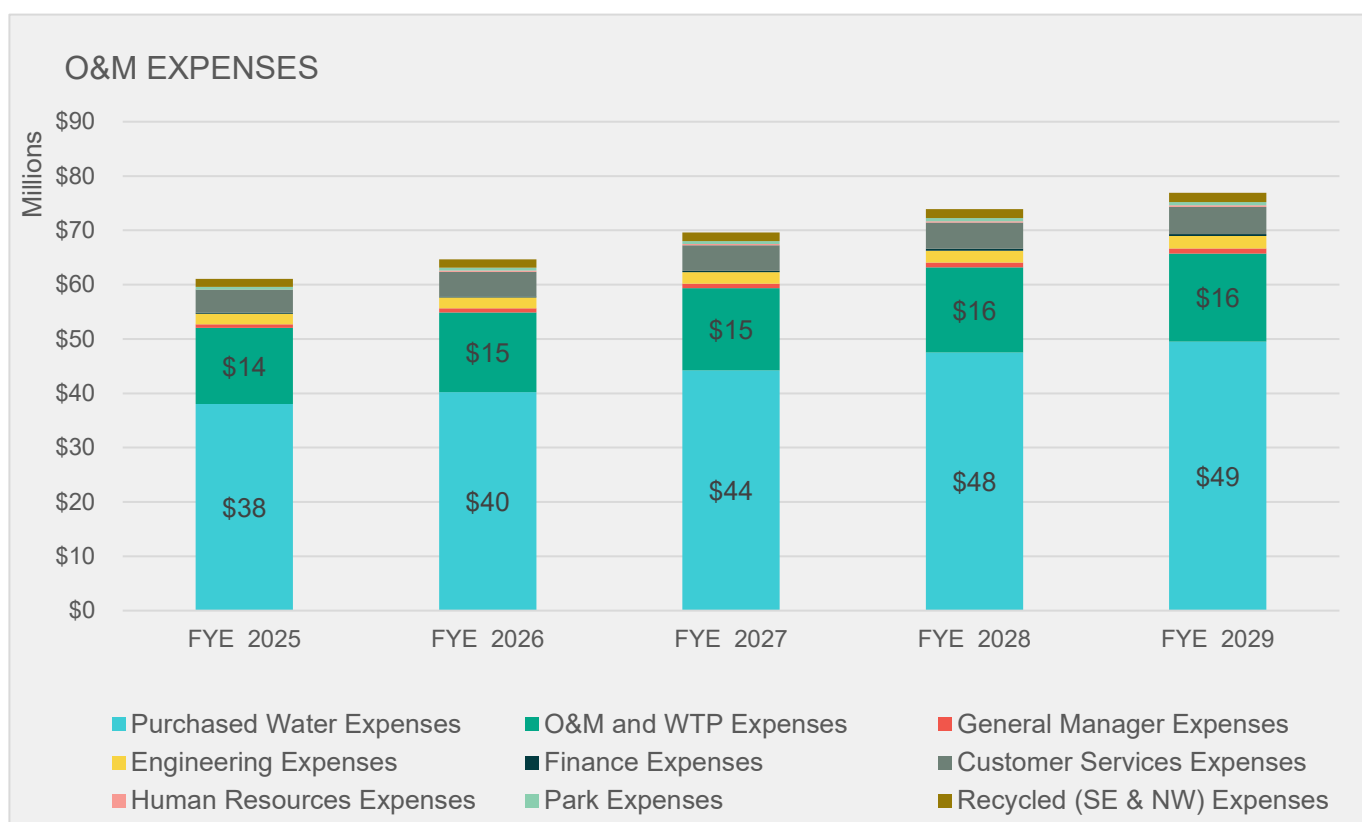
- Develop a five-year financial plan through FY 2029 that generates sufficient revenues to fund the District's operating costs, debt obligations, and necessary capital expenditures
- Review and revise as necessary the current water rate structure
- Perform a cost of service analysis to equitably allocate costs across customer classes in compliance with Proposition 218
- Propose equitable water rates for FY 2025 and for the subsequent four years subject to pass-through increases for water costs and inflation.

1.2. Financial Plan

Before beginning the rate design process, Raftelis first determined the revenue adjustments needed to adequately fund the District's various expenses and to provide fiscal stability over the five-year study period. Raftelis projected the revenue requirements, including operations and maintenance (O&M) expenses, capital improvement plan (CIP) expenditures, debt service costs, and reserve requirements over the study period.

O&M expenses include the cost of purchasing water, operating and maintaining facilities, staff-related costs, and other administrative costs. The O&M projections are based on the District's fiscal year (FY) 2025 budget and are escalated in subsequent years by corresponding inflation factors (except water supply costs which are calculated separately). Water supply costs, which constitute over 60 percent of total O&M expenses, are projected to increase based on anticipated increases in SDCWA rates. A summary of projected O&M expenses is shown below in **Figure 1-1**.

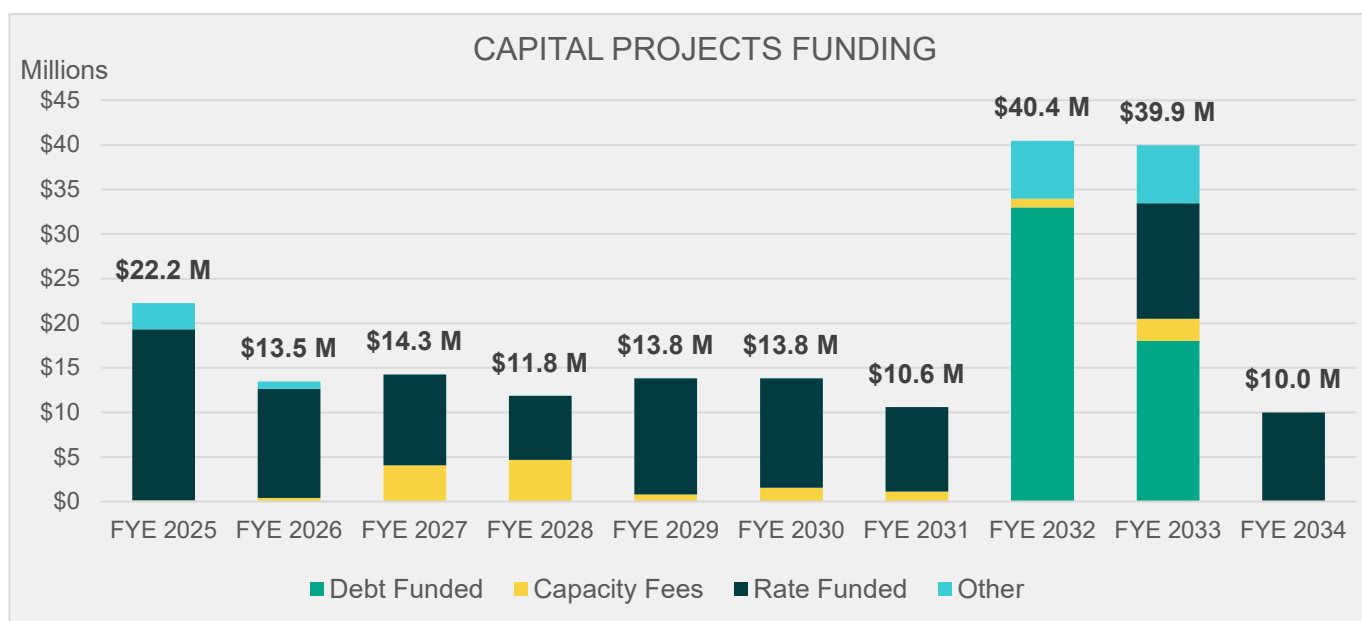
Figure 1-1: Projected O&M Expenses



The District has developed a comprehensive water Capital Improvement Program (CIP) to address current water system needs. The total estimated water CIP for the study period of FY 2025 to FY 2029 is \$76.66 million. This study included a 10-year view of the debt and capital project funding, including a \$51 million revenue bond issue projected in FY 2032 for the San Dieguito Valley Groundwater Desalination Plant. However, the five-year CIP plan is projected to be funded from rate revenues and capacity fees. The District's existing debt service payments are approximately \$5 million annually and are projected to decrease to approximately \$2 million in FY 2029. The 10-year CIP by funding source is shown in **Figure 1-2**. Other

revenues include anticipated grant funds, a portion of the property tax revenues, recycled water capacity fee revenues, and proceeds from the sale of the District's parcels.

Figure 1-2: 10-year CIP by Funding Source



The proposed financial plan assumes minimal growth throughout the study period of 50 domestic accounts per year (assumed to be 3/4-inch water meters) and a few larger meters corresponding with planned development in the service area. Per account, water usage is assumed to remain constant over the study period. Under such assumptions, Raftelis proposes the following revenue adjustments¹ over the study period in order to ensure that District exceeds required debt coverage and minimum reserve levels. The proposed revenue adjustment will be effective with water consumption beginning on January 1, 2025. Subsequent years of the study period are estimated revenue adjustments based on expected pass-through rate increases. Actual rate adjustments for FY 2026-2029 will be based on San Diego-Carlsbad Consumer Price Index for All Urban Consumers (CPI) and potable and recycled water supply cost pass-throughs.

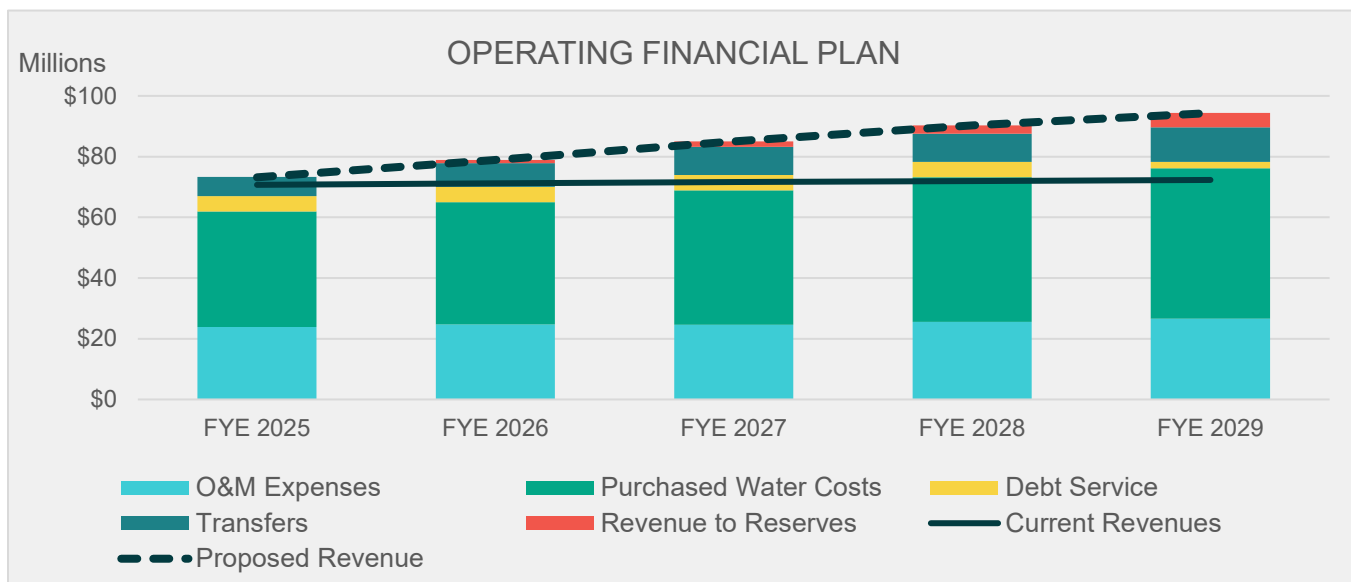
¹ A revenue adjustment represents the percent increase in total water rate revenues resulting from a water rate increase.

Table 1-1: 5-Year Revenue Adjustments

	FY 2025 Proposed	FY 2026 Estimated	FY 2027 Estimated	FY 2028 Estimated	FY 2029 Estimated
System Access Charges (Inflation/Wholesale Pass-Through)	8.0%	8.0%	8.0%	5.0%	4.0%
Fire Meter Charges	5.0%	6.0%	6.0%	5.0%	4.0%
Commodity Charges including Inflation/Wholesale Pass-Through	8.0%	8.0%	8.0%	5.0%	4.0%
Infrastructure Access Charges SDCWA IAC Pass-Through*	3.2%	8.5%	11.5%	4.0%	4.0%
TOTAL REVENUE ADJUSTMENT	7.9%	8.0%	8.1%	5.0%	4.0%

*Based on projected increases from SDCWA

Figure 1-3 shows the proposed financial plan that incorporates the proposed revenue adjustments above. Operating Fund revenue requirements are represented by stacked bars. Projected revenues in the absence of any rate increase are represented by the solid line, while projected revenues under the proposed revenue adjustments are represented by the dashed line. **Figure 1-3** demonstrates the need for revenue adjustments, as current rates will not generate sufficient revenues to cover the District's operating revenue requirements.

Figure 1-3: Proposed Financial Plan

1.3. Proposed Water Rates

To calculate fair and equitable rates so that customers pay in proportion to the cost of providing service, Raftelis performed a cost of service analysis in accordance with industry standard principles outlined by the American Water Works Association (AWWA) in its *Principles of Water Rates, Fees, and Charges: Manual of Water Supply Practices M1 Sixth Edition* (M1 Manual). The cost of service analysis considers water usage characteristics of each customer class and tier in order to allocate costs in proportion to the burden each customer class places on the water system.

Raftelis recommends that the District maintains its existing water rate structure. Proposed and estimated system access charges, also called fixed charges, are shown below in **Table 1-2** and proposed volumetric rates are shown in **Table 1-3**. FY 2025 proposed rates were established based on the cost of service analysis. Estimated rates from FY 2026 to FY 2029 were established by increasing the prior fiscal year's proposed or estimated rates by the corresponding revenue adjustment from **Table 1-1**. FY 2026 through FY 2029 are not proposed but estimated because they will ultimately be based on potable and recycled water supply pass-through costs and pass-through costs based on CPI. Fire Meter charges are not dependent on pass-through rates; therefore, they are set from the proposed revenue adjustment. All rates are proposed to become effective with water consumption beginning on January 1 of each year.

Table 1-2: Proposed Monthly Fixed Charges

Effective Date/ Meter Size	Current	January 1, 2025 Proposed	January 1, 2026 Estimated	January 1, 2027 Estimated	January 1, 2028 Estimated	January 1, 2029 Estimated
Monthly OMWD System Access Charge						
5/8"	\$34.25	\$37.16	\$40.14	\$43.36	\$45.53	\$47.36
3/4"	\$44.79	\$48.53	\$52.42	\$56.62	\$59.46	\$61.84
1"	\$76.41	\$82.64	\$89.26	\$96.41	\$101.24	\$105.29
1-1/2"	\$118.54	\$128.11	\$138.36	\$149.43	\$156.91	\$163.19
2"	\$185.30	\$200.11	\$216.12	\$233.41	\$245.09	\$254.90
2-1/2"	\$336.33	\$363.05	\$392.10	\$423.47	\$444.65	\$462.44
3"	\$367.94	\$397.16	\$428.94	\$463.26	\$486.43	\$505.89
4"	\$610.30	\$658.63	\$711.33	\$768.24	\$806.66	\$838.93
6"	\$1,274.14	\$1,374.83	\$1,484.82	\$1,603.61	\$1,683.80	\$1,751.16
8"	\$2,292.73	\$2,473.76	\$2,671.67	\$2,885.41	\$3,029.69	\$3,150.88
Monthly SDCWA Infrastructure Access Charge*						
5/8"	\$4.41	\$4.55	TBD	TBD	TBD	TBD
3/4"	\$4.41	\$4.55	TBD	TBD	TBD	TBD
1"	\$8.39	\$8.65	TBD	TBD	TBD	TBD
1-1/2"	\$13.70	\$14.11	TBD	TBD	TBD	TBD
2"	\$22.09	\$22.75	TBD	TBD	TBD	TBD
2-1/2"	\$41.10	\$42.32	TBD	TBD	TBD	TBD
3"	\$45.08	\$46.41	TBD	TBD	TBD	TBD
4"	\$75.58	\$77.81	TBD	TBD	TBD	TBD
6"	\$159.10	\$163.80	TBD	TBD	TBD	TBD
8"	\$287.29	\$295.75	TBD	TBD	TBD	TBD
*Note: A fixed charge imposed by SDCWA. Subject to change every year.						
Effective Date	Current	January 1, 2025 Proposed	January 1, 2026 Proposed	January 1, 2027 Proposed	January 1, 2028 Proposed	January 1, 2029 Proposed
Monthly Fire Meter Charges						
5/8"	\$5.85	\$6.13	\$6.50	\$6.89	\$7.24	\$7.53
3/4"	\$5.85	\$6.13	\$6.50	\$6.89	\$7.24	\$7.53
1"	\$6.57	\$6.87	\$7.29	\$7.73	\$8.12	\$8.45
1-1/2"	\$7.54	\$7.84	\$8.32	\$8.82	\$9.27	\$9.65
2"	\$9.08	\$9.39	\$9.96	\$10.56	\$11.09	\$11.54
2-1/2"	\$12.55	\$12.89	\$13.67	\$14.50	\$15.23	\$15.84
3"	\$13.27	\$13.62	\$14.44	\$15.31	\$16.08	\$16.73
4"	\$18.85	\$19.24	\$20.40	\$21.63	\$22.72	\$23.63
6"	\$34.13	\$34.63	\$36.71	\$38.92	\$40.87	\$42.51
8"	\$57.56	\$58.23	\$61.73	\$65.44	\$68.72	\$71.47

Table 1-3: Proposed Volumetric Rates per Unit

Effective Date	Current	January 1, 2025 Proposed	January 1, 2026 Estimated	January 1, 2027 Estimated	January 1, 2028 Estimated	January 1, 2029 Estimated
Volumetric Rates (\$/unit¹)						
Domestic²						
Tier 1 (0-6 units)	\$4.24	\$4.49	\$4.85	\$5.24	\$5.51	\$5.74
Tier 2 (7-23 units)	\$6.14	\$6.53	\$7.06	\$7.63	\$8.02	\$8.35
Tier 3 (24-80 units)	\$6.85	\$7.32	\$7.91	\$8.55	\$8.98	\$9.34
Tier 4 (80 + units)	\$8.14	\$8.27	\$8.94	\$9.66	\$10.15	\$10.56
Agriculture	\$6.75	\$6.97	\$7.53	\$8.14	\$8.55	\$8.90
Agriculture w/ Credit³	\$5.41	\$5.62	TBD	TBD	TBD	TBD
Commercial	\$5.78	\$6.20	\$6.70	\$7.24	\$7.61	\$7.92
Irrigation						
Tier 1: "B" Base	\$6.50	\$6.98	\$7.54	\$8.15	\$8.56	\$8.91
Tier 2: "C" Over Base	\$6.94	\$7.87	\$8.50	\$9.18	\$9.64	\$10.03
Construction	\$8.21	\$8.67	\$9.37	\$10.12	\$10.63	\$11.06
Recycled Water	\$4.29	\$4.68	\$5.06	\$5.47	\$5.75	\$5.98

¹ Customers are billed on a per unit of water basis, 1 unit = 1 HCF

² Domestic includes single-family and multi-family customers. Multi-family tiers apply per dwelling unit.

³ Note: Agriculture w/ Credit rate is updated annually by District staff based on SDCWA charges

Combined Agricultural/Domestic customers

First 23 Units per month: Follow Domestic rate structure.

Over 23 Units per month: Follow Agricultural rate structure.

1.4. Water Demand Reduction Rates

Raftelis updated the District's water demand reduction rates as part of this study. Water demand reduction rates are intended to recover reductions in net water revenues resulting from decreased water sales during times of reduced water demand due to drought, water supply emergencies, or other reasons to ensure the District could still collect sufficient water revenues in order to sustain operations, including meeting its financial obligations. Raftelis developed water demand reduction rates for three distinct stages:

- **10 Percent Demand Reduction** below projected FY 2025 water usage
- **20 Percent Demand Reduction** below projected FY 2025 water usage
- **30 Percent Demand Reduction** below projected FY 2025 water usage

In the event that the District activates its Demand Reduction Rates, customers will be notified in advance of implementation. The District's Demand Reduction Rates would only be implemented by the District's Board of Directors' action under the terms of the District's Water Demand Reduction Condition Ordinance and Water Shortage Contingency Plan.

All customers, excluding Recycled Water customers, are subject to a uniform increase in volumetric rates during each of the demand reduction stages that effectively function as a surcharge. **Table 1-4** shows the proposed FY 2025 volumetric rates at each demand reduction stage.

Table 1-4: Proposed FY 2025 Water Demand Reduction Rates per Unit

CUSTOMER TYPE	BASE RATES	10% DEMAND REDUCTION	20% DEMAND REDUCTION	30% DEMAND REDUCTION
	1/1/2025	(\$0.30 Surcharge)	(\$0.69 Surcharge)	(\$1.14 Surcharge)
Domestic				
0-6 Units	\$4.49	\$4.79	\$5.18	\$5.63
7-23 Units	\$6.53	\$6.83	\$7.22	\$7.67
24-80 Units	\$7.32	\$7.62	\$8.01	\$8.46
80 + Units	\$8.27	\$8.57	\$8.96	\$9.41
Agricultural	\$6.97	\$7.27	\$7.66	\$8.11
Agriculture w/ Credit	\$5.62	\$5.92	\$6.31	\$6.76
Commercial	\$6.20	\$6.50	\$6.89	\$7.34
Irrigation				
Tier 1	\$6.98	\$7.28	\$7.67	\$8.12
Tier 2	\$7.87	\$8.17	\$8.56	\$9.01
Construction	\$8.67	\$8.97	\$9.36	\$9.81
Recycled Water	\$4.68	\$4.68	\$4.68	\$4.68

1.5. Rate Reimbursement Credit

A Rate Reimbursement Credit (RRC) has been proposed to directly offset the volumetric rates. SDCWA's refund is given back to ratepayers in the form of a credit on the cost per unit of water used. The current refund is \$0.11, but it is proposed to increase to \$0.22 to help offset the rate increases proposed. The \$0.22 increase would be applied for FY 2025 and decrease to \$0.11 in FY 2026. The funding is proposed to be used over the next two fiscal years. The effect on the proposed rates due to the RRC based on District average residential customers using 22 units of water monthly with ¾" meter is shown in **Table 1-5**. The rates assume no changes in the IAC.

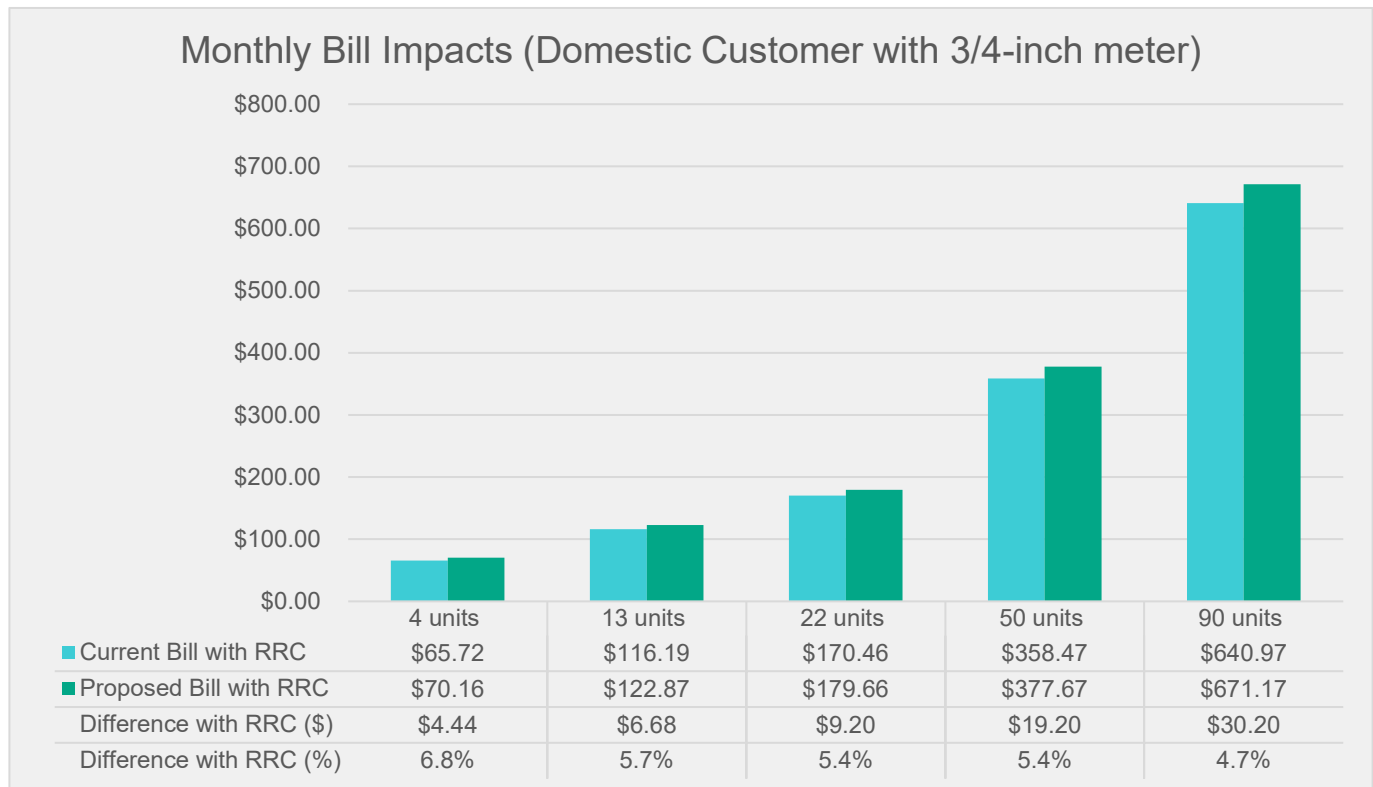
Table 1-5: Projected FY 2025- FY 2027 Average Domestic Bills with RRC

	Current Bill	2025	2026	2027
RRC (\$/unit)	\$0.11	\$0.22	\$0.11	\$0.00
Average Domestic Bill with RRC	\$170.46	\$179.66	\$196.98	\$215.46
Year over Year Difference (%)		5.4%	9.6%	9.4%

1.6. Customer Impacts

Figure 1-4 shows the impacts on a Domestic customer at varying levels of usage, assuming a 3/4" meter. Note that 13 units per month represents the median Domestic monthly usage for FY 2022, while 22 units represents the average Domestic monthly usage for FY 2022. The bill calculations are shown with the RRC included. The differences listed in the table at the bottom of **Figure 1-4** are between the current and proposed rates.

Figure 1-4: Domestic Bill Impacts at Varying Levels of Usage



2. Introduction

2.1. Water System Overview

Olivenhain Municipal Water District (OMWD or District) is a municipal water district organized and operating pursuant to Water Code Sections 71000 et seq., and was incorporated on April 9, 1959, to develop an adequate water supply for landowners and residents. On June 14, 1960, residents of the District voted to become a member of the San Diego County Water Authority (SDCWA), thus becoming eligible to purchase water transported into San Diego County via the massive aqueducts of SDCWA and its wholesaler, Metropolitan Water District of Southern California. With a service area of over 48 square miles, the District currently serves a population of approximately 86,000 residents in northern San Diego County.

The District treats up to 34 million gallons of water per day at its David C. McCollom Water Treatment Plant (DCMWTP), has a storage capacity of nearly 80 million gallons within 17 storage reservoirs, and maintains a water distribution system with over 400 miles of potable water pipelines. In addition, the District's 4S Ranch Water Reclamation Facility produces up to 2 million gallons per day of recycled water, which is distributed through 46 miles of recycled water pipelines throughout the District for non-potable uses such as irrigation.

The District's existing water rate structure consists of the following charges:

1. **OMWD System Access Charge:** This fixed monthly charge varies by water meter size and is assessed per meter to recover a portion of the District's fixed costs.
2. **SDCWA Infrastructure Access Charge:** All meters excluding construction, fire, and recycled water meters are subject to a monthly SDCWA Infrastructure Access Charge which varies by water meter size. SDCWA assesses the Infrastructure Access Charge to recover a portion of debt service costs associated with the construction of county-wide water infrastructure projects.
3. **Volumetric Rate:** The District assesses volumetric rates per unit (1 unit = one hundred cubic feet (hcf)) of water delivered each month. Volumetric water rates vary by customer class and by Water Demand Reduction level. Domestic customers are subject to a four-tier volumetric rate structure, while irrigation customers are subject to a two-tier volumetric rate structure. Agricultural, commercial, construction, and recycled water customers are subject to unique uniform rates.
4. **Fire Meter Charge:** Meters dedicated to automatic fire sprinkler service are not subject to the three charges listed above but are assessed a fixed monthly Fire Meter Charge, which varies by meter size. Customers are only assessed this charge if they have a dedicated water line for automatic fire sprinkler service.

2.2. Study Objectives

The District engaged Raftelis in 2024 to conduct a water rate study to establish proposed water rates that are compliant with Proposition 218 and consistent with Cost of Service principles. The major objectives of the study include the following:

- Develop a five-year financial plan through FY 2029 that sufficiently funds the District's operating costs, debt obligations, and necessary capital expenditures
- Review and revise as necessary the current water rate structure
- Perform a cost of service analysis to equitably allocate costs across customer classes
- Propose fair and equitable water rates for FY 2025 that are in compliance with Proposition 218

This Report provides a detailed description of the financial plan development, the cost of service analysis, and the development of the proposed FY 2025 rate schedule and estimated rate schedule for FY 2026 through FY 2029. Assumptions, inputs, and calculations are clearly shown in order to provide a thorough and transparent description of how the proposed water rates were determined.

2.3. Legal Requirements and Rate-Setting Methodology

This water rate study was conducted using industry-standard principles outlined by the American Water Works Association’s (AWWA) *Principles of Water Rates, Fees, and Charges: Manual of Water Supply Practices M1 Sixth Edition* (M1 Manual). The general principles of rate structure design and the objectives of the Study are described below.

According to the M1 Manual, the first step in the ratemaking process is to determine the adequate and appropriate level of funding for a given utility. This is referred to as determining the “revenue requirement.” This analysis considers the short-term and long-term service objectives of the utility over a given planning horizon, including capital facilities, system operations and maintenance, and financial reserve policies, to determine the adequacy of a utility’s existing rates to recover its costs. Several factors may affect these projections, including the number of customers served, water-use trends, extraordinary gains or expenses, weather, conservation, use restrictions, inflation, interest rates, capital finance needs, and other changes in operating and economic conditions.

After determining a utility’s revenue requirements, the next step is determining the cost of service. Utilizing a public agency’s approved budget, financial reports, operating data, and capital improvement plans, a cost of service study generally categorizes the operating system costs by function (e.g. supply, treatment, storage, pumping, distribution/collection, etc.). Asset costs are similarly functionalized to determine the cost of service of the CIP.

After the assets and the costs of operating those assets are properly categorized by function, these “functionalized costs” are allocated first to cost causation components, and then to the various customer classes (e.g., single-family residential, multi-family residential, and commercial) by determining the service characteristics of those classes and the contribution of each to incurred costs such as supply costs, base delivery costs, peaking costs.

Rate design is the final part of the rate-making procedure and uses the revenue requirement and cost of service analysis to determine appropriate rates for each customer class. Rates utilize “rate components” that build-up to rates for commodity charges, and fixed charges, for the various customer classes and meter sizes servicing customers. In the case of inclining tier water rates, the rate components define the cost of service *within* each class of customer, effectively treating each tier as a sub-class and determining the cost to serve each tier.

2.3.1. California Constitution - Article XIII D, Section 6 (Proposition 218)

Proposition 218, reflected in the California Constitution as Article XIII D, was enacted in 1996 to ensure that rates and fees are reasonable and proportional to the cost of providing service. The principal requirements, as they relate to public water service are as follows:

1. A property-related charge (such as water rates) imposed by a public agency on a parcel shall not exceed the costs required to provide the property related service.
2. Revenues derived by the charge shall not be used for any purpose other than that for which the charge was imposed.
3. The amount of the charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
4. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of property.
5. A written notice of the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing when the agency considers all written protests against the charge.

As stated in AWWA's *M1 Manual*, "water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers." Raftelis follows industry standard rate setting methodologies set forth by the AWWA *M1 Manual* to ensure this Study meets Proposition 218 requirements and creates rates that do not exceed the proportionate cost of providing water services on a parcel basis. The methodology in the M1 Manual is a nationally recognized industry ratemaking standard that courts have recognized is consistent with Proposition 218.

Tiered Rates – "Inclining" tier rate structures (which are synonymous with "increasing" tier rate structures and "tiered" rates) when properly designed and differentiated by customer class meet the requirements of Proposition 218 as long as the tiered rates reasonably reflect the proportionate cost of providing service in each tier.

3. Financial Plan

Section 3 details the development of the five-year financial plan for the District's water utility. This includes the determination of annual revenues required from water rates based on annual cash flow projections. Assumptions and inputs related to projected revenues, operating expenses, and capital expenditures are clearly outlined in the following subsections.

3.1. Existing Water Rates

Currently, District customers pay two types of monthly fixed charges: the OMWD System Access Charge and the SDCWA Infrastructure Access Charge. The OMWD System Access Charge is designed to recover a portion of fixed costs incurred by the District to provide water service. Based on SDCWA's IAC ordinance, the SDCWA Infrastructure Access Charge is assessed by SDCWA to recover a portion of debt service costs associated with the construction of county-wide water infrastructure projects, 80% of SDCWA's operations and maintenance expenses established by SDCWA's Board of Director in the annual budget, and payments to member agencies for generation of reclaimed water. Fixed monthly Fire Meter Charges are levied on water meters dedicated for automatic fire sprinkler service. **Table 3-1** below shows the District's existing monthly rates for each type of fixed charge discussed above.

Table 3-1: Existing Monthly Fixed Charges

Meter Size	OMWD System Access Charge	SDCWA Infrastructure Access Charge	Fire Meter Charge
5/8-inch	\$34.25	\$4.41	\$5.85
3/4-inch	\$44.79	\$4.41	\$5.85
1-inch	\$76.41	\$8.39	\$6.57
1.5-inch	\$118.54	\$13.70	\$7.54
2-inch	\$185.30	\$22.09	\$9.08
2.5-inch	\$336.33	\$41.10	\$12.55
3-inch	\$367.94	\$45.08	\$13.27
4-inch	\$610.30	\$75.58	\$18.85
6-inch	\$1,274.14	\$159.10	\$34.13
8-inch	\$2,292.73	\$287.29	\$57.56

The District recovers its variable costs as well as its remaining fixed costs through Volumetric Rates. Volumetric rates vary by customer class and declared Water Demand Reduction level, and are assessed per unit of water delivered. Domestic customers are charged according to a four-tiered inclining block rate structure, under which the volumetric rate increases as monthly water usage exceeds defined thresholds. Irrigation customers are subject to a two-tiered inclining block rate structure, in which Tier 1 allotments increase with meter size. Agricultural, Commercial, Construction and Recycled customers are subject to distinct uniform volumetric rates. Combined Agricultural/Domestic customers are charged based on the Domestic volumetric rate schedule for the first 23 units of water usage per month and the Agricultural rate

schedule for monthly usage above 23 units. **Table 3-2** below shows the District's existing volumetric rates under the five various Water Demand Reduction levels.

Table 3-2: Existing Volumetric Rates per Unit

Customer Class	Base Rates	Watch/ Level 1 Voluntary	Alert/ Level 2 Mandatory	Critical/ Level 3 Mandatory
Domestic				
Tier 1 (0-6 Units)	\$4.24	\$4.47	\$4.74	\$5.09
Tier 2 (7-23 Units)	\$6.14	\$6.37	\$6.64	\$6.99
Tier 3 (24-80 units)	\$6.85	\$7.08	\$7.35	\$7.70
Tier 4 (80 + units)	\$8.14	\$8.37	\$8.64	\$8.99
Agricultural	\$6.75	\$6.98	\$7.25	\$7.60
Commercial	\$5.78	\$6.01	\$6.28	\$6.63
Irrigation				
Tier 1 (See Table 3-3)	\$6.50	\$6.73	\$7.00	\$7.35
Tier 2 (See Table 3-3)	\$6.94	\$7.17	\$7.44	\$7.79
Construction	\$8.21	\$8.44	\$8.71	\$9.06
Recycled	\$4.29	\$4.29	\$4.29	\$4.29

Tier 1 monthly allotments vary by meter size for Irrigation customers and are shown below in **Table 3-3**. Any monthly usage by Irrigation customers above the Tier 1 allotment is billed at the Tier 2 Irrigation rate.

Table 3-3: Tier 1 Monthly Allotments for Irrigation Customers in Units

Meter Size	Winter (Nov 1-Apr 30)	Summer (May 1-Oct 31)
5/8-inch	10	15
3/4-inch	20	30
1-inch	35	50
1.5-inch	50	110
2-inch	100	200
3-inch	200	500
4-inch	600	3,500
6-inch	3,100	11,800
8-inch	5,600	21,300

3.2. Assumptions

Various assumptions are used to project future revenues and expenses. They can be divided into two major groups: (i) assumptions related to economic factors, such as inflation, capital cost, and interest rates and (ii) core business assumptions, such as water sale projections and capital replacement costs.

3.2.1. Inflationary Assumptions

The inflationary assumptions are summarized in **Table 3-4**. General inflation reflects longer-term CPI average inflation. The District provided inflated capital costs by year, so an additional inflation factor was not included.

Table 3-4: Expense and Revenue Escalation Assumptions

Inflation	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
O&M Expenses					
General	3.0%	3.0%	2.0%	2.0%	2.0%
Salary	6.0%	6.0%	4.5%	4.5%	4.5%
Benefits	5.0%	5.0%	4.0%	4.0%	4.0%
Chemicals	6.0%	6.0%	5.0%	5.0%	5.0%
Utilities	5.0%	5.0%	5.0%	5.0%	5.0%
Revenue					
Other Operating Revenues	2.0%	2.0%	2.0%	2.0%	2.0%
Property Tax	2.0%	2.0%	2.0%	2.0%	2.0%
Reserve Interest Rate	3.0%	2.0%	2.0%	1.5%	1.5%

3.2.2. Water Account and Usage Assumptions

District staff provided Raftelis with the number of existing water meters differentiated by customer class as of February of FY 2024 (shown below in **Table 3-5**). Over 93 percent of water meters (excluding Fire Meters) served by the District are classified as Domestic.

Table 3-5: Number of Water Meters by Customer Class (FY 2024)

Meter Size	Domestic	Agri-cultural	Combined Ag/Domestic	Com-mercial	Irrigation	Con-struction	Recycled	Fire
5/8-inch	1,880	0	0	24	9	0	1	401
3/4-inch	16,280	0	7	76	26	0	1	18
1-inch	2,796	2	21	118	105	17	30	5,464
1.5-inch	497	4	11	140	244	1	116	67
2-inch	149	3	9	70	138	0	162	0
2.5-inch	0	0	0	0	0	38	1	1
3-inch	13	1	0	8	2	0	6	0
4-inch	9	0	1	7	1	0	5	0
6-inch	1	0	0	1	1	0	4	1
8-inch	0	0	0	1	0	0	0	0
Total	21,625	10	49	445	526	56	326	5,952

Over the five-year study period from FY 2025-FY 2029, the District projects 50 new 3/4-inch Domestic water meters per fiscal year to come online. Other growth accounted for in the model, based on the capacity fee schedule, includes one 1-1/2 inch, 2-inch, and 4-inch meter in FY 2027 and one 2-inch and three 6-inch meters in FY 2028. Based on FY 2024 meter counts and assumed growth, Raftelis projected the number of water meters by fixed charge type (shown below in **Table 3-6**). Note that the OMWD System Access Charge is assessed to all water meters excluding Fire lines, while the SDCWA Infrastructure Access Charge is assessed to all water meters except Construction meters, Recycled Water meters, and Fire lines.

Table 3-6: Number of Water Meters

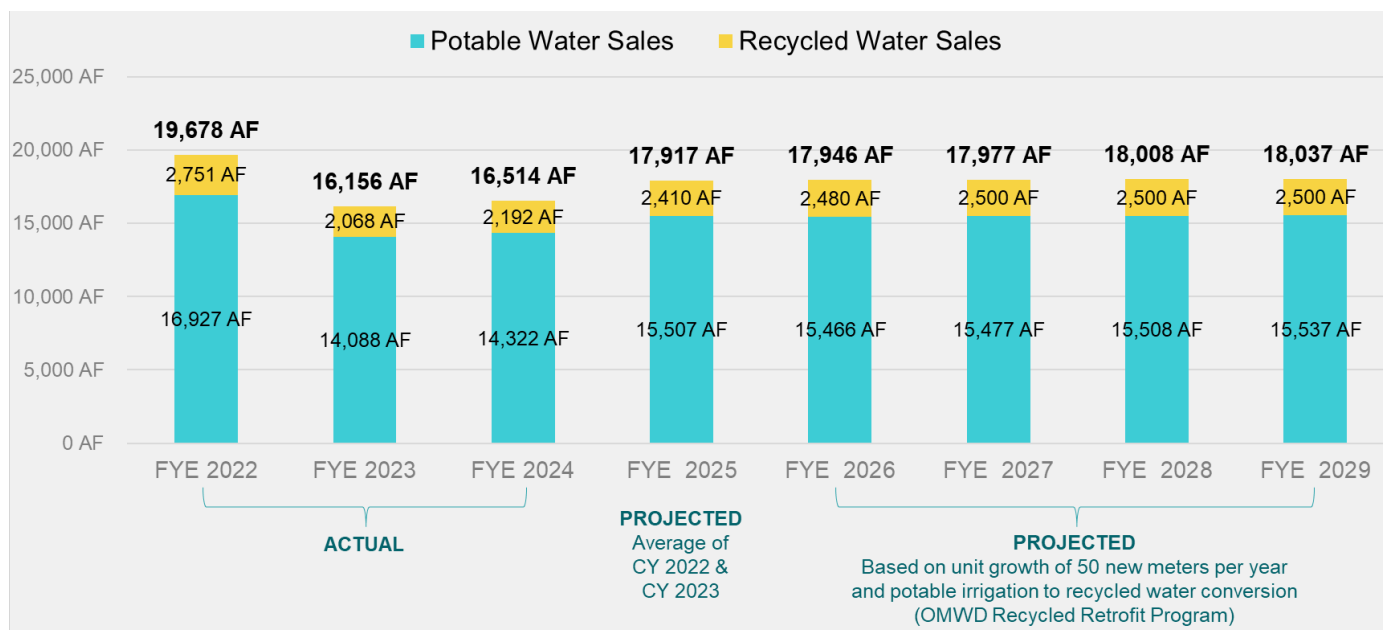
Meter Size	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Meters subject to OMWD System Access Charge						
5/8-inch	1,914	1,914	1,914	1,914	1,914	1,914
3/4-inch	16,390	16,440	16,490	16,540	16,590	16,640
1-inch	3,089	3,089	3,089	3,089	3,089	3,089
1.5-inch	1,013	1,013	1,013	1,014	1,014	1,014
2-inch	531	531	531	532	533	533
2.5-inch	39	39	39	39	39	39
3-inch	30	30	30	30	30	30
4-inch	23	23	23	24	24	24
6-inch	7	7	7	7	10	10
8-inch	1	1	1	1	1	1
Total	23,037	23,087	23,137	23,190	23,244	23,294
Meters subject to SDCWA Infrastructure Access Charge						
5/8-inch	1,913	1,913	1,913	1,913	1,913	1,913
3/4-inch	16,389	16,439	16,489	16,539	16,589	16,639
1-inch	3,042	3,042	3,042	3,042	3,042	3,042
1.5-inch	896	896	896	897	897	897
2-inch	369	369	369	370	371	371

Meter Size	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
2.5-inch	0	0	0	0	0	0
3-inch	24	24	24	24	24	24
4-inch	18	18	18	19	19	19
6-inch	3	3	3	3	6	6
8-inch	1	1	1	1	1	1
Total	22,655	22,705	22,755	22,808	22,862	22,912

Meters subject to Fire Meter Charge						
5/8-inch	401	401	401	401	401	401
3/4-inch	18	18	18	18	18	18
1-inch	5,464	5,464	5,464	5,464	5,464	5,464
1.5-inch	67	67	67	67	67	67
2-inch	0	0	0	0	0	0
2.5-inch	1	1	1	1	1	1
3-inch	0	0	0	0	0	0
4-inch	0	0	0	0	0	0
6-inch	1	1	1	1	1	1
8-inch	0	0	0	0	0	0
Total	5,952	5,952	5,952	5,952	5,952	5,952

Water usage by customer class and tier was projected over the study period based on actual water usage data provided by District staff for FY 2022 and FY 2023. Since 2023 was an unusually wet year, water usage was low. Therefore FY 2025 water usage by customer class was estimated using an average of calendar year (CY) 2022 and CY 2023 consumption data. At the end of the study, FY 2024 actual water usage was available and recorded as a comparison. **Figure 3-1** shows a yearly comparison of water usage. For the purposes of the financial plan, no change in per account water consumption is assumed over the five-year study period. Annual increases in projected water usage shown below in **Table 3-7** are solely due to growth in 3/4-inch Domestic accounts (see **Table 3-6** above). The increase in Domestic water usage over the study period is directly proportional to the increase in total number of Domestic water meters, which is approximately 0.2 percent per fiscal year. Note that any reduction in water sales that might occur over the study period due to a water supply shortage will be accompanied by the activation of Water Demand Reduction rates. This will ensure that any loss in rate revenue resulting from reduced water sales will be offset by higher volumetric rates that increase with each Water Demand Reduction level. Therefore, the water usage projections shown below in **Table 3-7** represent an appropriate baseline scenario for the purposes of the five-year financial plan.

Figure 3-1: Actual and Projected Water Usage in AF

Table 3-7: Projected Water Usage in Units by Customer Class and Accounts²

Customer Class	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Domestic					
Tier 1 (0-6 units/month)	1,664,738	1,668,570	1,672,632	1,676,771	1,680,603
Tier 2 (7-25 units/month)	1,989,260	1,993,828	1,998,671	2,003,605	2,008,173
Tier 3 (26-80 units/month)	1,344,352	1,347,453	1,350,740	1,354,089	1,357,190
Tier 4 (Over 80 units/month)	489,308	490,436	491,633	492,852	493,980
Agricultural	59,071	59,071	59,071	59,071	59,071
Agricultural with Credit	23,332	23,332	23,332	23,332	23,332
Commercial	296,027	296,027	296,027	296,027	296,027
Irrigation					
Tier 1 (See Table 3-3)	456,070	440,824	436,468	436,468	436,468
Tier 2 (See Table 3-3)	391,191	375,945	371,589	371,589	371,589
Construction	41,669	41,669	41,669	41,669	41,669
Recycled	1,049,621	1,080,113	1,088,825	1,088,825	1,088,825
Total	7,804,637	7,817,267	7,830,655	7,844,296	7,856,927

3.3. Revenues

The District's water revenues consist of operating revenues (i.e. water rate revenues), other operating revenues, non-operating revenues, and capital revenues (from capacity fees assessed to new water connections). Projected water rate revenues under existing rates are calculated for the years FY 2025-FY 2029 by multiplying current rates (from **Table 3-1** and **Table 3-2**) by the corresponding units of service (from **Table 3-6** and **Table 3-7**).³ Projecting water rate revenues under existing rates is necessary to evaluate the District's projected baseline financial position in the absence of any proposed rate increases. Note that for FY 2024, operating revenues were calculated based on FY 2023 rates for nine months and FY 2024 rates for three months. This is because FY 2024 rates were implemented in March 2024.⁴ Revenues under current rates are shown in Table 3-8 and exclude SDCWA Infrastructure Access Charges.

Table 3-8: Projected Operating Revenues Under Existing Water Rates

Operating Revenues	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Fixed Charges:						
OMWD System Access Charge (Potable)	\$14,326,302	\$14,987,748	\$15,014,622	\$15,052,465	\$15,127,432	\$15,154,306
OMWD System Access Charge (Recycled)	\$653,069	\$681,991	\$681,991	\$681,991	\$681,991	\$681,991
Fire Meter Charges	\$452,181	\$467,006	\$467,006	\$467,006	\$467,006	\$467,006
Volumetric Charges:						
Domestic	\$32,447,706	\$32,464,313	\$32,539,043	\$32,618,256	\$32,698,964	\$32,773,694
Agricultural	\$387,924	\$398,729	\$398,729	\$398,729	\$398,729	\$398,729
Agricultural w/ Credit	\$129,963	\$126,226	\$126,226	\$126,226	\$126,226	\$126,226
Commercial	\$1,527,180	\$1,711,033	\$1,711,033	\$1,711,033	\$1,711,033	\$1,711,033
Irrigation	\$5,671,829	\$5,679,317	\$5,474,411	\$5,415,866	\$5,415,866	\$5,415,866
Construction	\$291,851	\$342,102	\$342,102	\$342,102	\$342,102	\$342,102
Recycled Water	\$3,937,754	\$4,502,874	\$4,633,685	\$4,671,059	\$4,671,059	\$4,671,059
Total	\$59,825,759	\$61,361,341	\$61,388,849	\$61,484,736	\$61,640,410	\$61,742,014

Table 3-9 shows a summary of other operating, non-operating, and capital revenues. SDCWA Infrastructure Access Charges were calculated in the same manner as described previously for operating revenues. Revenues from selling excess treated water to Vallecitos were projected in FY 2025 assuming 2,750 acre-feet per year (AFY) in sales, which is the minimum due to the DCMWTP shutdown. In FY 2026 and after, 3,648 AFY is used, which is the average of FY 2020 and 2021. Investment income was calculated based on projected ending cash balances and an assumed 3 percent annual rate of return in FY 2025, 2 percent annual rate of return FYs 2026-2027 and 1.5 percent annual rate of return in FYs 2028-2029. The majority of other operating and non-operating expenses were projected beyond FY 2025 budgeted amounts by either holding

² Note that in all report tables, totals may not add up precisely due to rounding.

³ Fixed charge revenues = [number of meters assessed] x [monthly rate] x [12 months].

Volumetric charge revenues = [annual usage in CCF] x [volumetric rate per CCF].

⁴ The District's fiscal year is from July 1 through June 30. For example, fiscal year 2024 spanned from July 1, 2023 through June 30, 2024.

constant through FY 2029 or by escalating by 2 percent per year. District staff provided five-year estimates for all capital revenues over the study period.

Table 3-9: Projected Other Operating Revenues, Non-Operating Revenues, and Capital Revenues

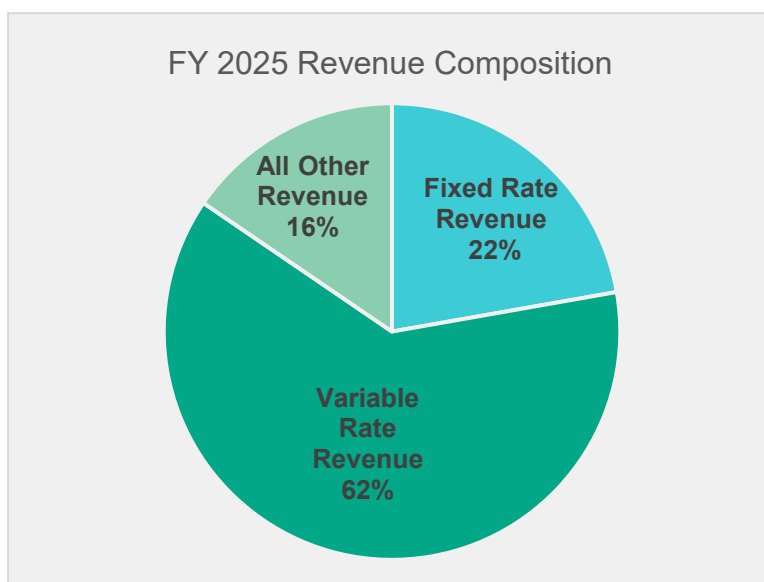
Description	FY 2024 Estimated	FY 2025 Budget	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Other Operating Revenues						
SDCWA Infrastructure Access Charge	\$1,467,000	\$1,561,057	\$1,563,703	\$1,567,685	\$1,576,324	\$1,578,970
Selling Excess Treated Water to Vallecitos	\$1,194,000	\$918,300	\$1,449,308	\$1,602,357	\$1,728,670	\$1,800,671
Other	\$510,000	\$530,200	\$530,404	\$530,612	\$530,824	\$531,041
Subtotal	\$3,171,000	\$3,009,557	\$3,543,414	\$3,700,654	\$3,835,818	\$3,910,682
Non-Operating Revenues						
Property Tax Revenue	\$4,800,000	\$4,896,000	\$4,993,920	\$5,093,798	\$5,195,674	\$5,299,588
Rental Income	\$775,200	\$790,704	\$806,518	\$806,518	\$806,518	\$806,518
Investment Income	\$0	\$322,108	\$225,238	\$228,624	\$171,035	\$200,728
Other	\$0	\$320,892	\$256,762	\$316,376	\$279,965	\$350,272
Subtotal	\$5,575,200	\$6,329,704	\$6,283,438	\$6,445,316	\$6,453,192	\$6,658,106
Capital Revenues						
Potable Capacity Fee	\$115,000	\$118,000	\$412,000	\$4,047,000	\$4,687,000	\$803,000
Anticipated Grants	\$3,404,000	\$1,772,000	\$817,000	\$0	\$0	\$0
Recycled Capacity Fee	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Subtotal	\$3,524,000	\$1,895,000	\$1,234,000	\$4,052,000	\$4,692,000	\$808,000

Table 3-10 shows a revenue summary for the study period based on revenues shown previously in Table 3-8 and Table 3-9. Once again, operating revenues shown in this section reflect projected water rate revenues under existing rates in the absence of any rate increases over the study period.

Table 3-10: Revenue Summary

Revenues	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Operating	\$59,825,759	\$61,361,341	\$61,388,849	\$61,484,736	\$61,640,410	\$61,742,014
Other Operating	\$3,171,000	\$3,009,557	\$3,543,414	\$3,700,654	\$3,835,818	\$3,910,682
Non-Operating	\$5,575,200	\$6,329,704	\$6,283,438	\$6,445,316	\$6,453,192	\$6,658,106
Capital	\$3,524,000	\$1,895,000	\$1,234,000	\$4,052,000	\$4,692,000	\$808,000
Total	\$72,095,959	\$72,595,601	\$72,449,701	\$75,682,706	\$76,621,420	\$73,118,802

Figure 3-2 shows FY 2025 revenues broken down into fixed rate revenue (from OMWD System Access Charges and Fire Meter Charges), variable rate revenues (from Volumetric Charges), and all other revenues (including the SDCWA Infrastructure Access Charge). Approximately two-thirds of total revenues are generated by the District's Volumetric Charges.

Figure 3-2: FY 2025 Revenue Composition

3.4. Operations and Maintenance Expenses

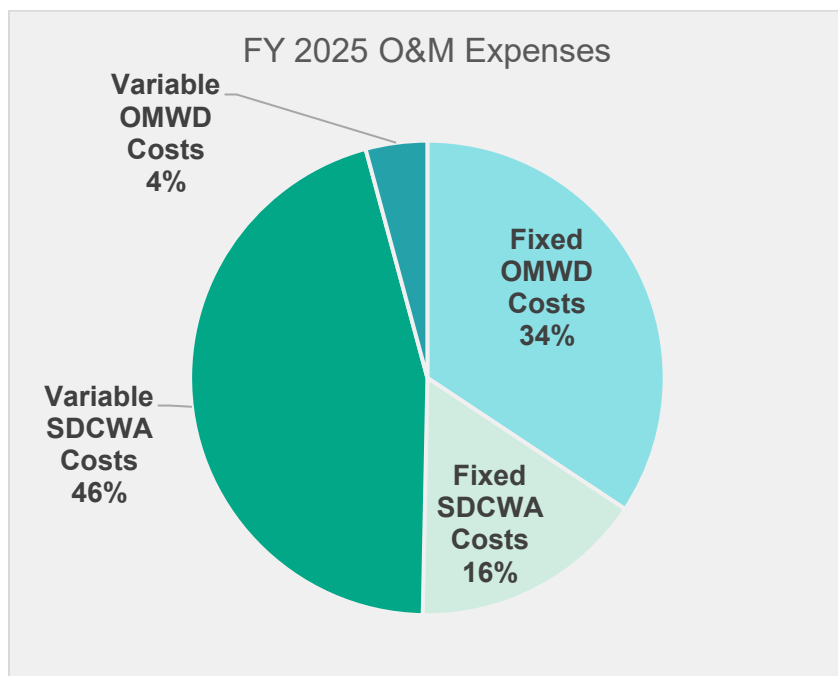
The District's operations and maintenance (O&M) expenses are based on the FY 2025 District budget and projected out through FY 2029. The District's projected purchased water and recycled water expenses were calculated over the study period based on the projected water supply mix and anticipated supply rates from SDCWA and MWD. See Appendix A for detailed calculations of water and recycled water purchase costs over the study period. All other O&M expenses were projected beyond FY 2025 by increasing FY 2025 budgeted expenses by the escalation factors shown in **Table 3-4**. The projected O&M expenses are shown in **Table 3-11**.

Table 3-11: Projected O&M Expenses

O&M Expenses	FY 2024 Estimated	FY 2025 Budget	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2029 Projected
Purchased Water Expenses	\$33,390,550	\$38,004,962	\$40,258,159	\$44,264,056	\$47,602,676	\$49,578,639
O&M and WTP Expenses	\$13,035,000	\$14,028,000	\$14,616,000	\$15,129,650	\$15,663,513	\$16,218,444
General Manager Expenses	\$485,000	\$672,000	\$780,000	\$828,970	\$880,355	\$934,265
Engineering Expenses	\$2,133,000	\$1,944,000	\$2,019,000	\$2,107,850	\$2,200,590	\$2,297,391
Finance Expenses	\$53,000	\$149,000	\$190,000	\$245,518	\$304,316	\$366,553
Customer Services Expenses	\$4,363,000	\$4,232,500	\$4,531,000	\$4,682,640	\$4,839,932	\$5,003,101
Human Resources Expenses	\$81,300	\$30,000	\$225,000	\$252,205	\$280,934	\$311,260
Park Expenses	\$451,000	\$538,000	\$510,000	\$532,035	\$555,020	\$578,997
Recycled (SE & NW) Expenses	\$1,568,000	\$1,490,500	\$1,541,000	\$1,595,405	\$1,651,996	\$1,710,867
Total O&M Expenses	\$55,559,850	\$61,088,962	\$64,670,159	\$69,638,328	\$73,979,333	\$76,999,517
Less Depreciation	\$802,000	\$815,000	\$815,000	\$831,300	\$847,926	\$864,885
Total O&M Excluding Depreciation	\$54,757,850	\$60,273,962	\$63,855,159	\$68,807,028	\$73,131,407	\$76,134,632

Figure 3-3 shows FY 2025 O&M expenses broken down as fixed versus variable and District-related (OMWD) versus SDCWA-related. Approximately 62 percent of FY 2025 O&M expenses are projected to be associated with water supply costs from SDCWA, some of which are fixed. Approximately 50 percent of FY 2025 O&M expenses are projected to be fixed in nature. This demonstrates a common challenge faced by municipal water suppliers, in which the majority of O&M expenses are fixed while a majority of revenues are variable (see **Figure 3-2**). This results in susceptibility to revenue instability during periods of reduced water supply/demand.

Figure 3-3: FY 2025 O&M Expenses Composition



3.5. Debt Service

Debt service requirements consist of principal and interest payments on existing and proposed debt. The District currently has debt service obligations associated with the outstanding 2015A Water Revenue Bonds, 2016A Water Revenue Bonds, 2013 State Revolving Fund Loan, and 2021B Sewer Revenue Bonds. The debt service payments shown for the 2021B Sewer Revenue Bonds represent the water system's allocated portion of the debt issue. Principal and interest payments associated with each existing debt issue for the water utility are shown below in **Table 3-12**.

Table 3-12: Existing Debt Service Payments

Description	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
2015A Water Revenue Bonds	\$2,410,375	\$2,413,625	\$2,406,875	\$2,405,375	\$2,403,625	\$0
2016A Water Revenue Bonds	\$977,000	\$978,000	\$977,000	\$975,000	\$978,000	\$974,000
2013 State Revolving Fund Loan	\$1,070,000	\$1,070,000	\$1,070,000	\$1,070,000	\$1,070,000	\$1,070,000
2021B Sewer Revenue Bonds	\$610,000	\$609,000	\$609,000	\$609,000	\$609,000	\$0

The 2015A Water Revenue Bonds and the 2021B Sewer Revenue Bonds will be paid off in FY 2028. There are no new proposed debt issues in the five-year plan period. Total existing and proposed debt service payments in each year throughout the study period (from **Table 3-12**) are summarized below in **Table 3-13**.

Table 3-13: Total Debt Service

Debt Service	FY 2025	FY 2021	FY 2022	FY 2023	FY 2029
Existing Debt	\$5,070,625	\$5,062,875	\$5,059,375	\$5,060,625	\$2,044,000
Proposed Debt	\$0	\$0	\$0	\$0	\$0
Total Debt Service	\$5,070,625	\$5,062,875	\$5,059,375	\$5,060,625	\$2,044,000

3.6. Capital Improvement Plan

The District has developed a capital improvement plan (CIP) to address ongoing water system needs in each year throughout the study period. Detailed CIP expenditures in each year are shown at the individual project level for the potable water system in **Table 3-14** and the recycled water system in **Table 3-15**. Inflated project costs in all years throughout the study period were provided by District Engineering staff from the results of the District's Condition Assessment and Pipeline Replacement Assessment studies.

Table 3-14: Potable Water CIP Projects

#	Potable Water CIP	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1	San Dieguito Valley Groundwater Desalination Plant	\$417,000	\$344,000	\$1,146,000	\$1,921,000	\$3,098,000
2	PW and RCW Master Plan Update	\$117,000	\$0	\$0	\$0	\$0
3	EFRR Parking Lot Expansion	\$381,000	\$909,000	\$0	\$0	\$0
4	Site Asphalt Improvements	\$60,000	\$50,000	\$30,000	\$30,000	\$30,000
5	Advanced Metering Infrastructure (AMI)	\$715,000	\$0	\$0	\$0	\$0
6	CIS Infinity System Upgrade	\$213,000	\$184,000	\$0	\$0	\$0
7	District Wide Scada Upgrades	\$127,000	\$0	\$0	\$0	\$0
8	District-Wide PLC Replacements (PW/RCW)	\$1,237,000	\$0	\$0	\$0	\$0
9	District Wide Physical Security Improvements	\$52,000	\$0	\$0	\$0	\$0
10	Fleet Electrification Project (PW/RCW)	\$165,000	\$750,000	\$1,490,000	\$0	\$0
11	RSF Unit A North PL Repl	\$1,428,000	\$0	\$0	\$0	\$0
12	Golem 14" Pipeline Inspection and Rehab	\$133,000	\$0	\$0	\$0	\$0
13	Dusty Trail PL Replacement	\$120,000	\$710,000	\$350,000	\$0	\$0
14	Rancho La Cima/Aliso Canyon PL Relocation	\$102,000	\$150,000	\$0	\$0	\$0
15	Harris Ranch Right-of-Way Acquisition	\$0	\$150,000	\$0	\$0	\$0
16	Unit B & K Rehab	\$327,000	\$1,000,000	\$580,000	\$0	\$0
17	Unit B & K EM CCTV Inspect & Rehab Phase 2	\$0	\$0	\$0	\$412,000	\$1,838,000
18	Encinitas Blvd Pipeline Inspection and Rehab	\$271,000	\$403,000	\$0	\$0	\$0
19	RSF Rd Pipeline Inspection	\$0	\$164,000	\$524,000	\$0	\$0
20	Access improvements to pipe below Gano to San Dieguito Road	\$20,000	\$55,000	\$0	\$0	\$0
21	Tank Safety Improvements	\$516,000	\$0	\$0	\$0	\$0
22	Palms I and II Reservoirs Replacemt	\$194,000	\$303,000	\$1,212,000	\$0	\$0
23	Gaty I Reservoir Decommissioning	\$0	\$0	\$0	\$398,000	\$0
24	Village Park PRS Replacement	\$969,000	\$0	\$0	\$0	\$0
25	Gardendale PRS Replacement	\$984,000	\$0	\$0	\$0	\$0
26	Del Lago PRS Replacement	\$0	\$123,000	\$846,000	\$0	\$0
27	SE #1 PRS Replacement	\$0	\$0	\$0	\$0	\$135,000
28	DCMWTP 4th Stage Centrifuge Addition	\$2,956,000	\$0	\$0	\$0	\$0
29	DCMWTP Chlorine Gen Rm Lining Rehab	\$123,000	\$0	\$0	\$0	\$0
30	DCMWTP 2nd Stage Membrane Train Overhaul	\$126,000	\$100,000	\$100,000	\$0	\$0
31	DCMWTP 2nd Stage Basin Rehab and Beam Replacement	\$577,000	\$1,207,000	\$0	\$0	\$0
32	DCMWTP 1st Stage Beam Replacement	\$560,000	\$980,000	\$666,000	\$0	\$0
33	DCMWTP Inlet Strainer MOV Actuator Replacement	\$63,000	\$0	\$0	\$0	\$0

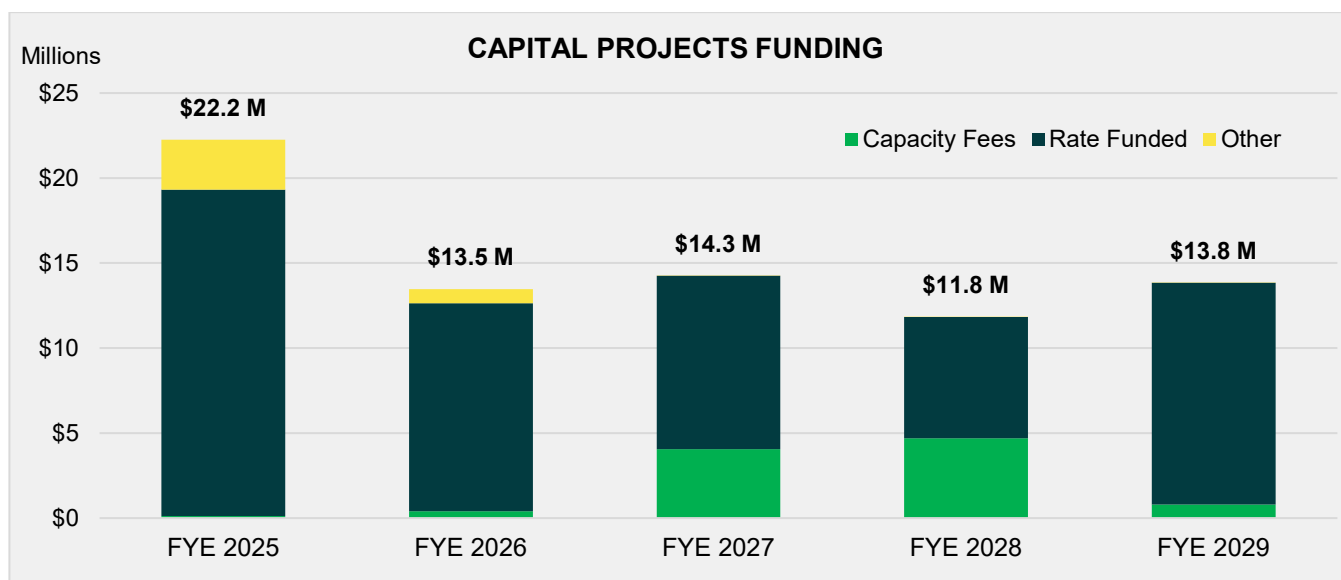
34	DCMWTP Combined Filter Influent & Backwash Pipe Replacement	\$180,000	\$528,000	\$0	\$0	\$0
35	DCMWTP Raw Water Equal (RWEQ) Tanks Rehab	\$668,000	\$0	\$0	\$0	\$0
36	DCMWTP Fluoride Room, Permeate Pump Stanchion, Bldg Rehab	\$0	\$142,000	\$0	\$0	\$0
37	DCMWTP 1st Stage Basins Rehab	\$0	\$0	\$1,295,000	\$1,295,000	\$1,295,000
38	DCMWTP FCV Actuators Replacement	\$0	\$0	\$310,000	\$0	\$0
39	DCMWTP BWWEQ Tank Rehab	\$0	\$0	\$596,000	\$0	\$0
40	DCMWTP Plate Settler Coating Rehab	\$0	\$0	\$0	\$123,000	\$0
41	DCMWTP Brine Area Rehab	\$0	\$0	\$0	\$192,000	\$0
42	DCMWTP Sodium Hypochlorite Room Rehab	\$0	\$0	\$0	\$0	\$98,000
43	DCMWTP HVAC Replacement	\$0	\$0	\$0	\$0	\$46,000
44	Bridge Crane Rehabilitation and Mods	\$65,000	\$0	\$0	\$0	\$0
45	Network Security	\$100,000	\$104,000	\$109,000	\$114,000	\$119,000
46	Replace Pumps and Motors	\$175,000	\$180,000	\$185,000	\$191,000	\$197,000
47	Replace Potable Meters	\$830,000	\$927,000	\$849,000	\$874,000	\$900,000
48	Replace Pipelines	\$500,000	\$515,000	\$530,000	\$546,000	\$562,000
49	Replace Valves	\$750,000	\$773,000	\$796,000	\$820,000	\$845,000
50	Steel Mains Protection	\$304,000	\$313,000	\$322,000	\$332,000	\$342,000
51	Replace Meter Anodes	\$158,000	\$163,000	\$168,000	\$173,000	\$178,000
52	Rehab Concrete Tanks	\$25,000	\$26,000	\$27,000	\$28,000	\$29,000
53	Replace PRS Valves	\$54,000	\$56,000	\$58,000	\$60,000	\$62,000
54	Replace DCM WTP Membranes	\$936,000	\$973,000	\$1,012,000	\$1,052,000	\$1,094,000
55	WTP Misc Equipment and Instrumentation Replacement	\$100,000	\$106,000	\$115,000	\$124,000	\$134,000
56	WTP Membrane Train Control Wiring Replacement	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000
57	Impressed current system protection	\$0	\$0	\$74,000	\$63,000	\$50,000
Total Potable Water CIP		\$17,833,000	\$12,424,000	\$13,427,000	\$8,786,000	\$11,091,000

Table 3-15: Recycled Water CIP Projects

#	Recycled Water CIP	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1	Manchester Recycled Pipeline Ext.	\$3,298,000	\$0	\$0	\$0	\$0
2	Calle Barcelona, VP, & Summerhill HOA Exten	\$244,000	\$0	\$0	\$0	\$0
3	Wanket RW Reservoir Rehabilitation	\$157,000	\$0	\$0	\$0	\$0
4	Santa Fe Valley RW Reservoir Improvements	\$150,000	\$0	\$0	\$0	\$0
5	Off-Spec and High Flow Diversion Pipeline	\$129,000	\$0	\$0	\$0	\$0
6	Upgrade Filter Electrical	\$75,000	\$439,000	\$0	\$0	\$0
7	Upgrade Flow Equalization Basins	\$22,000	\$125,000	\$0	\$0	\$0
8	Recycled Water Storage Pond Upgrades	\$17,000	\$101,000	\$0	\$0	\$0
9	Replace Existing Recycled Water Pump Station VFDs	\$0	\$0	\$37,000	\$0	\$0
10	Site Paving Improvements	\$0	\$0	\$8,000	\$0	\$0
11	Replace Main Switchboard S (MSB-S) and Automatic Transfer Switch	\$0	\$0	\$382,000	\$2,227,000	\$0
12	Replace WRF Electrical Conduits, Enclosures, and Lighting	\$0	\$0	\$0	\$390,000	\$2,278,000
13	Chemical Area Upgrades	\$65,000	\$80,000	\$100,000	\$73,000	\$76,000
14	Replace Roll-up doors	\$30,000	\$41,000	\$52,000	\$54,000	\$56,000
15	Recycled Conversions (formerly Retrofit Potable to Recycled)	\$50,000	\$52,000	\$54,000	\$56,000	\$58,000
16	Replace Recycled Meters	\$75,000	\$77,000	\$79,000	\$81,000	\$83,000
17	Replace Recycled Pipeline	\$12,000	\$12,000	\$6,000	\$6,000	\$6,000
18	Replace Recycled Valves	\$80,000	\$85,000	\$90,000	\$96,000	\$101,000
19	4S WRF Physical Security Upgrades	\$12,000	\$12,000	\$14,000	\$16,000	\$18,000
20	Plant A Rehabilitation	\$0	\$10,000	\$20,000	\$30,000	\$40,000
21	Valve and Gate Replacement Program	\$0	\$0	\$0	\$10,000	\$16,000
22	Small Pump and Motor Replacement Program	\$0	\$0	\$0	\$16,000	\$20,000
Total Recycled Water CIP		\$4,416,000	\$1,034,000	\$842,000	\$3,055,000	\$2,752,000

Total CIP expenditures over the study period are shown below in **Figure 3-4**. Potable water capacity fee revenues are anticipated to be available to fund the District's CIP and range from \$118,000 in FY 2025 to over \$4 million in FY 2028. "Other" funds include anticipated grant funds, recycled water capacity fee revenues, and land sale proceeds. All other CIP during the study period is projected to be funded by water rate revenues, there is no proposed debt funding.

Figure 3-4: CIP by Funding Source



3.7. Financial Policies

3.7.1. Debt Coverage

The District must meet its debt service coverage requirements on its outstanding bond issues. The District's required debt coverage is 125 percent, meaning that the District's net revenues must amount to at least 125 percent of annual debt service. The District is currently rated "AAA" by Fitch Ratings. To get a lower borrowing cost for any debt issuance in the future, it has been the District's goal to maintain at least 2.5 net water system revenue to debt service coverage ratio. The proposed financial plan, therefore, incorporates a debt coverage target of 250 percent. Net revenues include funds from water rates and charges, miscellaneous service charges, revenues received from contracts, and interest income. Annual debt service includes annual principal and interest payments on outstanding debt.

3.7.2. Reserve Policies

The District maintains four separate funds. The Operating Fund is designed to provide working capital and mitigate the impact of fluctuations in O&M expenditures. The Capital Improvement Fund is designed to ensure adequate construction funds are maintained to approve construction contracts. The Rate Stabilization Fund is designed to mitigate the impact of reduced water sales on the District's financial condition and, lastly, the Pension Stabilization Fund is designed to help stabilize pension costs by making additional contributions to its pension plan to minimize fluctuations in District's Unfunded Accrued Liability (UAL). Raftelis recommends that the District maintains its current reserve policies, which define the minimum and maximum reserve balances for each of the three funds. The existing reserve policies are appropriate given industry norms as well as the District's unique attributes. The current reserve targets are:

1. Operating Fund

- Minimum Level: 60 days of annual O&M expenditures (\$9.91 million in FY 2025)
- Maximum Level: 120 days of annual O&M expenditures (\$19.82 million in FY 2025)

2. Capital Improvement Fund

- Minimum Level: average annual CIP expenditures over the next 10 years (\$17.32 million in FY 2025)
- Maximum Level: five years of average annual 10-year CIP expenditures (\$86.59 million in FY 2025)

3. Rate Stabilization Fund

- Minimum Level: 25 percent of estimated net water sales⁵ in the current fiscal year (\$6.84 million in FY 2025)
- Maximum Level: 50 percent of estimated net water sales for the next two fiscal years (\$13.68 million in FY 2025)

4. Pension Stabilization Fund

- Minimum Level: 1 year of projected employee retirement (ER) contribution for unfunded accrued liability (UAL) over the next 5 years (\$0.96 million in FY 2025)
- Maximum Level: 2 years of projected ER contribution for UAL over the next 5 years (\$1.91 million in FY 2025)

3.8. Status Quo Financial Plan

The status quo financial plan illustrates what would occur in the absence of any water rate increases over the study period. Current water rates in effect as of FY 2024 are assumed to remain unchanged over the study period under the status quo. Raftelis and District staff first evaluated the District's cash flow and fund balance over the study period under the status quo before considering any revenue adjustments.

Figure 3-5 shows the projected ending cash balance in each year over the study period under the status quo for all three funds combined (Operating, Capital Improvement, and Rate Stabilization). Under the status quo financial plan, the District's reserves are steadily drawn down over the five-year study period until the minimum reserve balance is no longer met in FY 2028. Furthermore, **Figure 3-6** shows that the District is projected to fail to meet minimum required debt coverage beginning in FY 2028 under the status quo. This clearly demonstrates the need for rate revenue increases over the study period to ensure that the District meets its debt coverage obligations and exceeds the minimum reserve balance as established by District policy. For detailed cash flow and fund balance projections under the status quo, please refer to **Appendix B**.

⁵ Net water sales are defined as total annual revenues from rates and charges less annual water purchase expenses.

Figure 3-5: Total Fund Balance Under Status Quo Financial Plan

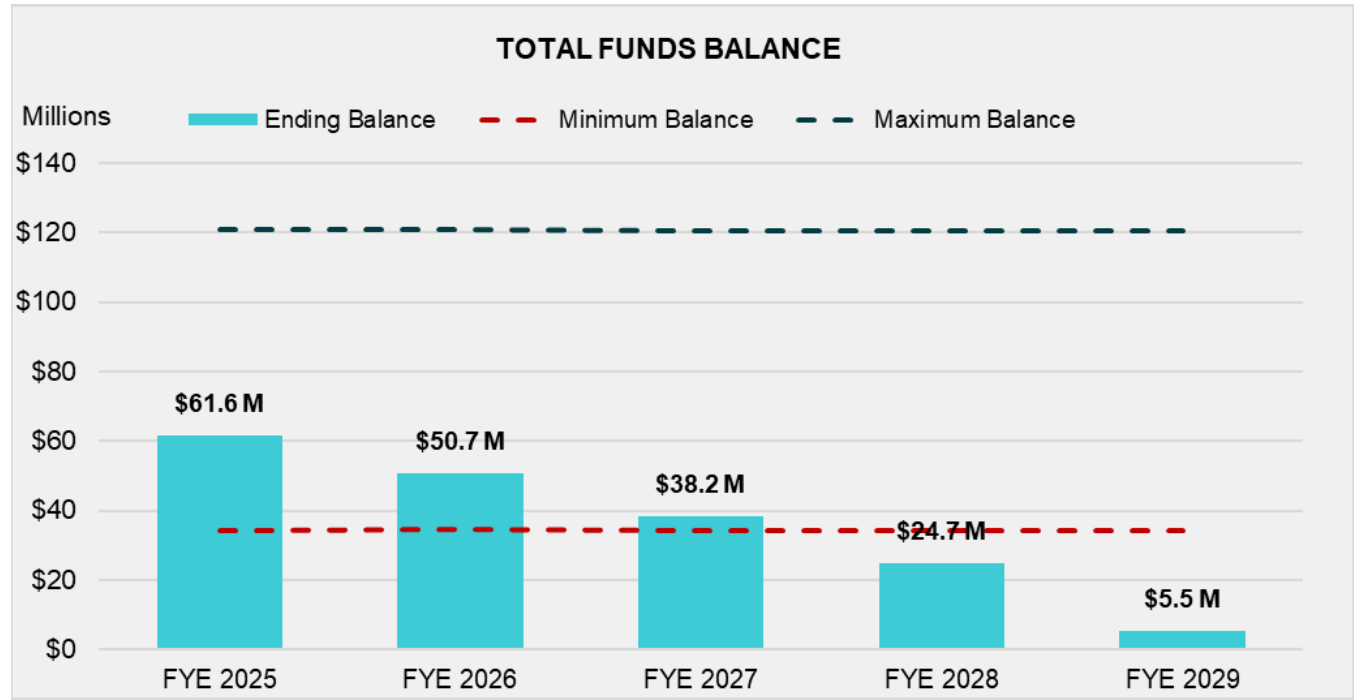
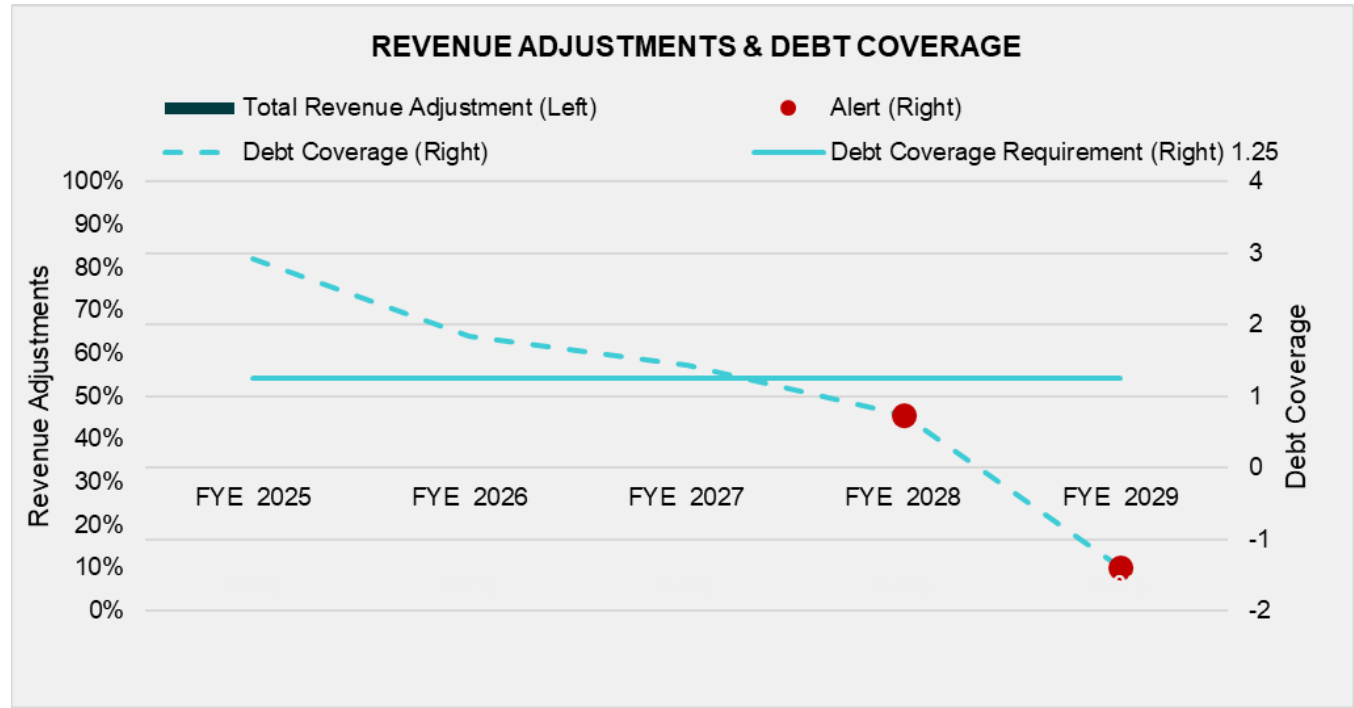


Figure 3-6: Projected Debt Coverage Under Status Quo Financial Plan



3.9. Proposed Financial Plan

The status quo financial plan demonstrates that the District must increase its revenues from water rates over the five-year study period in order to meet required debt coverage and minimum reserve levels. Raftelis therefore proposed annual revenue adjustments in each year through FY 2029 to ensure that the District meets its debt obligations and maintains healthy reserve levels in accordance with District policy. The term “revenue adjustment” specifically refers to a percent increase in water revenues (from Volumetric Charges, OMWD System Access Charges, and Fire Meter Charges) relative to the amount of water rate revenues that would be collected under the prior year’s rates. Note that revenue adjustments are used only to project total water rate revenues. Allocation of the total water rate revenue requirement across the various water charges is included in the cost of service analysis in **Section 4**. District staff and the Board of Directors approved the recommendations of the proposed revenue adjustments each year developed by Raftelis. **Table 3-16** shows the proposed revenue adjustments over the study period.

Table 3-16: Proposed 5-Year Revenue Adjustments

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
System Access Charges including Inflation/Wholesale Pass-Through	8.0%	8.0%	8.0%	5.0%	4.0%
Fire Meter Charges	5.0%	6.0%	6.0%	5.0%	4.0%
Commodity Charges including Inflation/Wholesale Pass-Through	8.0%	8.0%	8.0%	5.0%	4.0%
Infrastructure Access Charges SDCWA IAC Pass-Through	3.2%	8.5%	11.5%	4.0%	4.0%
TOTAL REVENUE ADJUSTMENT	7.9%	8.0%	8.1%	5.0%	4.0%

Table 3-17 shows the proposed five-year financial plan in proforma format. Revenues and expenses were shown previously in **Section 3**. Rate revenue under existing rates is shown in Line 2, while Line 3 represents additional revenue resulting from the proposed revenue adjustments. Other operating revenues in Line 4 include the SDCWA Infrastructure Access Charge, excess treated water sales to Vallecitos, rental income, and other miscellaneous revenues. Non-operating revenue in Line 6 includes property tax and other miscellaneous revenues. Capital Revenues from **Table 3-9** are excluded from the operating cash flow in **Table 3-17** (which excludes capital expenditures and revenues), but are accounted for when projecting total ending balances (**Figure 3-9**). Transfers from the Operating Fund were initiated to ensure that each fund met at least the minimum required reserve level. Net annual cash balance (Line 28) is calculated by subtracting total expenses (Line 15) and total transfers (Line 26) from total revenues (Line 7). Calculated debt coverage is shown in Line 30 and is outlined in greater detail in Appendix C. More detailed cash flow and ending balance projections are also included in Appendix C. The net annual cash balance in FY 2025 is slightly negative, indicating that the District will draw from reserves to meet the Operating Fund revenue requirement. Beginning in FY 2026, the net annual cash balance becomes positive again through the end of the study period.

Table 3-17: Proposed Financial Plan

	Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1	REVENUES					
2	Revenues from Current Rates (excludes IAC)	\$61,361,341	\$61,388,849	\$61,484,736	\$61,640,410	\$61,742,014
3	Revenue Adjustments (excludes IAC)	\$2,449,784	\$7,548,442	\$13,073,657	\$17,917,100	\$21,522,961
4	Other Operating Revenue	\$3,034,335	\$3,661,623	\$3,988,814	\$4,266,381	\$4,422,378
5	Investment & Interest Income	\$643,000	\$483,000	\$545,000	\$451,000	\$552,000
6	Non-Operating Revenue	\$5,686,704	\$5,800,438	\$5,900,316	\$6,002,192	\$6,106,106
7	TOTAL REVENUES	\$73,175,164	\$78,882,352	\$84,992,523	\$90,277,084	\$94,345,459
8						
9	EXPENSES					
10	O&M Expenses without Depreciation	\$22,269,000	\$23,597,000	\$24,542,973	\$25,528,731	\$26,555,994
11	Purchased Water (potable & recycled)	\$38,004,962	\$40,258,159	\$44,264,056	\$47,602,676	\$49,578,639
12	Other Operating Expenses (potable & recycled)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
13	Non-Operating Expenses (potable & recycled)	\$1,570,927	\$1,043,507	\$12,000	\$10,000	\$10,000
14	Existing Debt Service	\$5,070,625	\$5,062,875	\$5,059,375	\$5,060,625	\$2,044,000
15	TOTAL EXPENSES	\$66,965,515	\$70,011,541	\$73,928,403	\$78,252,032	\$78,238,632
16						
17	TRANSFERS					
18	Transfer Potable Operating to Potable Capital - PAYGO	\$6,000,000	\$7,000,000	\$7,500,000	\$7,500,000	\$9,500,000
19	Transfer to Sewer Fund - 2018 Bonds	(\$121,800)	(\$121,800)	(\$121,800)	(\$121,800)	\$0
20	Transfer to 2012 SRF Reserve	\$107,000	\$107,000	\$0	\$0	\$0
21	Transfer to/(from) Rate Stabilization Fund	(\$1,560,927)	(\$1,033,507)	(\$2,000)	\$0	\$0
22	Transfer to/(from) Pension Stabilization Fund	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000
23	Potable OMWD Option 2 (reduce to CPI)	\$0	\$0	\$0	\$0	\$0
24	Transfer Recycled Oper. to Recycled Capital	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
25	Transfer Recycled Oper. to Potable Capital	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
26	TOTAL TRANSFERS	\$6,344,273	\$7,871,693	\$9,296,200	\$9,298,200	\$11,420,000
27						
28	Net Annual Cash Balance	(\$134,624)	\$999,118	\$1,767,920	\$2,726,852	\$4,686,827
29						
30	Calculated Debt Coverage	342%	338%	417%	445%	963%
31	Target Debt Coverage	125%	125%	125%	125%	125%

Figure 3-7 summarizes the tabular results from **Table 3-17** in graphical format. O&M expenses, purchased water costs, debt service, transfers, and revenues to (or from) reserves are represented by stacked bars. Revenues under current rates are represented by the solid line, while revenues inclusive of the proposed revenue adjustments are represented by the dashed line. **Figure 3-7** clearly demonstrates although current rates are sufficient to cover operating costs, the proposed revenue adjustments are necessary to provide sufficient funding for transfers from the Operating Fund to cover CIP expenditures and other needs.

Figure 3-7: Proposed Operating Financial Plan

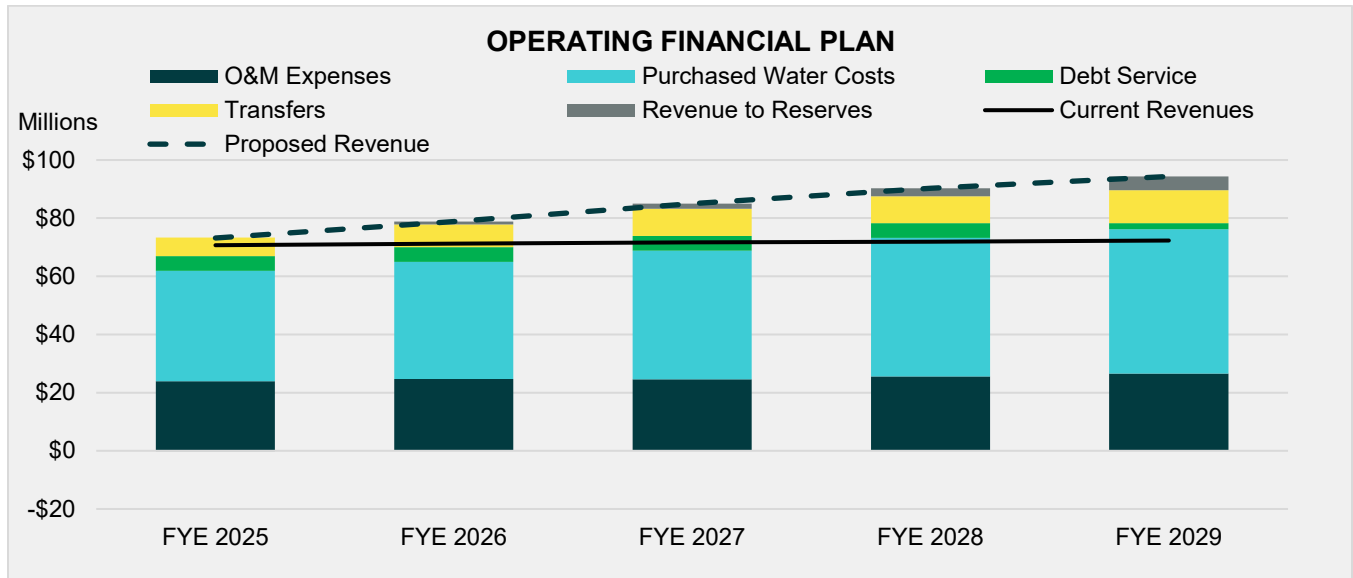


Figure 3-8 illustrates how the proposed revenue adjustments, represented by the bars (left axis), will ensure that the District's projected debt coverage (dashed line) (right axis) exceeds its 125% debt coverage requirement (solid blue line). The District targets robust debt coverage of at least 250 percent to help the District maintain its AAA credit rating by Fitch, which can minimize the costs associated with any future debt issues.

Figure 3-8: Projected Debt Coverage Ratios under Proposed Revenue Adjustments

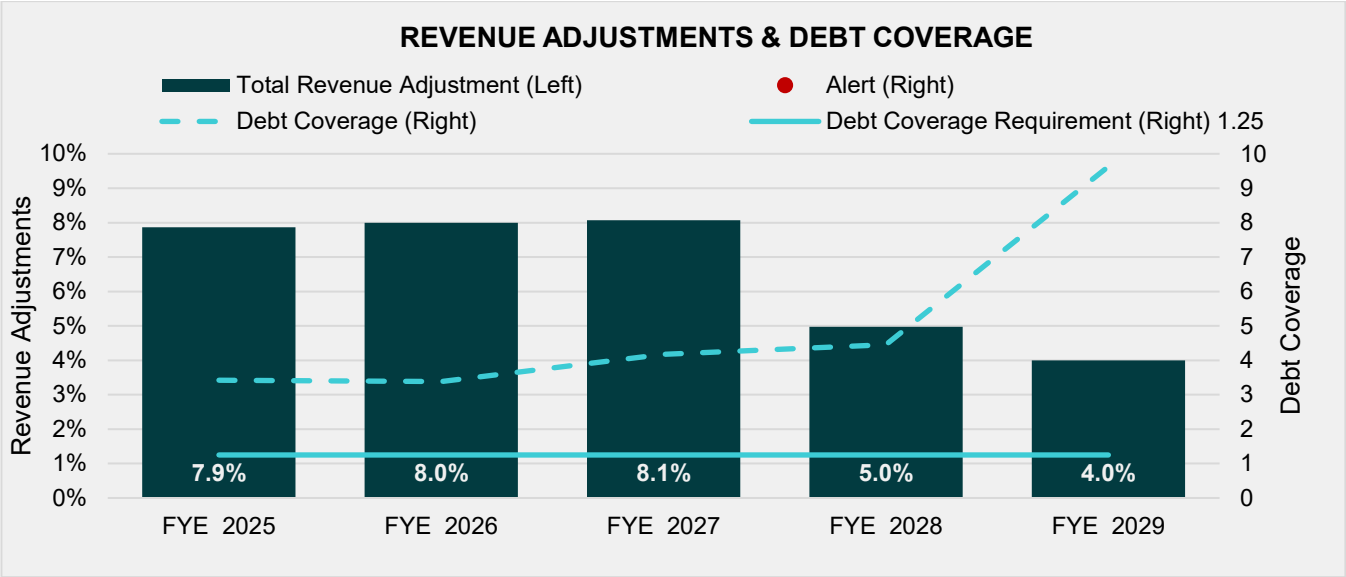
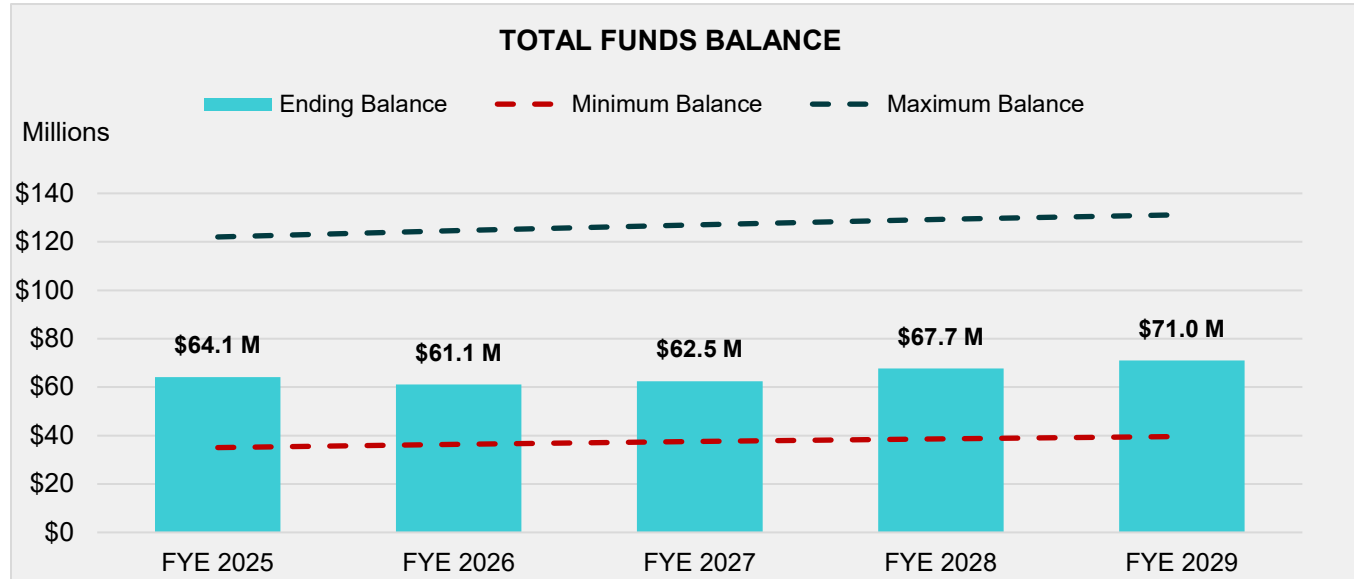


Figure 3-9 demonstrates that the District will exceed the minimum reserve target in all years under the proposed financial plan. Ending Balances and minimum/maximum targets shown below include all three funds combined (Operating, Capital Improvement, and Rate Stabilization). The projected total ending funds balance shown in Figure 3-9 remain steady over the study period between minimum and maximum reserve targets.

Figure 3-9: Projected Ending Balances Under Proposed Financial Plan



4. Cost of Service

Section 4 of the report provides a detailed description of the cost-of-service (COS) analysis performed for the District's water system. The goal of a COS analysis is to allocate the overall rate revenue requirement to all customer classes and tiers based on their proportion of usage and burden on the system. The numbers shown in this section of the report are rounded. Therefore, hand calculations based on the displayed numbers, such as summing or multiplying, may not equal the exact results shown in this report.

4.1. Process and Approach

The first step in the COS analysis process is to determine the revenue requirement, which is based on the results of the financial plan and the proposed revenue adjustments. The framework and methodology utilized to develop the COS analysis and to apportion the revenue requirement to each customer class and tier is informed by the processes outlined in the M1 Manual.

COS analyses are tailored specifically to meet the unique needs of each water system. However, there are four distinct steps in every analysis to recover costs from customer classes in an accurate, equitable, and defensible manner:

1. **Cost functionalization:** O&M expenses and capital assets are categorized by their system function. Functions include supply, treatment, storage, distribution, customer service, etc.
2. **Cost causation component allocation:** The functionalized costs are then allocated to cost causation components based on their burden on the system. The cost causation components include supply, base delivery, peaking, meter, customer, etc. The revenue requirement is allocated accordingly to the cost causation components, resulting in the total revenue requirement for each cost causation component.
3. **Unit cost development:** the revenue requirement for each cost causation component is divided by the appropriate units of service of each customer class and tier to determine the unit cost for each cost causation component.
4. **Revenue requirement distribution:** the unit cost is utilized to distribute the revenue requirement for each cost causation component to customer classes and tiers based on their individual service units. The District's customer classes include Domestic, Agricultural, Commercial, Irrigation, Construction, and Recycled.

4.2. Revenue Requirement

Table 4-1 shows the revenue requirement, which is equal to the total revenue required from rates for FY 2025 (also referred to as the test year or rate-setting year). The revenue requirement is divided into the Operating and Capital categories (Columns C and D), which are to be later allocated based on O&M expenses and capital assets respectively.

The revenue requirement is calculated using the FY 2025 expenses (Lines 2-6), which includes O&M expenses, purchased water costs, other operating expenses, non-operating expenses, and existing debt service. The revenue offsets (Lines 10-24) include the various miscellaneous, non-rate revenues that are applied as offsets to the revenue requirement. The cash balance adjustment (Line 28) is determined by calculating the negative sum of total transfers (**Table 3-17**, Line 24) and net annual cash balance (**Table 3-17**, Line 26). The final revenue requirement (Line 31) is calculated as follows:

Total revenue required from rates (Line 31) = Revenue requirements (Line 7) - Revenue offsets (Line 25) - Adjustments (Line 30)

Table 4-1: Proposed Revenue Requirement

A	B	C	D	E
Line	Revenue Requirement (FY 2025)	Operating Revenue Requirements	Capital Revenue Requirements	Total Revenue Requirements
1	Revenue Requirements			
2	O&M Expenses without Depreciation	\$22,269,000	\$0	\$22,269,000
3	Purchased Water (potable & recycled)	\$38,004,962	\$0	\$38,004,962
4	Other Operating Expenses (potable & recycled)	\$0	\$50,000	\$50,000
5	Non-Operating Expenses (potable & recycled)	\$0	\$1,570,927	\$1,570,927
6	Existing Debt Service	\$0	\$5,070,625	\$5,070,625
7	Total Revenue Requirements	\$60,273,962	\$6,691,552	\$66,965,515
8				
9	Revenue Offsets			
10	CWA Infrastructure Access Charge	\$1,585,835		\$1,585,835
11	Selling Excess Treated Water to Vallecitos	\$918,300	\$0	\$918,300
12	Misc. Water Sales	\$10,000	\$0	\$10,000
13	Meter Installations	\$15,000	\$0	\$15,000
14	Hydro-electric Plant Revenues	\$110,000	\$0	\$110,000
15	Turn Off/On Fees and NSF Charges	\$20,000	\$0	\$20,000
16	Delinquency Charges	\$120,000	\$0	\$120,000
17	Transfer Fee	\$30,000	\$0	\$30,000
18	Cross Connection/Inspection	\$205,000	\$0	\$205,000
19	Outside District Boundary Charges	\$10,000	\$0	\$10,000
20	Other operating	\$10,200	\$0	\$10,200
21	Investment Income (Potable)	\$0	\$322,108	\$322,108
22	Property Tax Revenue	\$3,056,000	\$1,840,000	\$4,896,000
23	Rental Income	\$0	\$790,704	\$790,704
24	Investment Income (Recycled)	\$0	\$320,892	\$320,892
25	Total Revenue Offsets	\$6,090,335	\$3,273,704	\$9,364,039
26				
27	Less Adjustments			
28	Adjustment for Cash Balance	\$0	(\$6,209,649)	(\$6,209,649)
29	Adjustment for Mid-year Increase	(\$2,449,784)	\$0	(\$2,449,784)
30	Total Less Adjustments	(\$2,449,784)	(\$6,209,649)	(\$8,659,432)
31	Cost of Service to be Recovered from Rates	\$56,633,411	\$9,627,497	\$66,260,908

4.3. Functionalization and Allocation of Expenses

After determining the revenue requirement, the next step of the COS analysis is to allocate the O&M expenses and capital assets to the following functions:

- **Supply** – represents costs of procuring water supplies from SDCWA
- **Treatment** – represents costs of water treatment
- **Reservoir** – represents costs of storing water
- **Distribution** – represents costs pertaining to the District’s water distribution system
- **Pump Stations** – represents costs of pumping water to customers
- **Meters** – represents costs relating to maintenance and capital costs of water meters as well as a portion of costs related to water system capacity
- **Hydrants** – represents costs of providing capacity for public fire protection
- **Customer** – represents costs of meter reading, billing, and other customer services
- **Recycled Water** – represents costs related to the District’s recycled water system
- **General** - represents costs for general operational expenses which cannot be categorized under any of the above

The functionalization of costs allows for the allocation of costs to the cost causation components, which include:

- **Supply** – costs associated with procuring water supplies from SDCWA
- **Base Delivery** – costs associated with providing water under average conditions
- **Peaking (Max Day and Max Hour)** – costs associated with providing water under peak demand conditions
- **Recycled Water** – costs associated with the District’s recycled water system
- **Fire Protection** – costs associated with providing capacity for fire protection
- **Meters** – costs associated with purchasing, maintaining, and servicing water meters as well as some costs related to system capacity
- **Customer** – costs associated with customer service and billing
- **General** – costs that do not have any direct cost causation
- **Revenue Offsets** – non-rate revenues (such as property taxes and interest income) with no direct association with specific expenses or services

4.4. Peaking Factors

Peaking costs are divided into maximum day (Max Day) and maximum hour (Max Hour) demand. The Max Day demand is the maximum amount of water used in a single day in a year, and the Max Hour demand is the maximum usage in an hour on the Max Day. Different facilities, such as distribution and storage facilities, are designed to meet customers' peaking demands. Therefore, peaking costs, also known as extra capacity costs, are associated with meeting peak customer demand.

Table 4-2 shows the system-wide peaking factors used to derive the cost component allocation bases for Base Delivery, Max Day, and Max Hour costs. The Base Delivery, or Base use is considered average daily demand over one year, which has been normalized to a factor of 1.00 (Column C, Line 1). The Max Day peaking factor (Column C, Line 2) indicates that the Max Day demand is 1.88 times greater than the average daily demand based on average usage. Similarly, the Max Hour peaking factor (Column C, Line 3) shows that the Max Hour demand is 2.82 times greater than average demand.

The allocation bases (Columns D to F) are calculated using the equations outlined below. Columns are represented in these equations as letters, and rows are represented as numbers. For example, Column D, Line 2 is shown as D2.

The Max Day allocations are calculated as follows:

- » Base Delivery: $C1 / C2 \times 100\% = D2$
- » Max Day: $(C2 - C1) / C2 \times 100\% = E2$

The Max Hour allocations are calculated as follows:

- » Base Delivery: $C1 / C3 \times 100\% = D3$
- » Max Day: $(C2 - C1) / C3 \times 100\% = E3$
- » Max Hour: $(C3 - C2) / C3 \times 100\% = F3$

Table 4-2: System Peaking Factor Allocations

A Line	B Allocation Factor	C Peaking Factor	D Base	E Max Day	F Max Hour	G Total
1	Base	1.00	100.0%	0.0%	0.0%	100.0%
2	Max Day	1.88	53.1%	46.9%	0.0%	100.0%
3	Max Hour	2.82	35.4%	31.2%	33.3%	100.0%

Table 4-3 shows the peaking factors by customer class. Raftelis used the fiscal year (FY) 2022 water usage data to determine peaking factors, as 2023 was an unusually wet year, driving down usage. Each Max Month factor (Column E) is calculated by dividing FY 2022 maximum monthly usage by FY 2022 average monthly usage. Max Day factors (Column F) peaking factors are estimated by multiplying each tier-specific Max Month factor (Column C) by 1.42, which is the ratio of the system-wide Max Day factor to the system-wide Max Month factor. Max Hour factors (Column E) are calculated by multiplying each tier-specific Max Day factor (Column D) by 1.5, which represents the ratio of the system-wide Max Hour factor to the system-wide Max Day factor. It is noted that the peaking factors relative to each other are important and not the values themselves; therefore, the Max Month factors are a proxy for the Max day and Max Hour peaks. Note that recycled water volumetric rates do not incorporate peaking costs because the recycled water supply and distribution system is separate from the potable water system. Therefore, recycled water usage is excluded from **Table 4-3**.

Table 4-3: Peaking Factors by Customer Class

A Line	B Customer Class	C Max Month Factor	D Max Day Factor	E Max Hour Factor
1	Domestic			
2	Tier 1	1.03	1.46	2.19
3	Tier 2	1.26	1.77	2.66
4	Tier 3	1.54	2.17	3.26
5	Tier 4	1.94	2.75	4.13
6	Agricultural	1.60	2.27	3.40
7	Commercial	1.19	1.69	2.53
8	Irrigation			
9	Tier 1	1.60	2.27	3.40
10	Tier 2	2.02	2.87	4.30
11	Construction⁶	N/A	3.00	4.50

4.5. Allocation of Functional Categories to Cost Causation Components

Table 4-4 shows the allocation of functional categories to each cost causation component. The percentages shown for each functional category are to be used in the following subsections to allocate O&M expenses and capital assets to the various cost causation components.

Some functional categories are simply allocated 100 percent to the corresponding cost causation component or allocated evenly between two corresponding cost causation components. Others are based on the system peaking factor allocations shown previously in **Table 4-2**. Below is a verbal description of the allocation of functional categories shown in **Table 4-4**:

1. The **Supply** functional category is fully allocated to the **Supply** cost causation component, which is to be applied to the volumetric rates (excluding recycled water) to recover costs associated with procuring water from SDCWA.
2. The **Treatment** functional category is allocated to the cost causation components based on the Max Day allocation in Line 2 of **Table 4-2** (as treatment facilities are generally designed for Max Day demands).
3. The **Reservoir** is designed to meet max day demands plus fire flow, and 10 percent of the reservoir functional category is allocated to the **Fire Protection** cost causation component based on ISO standards with the remaining 90 percent allocated to the cost causation components based on the Max Day allocation in Line 2 of **Table 4-2**.
4. The **Distribution** system is designed to meet peak hour demands plus fire flow, and this functional category is allocated 10 percent to the **Fire Protection** cost causation component, with the remaining 90 percent allocated to the cost causation components based on the Max Hour allocation in Line 3 of **Table 4-2**.

⁶ Due to the temporary and variable nature of Construction water usage, the Max Month factor is estimated at 3.00, which is consistent with the value used in the prior water COS study.

5. The **Pump Stations** functional category is allocated to the cost causation components based on the Max Hour allocation in Line 3 of **Table 4-2** (as pumping facilities are generally designed to withstand Max Hour demands).
6. The **Meters** functional category is fully allocated to the **Meters** cost causation component, which is to be recovered by the OMWD System Access Charge.
7. The **Hydrants** functional category is fully allocated to the **Fire Protection** cost causation component, which is to be recovered by the OMWD System Access.
8. The SDCWA **Customer** functional category is fully allocated to the **Customer** cost causation component, which is to be recovered by the OMWD System Access Charge.
9. The **Recycled Water** functional category is fully allocated to the **Recycled Water** cost causation component, which is to be recovered by the recycled water volumetric rate.
10. The District **Customer** functional category is allocated 45 percent to the **Customer** cost causation component and 55 percent to the **Meters** cost causation component to recognize the costs associated with meters and customer service.
11. The **General** functional category is fully allocated to the **General** cost causation component, which will later be distributed proportionally to the other cost causation components.

Table 4-4: Allocation of Functional Categories to Cost Causation Components

A	B	C	D	E	F	G	H	I	J	K	L
Line	Functional Category	Supply	Base	Max Day	Max Hour	Recycled Water	Fire Protection	Meters	Customer	General	Total
1	Supply	100%									100%
2	Treatment		53%	47%							100%
3	Transmission		53%	47%							100%
4	Reservoir		48%	42%			10%				100%
5	Distribution		32%	28%	30%		10%				100%
6	Pump Stations		35%	31%	33%						100%
7	Meters							100%			100%
8	Hydrants						100%				100%
9	Customer								100%		100%
10	Recycled Water					100%					100%
11	Customer/Meter							55%	45%		100%
12	General									100%	100%

4.6. O&M Allocation

Table 4-5 shows the allocation of O&M expenses to each cost causation component. O&M expenses are used in subsequent steps of the COS analysis to allocate the Operating revenue requirement. The percentages in Columns D-L of **Table 4-5** are determined by the assigned functional category in Column C and associated allocations shown above in **Table 4-4**. FY 2025 O&M expenses are shown in Column M, Lines 1-20 in millions of dollars. Purchased water expenses are broken down in Lines 1-10 to provide for more precise functionalization in Column C. The remaining O&M expenses less depreciation in Lines 11-20 are based on totals shown for FY 2025 in **Table 3-11**. Note that total O&M expenses in Column M, Line 21 of **Table 4-5** equals total FY 2025 O&M expenses excluding depreciation from **Table 3-11**.

The percentages for each cost causation component (Columns D-L) are multiplied by the FY 2025 O&M costs in Column for each individual line and then summed in Columns D-L of Line 21 to determine the total allocation of O&M expenses to each cost causation component. The proportion of total FY 2025 O&M expenses allocated to each cost causation component in Line 21 is shown in percentages in Line 23. The percentages in Line 23 represent the O&M allocation basis to be used in subsequent steps of the COS analysis. Note that the total O&M cost is equal to the sum of O&M expenses (excluding depreciation) and purchased water expenses from the revenue requirement determination (**Table 4-1**, Column E, Lines 2-3).

Table 4-5: O&M Cost Allocation

A	B	C	D	E	F	G	H	I	J	K	L	M
	O&M Expenses	Functional Category	Supply	Base Delivery	Max Day	Max Hour	Recycled Water	Fire Protection	Meters	Customer	General	Total (\$M)
1	Purchased Water - Potable	Supply	100%	0%	0%	0%	0%	0%	0%	0%	0%	\$21.4 M
2	Treatment Rate	Treatment	0%	53%	47%	0%	0%	0%	0%	0%	0%	\$1.1 M
3	Capacity Reservation Charge	Meters	0%	0%	0%	0%	0%	0%	100%	0%	0%	\$0.4 M
4	Readiness to Serve Charge	Meters	0%	0%	0%	0%	0%	0%	100%	0%	0%	\$0.7 M
5	Infrastructure Access Charge	Meters	0%	0%	0%	0%	0%	0%	100%	0%	0%	\$1.5 M
6	Customer Service Charge	Customer	0%	0%	0%	0%	0%	0%	0%	100%	0%	\$1.4 M
7	Transportation Volumetric Charge	Trans-mission	0%	53%	47%	0%	0%	0%	0%	0%	0%	\$2.7 M
8	Transportation Fixed Charge	Meters	0%	0%	0%	0%	0%	0%	100%	0%	0%	\$0.7 M
9	Storage Charge	Meters	0%	0%	0%	0%	0%	0%	100%	0%	0%	\$3.2 M
10	Supply Reliability Charge	Meters	0%	0%	0%	0%	0%	0%	100%	0%	0%	\$2.4 M
11	Purchased Water - Recycled	Recycled Water	0%	0%	0%	0%	100%	0%	0%	0%	0%	\$2.0 M
12	Operations and Maintenance	Distribution	0%	32%	28%	30%	0%	10%	0%	0%	0%	\$13.7 M
13	General Manager	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	\$0.6 M
14	Engineering	Capital	0%	30%	26%	13%	12%	6%	2%	0%	11%	\$1.9 M
15	Finance	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	\$0.0 M
16	Customer Services	Customer+Meter	0%	0%	0%	0%	0%	0%	55%	45%	0%	\$4.1 M
17	Human Resources	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	\$0.0 M
18	Park	General	0%	0%	0%	0%	0%	0%	0%	0%	100%	\$0.5 M
19	Recycled	Recycled Water	0%	0%	0%	0%	100%	0%	0%	0%	0%	\$1.5 M
20	Lost Revenue (Pass-through)	Supply	100%	0%	0%	0%	0%	0%	0%	0%	0%	\$0.4 M
21	Total O&M		\$21.9 M	\$7.0 M	\$6.1 M	\$4.4 M	\$3.7 M	\$1.5 M	\$11.2 M	\$3.2 M	\$1.4 M	\$60.3 M
22												
23	O&M Allocation		36.3%	11.6%	10.1%	7.2%	6.1%	2.4%	18.6%	5.3%	2.3%	100.0%

4.7. Capital Allocation

Table 4-6 shows the allocation of capital assets to each cost component. Capital assets are utilized in COS analyses to allocate capital costs because annual capital project costs can fluctuate greatly from year to year. Capital assets remain relatively stable and are more representative of the District's investments in its water system. District staff provided Raftelis with a detailed asset listing that included the Original Cost of each individual fixed asset. Raftelis calculated the Replacement Cost Less Depreciation (RCLD) of each asset based on Original Cost, year purchased, and useful life using the Engineering News-Record's 20-City Average Cost Construction Index (CCI) to account for capital cost inflation. RCLD is often utilized in capital asset analyses because it takes into consideration inflation and depreciation when valuing assets. As part of the capital asset analysis, Raftelis also assigned each individual asset to a functional category. Total asset value (RCLD) by functional category is shown in Column J, Lines 2-15 of **Table 4-6**.

Table 4-6 shows the capital assets allocated to the various cost causation components in a similar manner to the O&M expenses: asset value by functional category (Column J) is allocated to each cost causation component (Columns C-I) based on percentages from **Table 4-4**. Allocation percentages for each cost causation component are multiplied by the capital asset value for each functional category and summed to determine the capital asset value allocated to each cost causation component (Columns C-I, Line 17). The capital allocation in Line 19 represents the proportion of total asset value within each cost causation component and is to be used subsequently in the COS analysis to allocate capital revenue requirements.

Table 4-6: Capital Cost Allocation

A	B	C	D	E	F	G	H	I	J
Line	Functional Category	Base Delivery	Max Day	Max Hour	Recycled Water	Fire Protection	Meters	General	Total
1	Potable Water Assets								
2	Treatment	53%	47%	0%	0%	0%	0%	0%	\$85,831,940
3	Reservoir	48%	42%	0%	0%	10%	0%	0%	\$62,400,509
4	Distribution	32%	28%	30%	0%	10%	0%	0%	\$202,488,983
5	Pump Stations	35%	31%	33%	0%	0%	0%	0%	\$11,394,004
6	Meters	0%	0%	0%	0%	0%	100%	0%	\$7,901,335
7	General	0%	0%	0%	0%	0%	0%	100%	\$51,606,503
8									
9	Recycled Water Assets								
10	Treatment	0%	0%	0%	0%	100%	0%	0%	\$2,148,771
11	Reservoir	0%	0%	0%	0%	100%	0%	0%	\$8,074,121
12	Distribution	0%	0%	0%	0%	100%	0%	0%	\$36,851,765
13	Pump Stations	0%	0%	0%	0%	100%	0%	0%	\$3,550,980
14	Meters	0%	0%	0%	0%	100%	0%	0%	\$4,726,955
15	General	0%	0%	0%	0%	100%	0%	0%	\$3,869,826
16									
17	Total Assets	\$144,822,420	\$126,259,371	\$64,544,696	\$59,222,418	\$26,488,949	\$7,901,335	\$51,606,503	\$480,845,693
18									
19	Capital Allocation	30.1%	26.3%	13.4%	12.3%	5.5%	1.6%	10.7%	100.0%

4.8. Revenue Offset Allocation

Table 4-7 shows the revenue offset allocation to each cost causation component. Revenue offsets are miscellaneous, non-rate revenues that are used to offset the revenue requirement. Rather than assigning a functional category to each individual revenue offset, revenue offsets are allocated directly to cost causation components by either the O&M allocation (**Table 4-5**, Line 21), capital allocation (**Table 4-6**, Line 19), or full allocation to the most closely associated cost causation component. The methodology as described previously for the O&M and capital allocations was utilized to determine the amount of revenue offsets allocated to each cost causation component (**Table 4-7**, Line 27) and the final revenue offset allocation percentages to be utilized in the next step of the COS analysis (**Table 4-7**, Line 29).

Some revenues, including investment income and a portion of property taxes, are not directly linked to any service that the District provides to its water customers. These revenues can therefore be allocated to the Revenue Offsets cost causation component (Column M), which can be utilized at the District's discretion to provide offsets to specific customer classes and tiers. The Revenue Offsets cost causation component was not included in the O&M or capital allocations, as it only applies to revenues.

Table 4-7: Revenue Offset Allocation

A	B	C	D	E	F	G	H	I	J	K	L	M	N
	Revenue Offsets	Rationale	Supply	Base Delivery	Max Day	Max Hour	Recycle-d Water	Fire Protection	Meters	Customer	General	Revenue Offsets	Total
1	CWA Infrastructure Access Charge	100% Meters	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	\$1,585,835
2	Selling Excess Treated Water to Vallecitos	100% Base	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	\$918,300
3	Misc. Water Sales	100% Base	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	\$10,000
4	Meter Installations	100% Meters	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	\$15,000
5	Hydro-electric Plant Revenues	100% Base	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	\$110,000
6	Turn Off/On Fees and NSF Charges	100% Customer	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	\$20,000
7	Delinquency Charges	100% Customer	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	\$120,000
8	Transfer Fee	Capital Allocation	0%	30%	26%	13%	12%	6%	2%	0%	11%	0%	\$30,000
9	Cross Connection/Inspection	Capital Allocation	0%	30%	26%	13%	12%	6%	2%	0%	11%	0%	\$205,000
10	Outside District Boundary Charges	Capital Allocation	0%	30%	26%	13%	12%	6%	2%	0%	11%	0%	\$10,000
11	Rental Income	Capital Allocation	0%	30%	26%	13%	12%	6%	2%	0%	11%	0%	\$790,704
12	Other operating Investment	O&M Allocation	36%	12%	10%	7%	6%	2%	19%	5%	2%	0%	\$10,200
13	Income (Potable)	100% Offsets	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	\$322,108
14	Property Tax Revenue	Capital Allocation	0%	11%	10%	5%	5%	2%	1%	0%	4%	62%	\$4,896,000

A	B	C	D	E	F	G	H	I	J	K	L	M	N
	Revenue Offsets	Rationale	Supply	Base Delivery	Max Day	Max Hour	Recycle-d Water	Fire Protection	Meters	Custom-er	General	Revenue Offsets	Total
15	Gain on Sale of Fixed Assets	Capital Allocation	0%	30%	26%	13%	12%	6%	2%	0%	11%	0%	\$0
16	Other Non-Operating	Capital Allocation	0%	30%	26%	13%	12%	6%	2%	0%	11%	0%	\$0
17	Investment Income (Recycled)	100% Recycled	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	\$320,892
18	Interest income rec loans	100% Recycled	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	\$0
19	Total Revenue Offsets		\$3,703	\$1,905,599	\$756,130	\$386,747	\$675,694	\$158,666	\$1,649,984	\$140,544	\$308,864	\$3,378,108	\$9,364,039
20													
21	Revenue Offset Allocation		30%	15%	13%	8%	7%	3%	16%	4%	4%	0%	100.00%

4.9. Allocation of Revenue Requirements to Cost Causation Components

Table 4-8 shows the allocation of revenue requirements from **Table 4-1**. The total operating revenue requirement in Column M, Line 1 of **Table 4-8** is equal to the operating revenue requirement (Column C, Line 7) less adjustments (Column C, Line 33) from **Table 4-1**.

The total operating revenue requirement is allocated among the various cost causation components in Columns C-L, Line 1 of **Table 4-8** based on the O&M allocation percentages from Line 23 of **Table 4-5**. The total Capital revenue requirement in Column M, Line 2 of **Table 4-8** is equal to the capital revenue requirement (Column D, Line 7) less operating adjustments (Column D, Line 33) from **Table 4-1**. The total capital revenue requirement is allocated among the various cost causation components in Columns C-L, Line 2 of **Table 4-8** based on the capital allocation percentages from Line 19 of **Table 4-6**. Total revenue offsets in Column M, Line 3 of **Table 4-8** is equal to the revenue offsets in Column E, Line 28 of **Table 4-1**. Total revenue offsets are allocated among the various cost causation components in Columns C-L, Line 3 of **Table 4-8** based on the revenue offset allocation percentages from Line 21 of **Table 4-7**.

Lines 1-3 in **Table 4-8** are summed to determine the preliminary COS allocation to each cost causation component in Line 4. General costs are then proportionally reallocated to all other cost causation components (excluding Revenue Offsets) in Line 6. Line 7 shows the reallocation of 95 percent of Fire Protection costs (Column H, Line 7) to the Meters cost causation component (Column I, Line 7) to account for public fire protection capacity costs. The purpose is to equitably allocate fire protection capacity costs between private fire meters and public fire hydrants proportional to the capacity of each.

Line 10 in **Table 4-8** shows a final adjustment to the cost causation component allocations, in which 5 percent of Max Day costs (Column E, Line 10) and Max Hour costs (Column F, Line 10) are reallocated to the Meters cost causation component (Column I, Line 10). Peaking costs represent the additional costs incurred to provide capacity to meet peak demands and based on the meters therefore, the final adjustment is intended to allocate some of those costs to meter capacity and provide revenue stability for the District by ensuring that approximately 26 percent of rate revenues are from fixed charges (OMWD System Access charges and Fire Meter Charges). This retains the existing fixed versus variable revenue split under current water rates. Line 12 shows the final adjusted COS by cost causation component, which is to be used to develop unit costs in the following subsections.

Table 4-8: Allocation of Revenue Requirement to Cost Causation Components

A	B Description	C Supply	D Base Delivery	E Max Day	F Max Hour	G Recycled Water	H Fire Protection	I Meters	J Customer	K General	L Revenue Offsets	M Total
1	Operating	\$22,773,669	\$7,295,126	\$6,357,996	\$4,529,128	\$3,820,239	\$1,530,098	\$11,650,250	\$3,346,477	\$1,420,763	\$0	\$62.7M
2	Capital	\$0	\$3,885,619	\$3,387,568	\$1,731,749	\$1,588,951	\$710,705	\$211,995	\$0	\$1,384,614	\$0	\$12.9M
3	Revenue Offsets	(\$3,703)	(\$1,905,599)	(\$756,130)	(\$386,747)	(\$675,694)	(\$158,666)	(\$1,649,984)	(\$140,544)	(\$308,864)	(\$3,378,108)	(\$9.4M)
4	Preliminary COS	\$22,769,966	\$9,275,147	\$8,989,434	\$5,874,130	\$4,733,496	\$2,082,136	\$10,212,261	\$3,205,933	\$2,496,513	(\$3,378,108)	\$66.3M
5												
6	Allocation of General Cost	\$846,640	\$344,871	\$334,248	\$218,414	\$176,002	\$77,419	\$379,715	\$119,204	(\$2,496,513)	\$0	\$0
7	Allocation of Public Fire Costs	\$0	\$0	\$0	\$0	\$0	(\$2,051,577)	\$2,051,577	\$0	\$0	\$0	\$0
8	Allocated COS	\$23,616,605	\$9,620,018	\$9,323,682	\$6,092,543	\$4,909,499	\$107,978	\$12,643,553	\$3,325,137	\$0	(\$3,378,108)	\$66.3M
9												
10	Final Adjustment – Peaking to Mtrs	\$0	\$0	(\$932,368)	(\$609,254)	\$0	\$0	\$1,372,717	\$0	\$0	\$168,905	\$0
11												
12	Final Adjusted COS	\$23,616,605	\$9,620,018	\$8,391,314	\$5,483,289	\$4,909,499	\$107,978	\$14,016,270	\$3,325,137	\$0	(\$3,209,202)	\$66.3M

4.10. Units of Service

This subsection describes the next step in the COS analysis, which is to determine the appropriate units of service to be used to calculate the unit costs for each cost causation component.

4.10.1. Equivalent Meters

Equivalent meter units are used to allocate meter and capacity-related costs appropriately and equitably. Larger meters impose larger demands, are more expensive to install, maintain, and replace than smaller meters, and require greater capacity in the water system.

Equivalent meter units are based on meter hydraulic capacity and are calculated to represent the potential demand on the water system compared to a base meter size. A ratio of hydraulic capacity is calculated by dividing larger meter capacities by the base meter capacity. The base meter in this study is the 3/4" meters.

Table 4-9 shows the equivalent potable and recycled water meters for the test year FY 2025. The number of meters (Column D) is equal to the projected number of meters subject to the OMWD System Access Charge from (**Table 3-6**). Meter capacity ratios (Column C) were provided by the District's Engineering Department and are consistent with ratios used in the prior water COS study conducted in 2019 and consistent with the demand of each meter size on the water system. The number of meters (Column D) is multiplied by the meter capacity ratios (Column C) to determine the number of equivalent meters (Column E).

Table 4-9: Equivalent Meter Units (FY 2025)

A Line	B Meter Size	C Meter Capacity Ratio	D Number of Water Meters	E = C X D Equivalent Meter Units
1	5/8"	0.7	1,914	1,340
2	3/4"	1	16,440	16,440
3	1"	1.9	3,089	5,869
4	1-1/2"	3.1	1,013	3,140
5	2"	5	531	2,655
6	2-1/2"	9.3	39	363
7	3"	10.2	30	306
8	4"	17.1	23	393
9	6"	36	7	252
10	8"	65	1	65
11	Total		23,087	30,823

Table 4-10 shows the determination of equivalent meter units in FY 2025 for fire meters. The number of projected fire meters in FY 2025 was determined previously in **Table 3-5**. Meter capacity ratios match the values used above in **Table 4-9** for potable and recycled water meters with the exception of the 5/8-inch fire meter, which is set equal to 1.00. The actual number of fire meters (Column D) is multiplied by the meter capacity ratios (Column C) to determine the number of equivalent fire meters (Column E).

Table 4-10: Equivalent Fire Meter Units (FY 2025)

A	B	C	D	E = C X D
Line	Meter Size	Meter Capacity Ratio	Number of Fire Meters	Equivalent Fire Meter Units
1	5/8"	1	401	401
2	3/4"	1	18	18
3	1"	1.9	5,464	10,382
4	1-1/2"	3.1	67	208
5	2"	5	0	0
6	2-1/2"	9.3	1	9
7	3"	10.2	0	0
8	4"	17.1	0	0
9	6"	36	1	36
10	8"	65	0	0
11	Total		5,952	11,054

4.10.2. Customer Bills

The number of total projected customer bills in FY 2025 is used as the unit of service for the Customer cost causation component. The sum of total water meters (**Table 4-9**, Column D, Line 11) and total fire meters (**Table 4-10**, Column D, Line 11) is multiplied by twelve monthly billing periods per year to determine total bills in **Table 4-11** Column C, Line 7.

Table 4-11: Projected Annual Customer Bills (FY 2025)

A	B	C	D
Line	Description	Value	Notes
1	Number of Water Meters	23,087	
2	Number of Fire Meters	5,952	
3	Total Meters	29,039	
4			
5	Billing Periods per Year	12	
6			
7	Total Bills	348,468	= [Line 3] x [Line 5]

Peaking Units of Service

Peaking units of service in units per day are used to develop Max Day and Max Hour unit costs. **Table 4-12** shows the development of total Max Day units (Column G, Line 13). Projected usage by tier and customer class in Column C is divided by 365 days to determine average daily usage in Column D. Average daily usage in Column D is then multiplied by the Max Day factor in Column E (from **Table 4-3**, Column F) to determine Max Day units. Max Day requirements (Column G) in units per day, which is the unit of service for Max Day costs, is determined by subtracting average daily usage in Column D from Max Day units in Column F. Max Hour requirements are similarly calculated in **Table 4-13**. Please note, however, that Max Hour requirements (Column G) are calculated by subtracting Max Day units (**Table 4-12**, Column F) from Max Hour units (**Table 4-13**, Column F).

Table 4-12: Max Day Units of Service

A	B	C	D	E	F	G
	Customer Class	FY 2025 Projected Annual Usage (units)	FY 2025 Average Daily Usage (units)	Max Day Factor	Max Day Units (units/day)	Max Day Requirements (units/day)
1	Domestic					
2	Tier 1	1,511,998	4,142	1.46	6,031	1,888
3	Tier 2	1,986,076	5,441	1.79	9,719	4,277
4	Tier 3	1,433,314	3,927	2.19	8,589	4,662
5	Tier 4	556,269	1,524	2.76	4,201	2,677
7	Agricultural	82,403	226	2.27	512	286
8	Commercial	296,027	811	1.69	1,369	558
9	Irrigation					
10	Tier 1	411,926	1,129	2.27	2,561	1,433
11	Tier 2	435,335	1,193	2.87	3,418	2,225
12	Construction	41,669	114	3.00	342	228
13	Total	6,755,016	18,507			18,235

Table 4-13: Max Hour Units of Service

A	B	C	D	E	F	G
Line	Customer Class	FY 2025 Projected Usage (units)	FY 2025 Average Daily Usage (units)	Max Hour Factor	Max Hour Units (units/day)	Max Hour Requirements (units/day)
1	Domestic					
2	Tier 1	1,511,998	4,142	2.18	9,046	3,015
3	Tier 2	1,986,076	5,441	2.68	14,578	4,859
4	Tier 3	1,433,314	3,927	3.28	12,883	4,294
5	Tier 4	556,269	1,524	4.13	6,302	2,101
7	Agricultural	82,403	226	3.40	768	256
8	Commercial	296,027	811	2.53	2,054	685
9	Irrigation					
10	Tier 1	411,926	1,129	3.40	3,842	1,281
11	Tier 2	435,335	1,193	4.30	5,126	1,709
12	Construction	41,669	114	4.50	514	171
13	Total	6,755,016	18,507			18,371

Table 4-14 shows a summary of the relevant units of service for each cost causation component. Total revenue requirements by cost causation components are divided by the relevant units of service to determine a unit cost for each cost causation component in the following subsection. Fire Protection, Meters, and Customer unit costs are used to develop fixed monthly charges (OMWD System Access Charges and Fire Meter Charges), and are therefore based off number of equivalent meter units or customer bills from Table 4-9 through Table 4-11. Supply, Base Delivery, Max Day, Max Hour, Recycled Water, and Revenue Offsets unit costs are used to develop proposed volumetric rates and, therefore, are based on projected annual water usage or peaking requirements in units per day from Table 4-12 and Table 4-13.

Table 4-14: Summary of Units of Service by Cost Causation Component

A Line	B Cost Causation Component	C Units of Service		D Basis
1	Supply	6,755,016	units	Total projected FY 2025 usage excluding recycled water
2	Base Delivery	6,755,016	units	Total projected FY 2025 usage excluding recycled water
3	Max Day	18,235	units/day	Projected Max Day requirements in FY 2025
4	Max Hour	18,371	units/day	Projected Max Hour requirements in FY 2025
5	Recycled Water	1,049,621	units	Projected recycled water usage in FY 2025
7	Fire Protection	11,054	EMUs	Equivalent fire meter units
8	Meters	30,823	EMUs	Equivalent potable and recycled water meter units
9	Customer	312,756	bills	Total annual customer bills
10	Revenue Offsets	6,755,016	units	Total projected FY 2025 usage excluding recycled and construction water

4.11. Units Cost Development

Table 4-15 shows the calculation of unit costs for each cost causation component. Unit costs are used in **Section 5** to derive the proposed rates for FY 2025. The unit cost in Column E for each cost causation component is calculated by dividing the FY 2025 revenue requirement in Column C (from **Table 4-8**, Line 12) by the units of service in Column D (from **Table 4-14**, Column C).

Table 4-15: Calculation of Unit Costs by Cost Causation Component

A Line	B Cost Causation Component	C FY 2025 Revenue Requirement	D FY 2025 Units of Service		E = C / D Unit Cost
1	Supply	\$23,616,605	6,755,016	units	\$3.50
2	Base Delivery	\$9,620,018	6,755,016	units	\$1.42
3	Max Day	\$8,391,314	18,235	units/day	\$460.18
4	Max Hour	\$5,483,289	18,371	units/day	\$298.48
5	Recycled Water	\$4,909,499	1,049,621	units	\$4.68
7	Fire Protection	\$107,978	11,054	EMUs (Monthly)	\$0.81
8	Meters	\$14,016,270	30,823	EMUs (Monthly)	\$37.89
9	Customer	\$3,325,137	312,756	bills	\$10.63
10	Revenue Offsets	(\$3,209,202)	6,755,016	units	(\$0.48)

4.12. Cost of Service by Customer Class

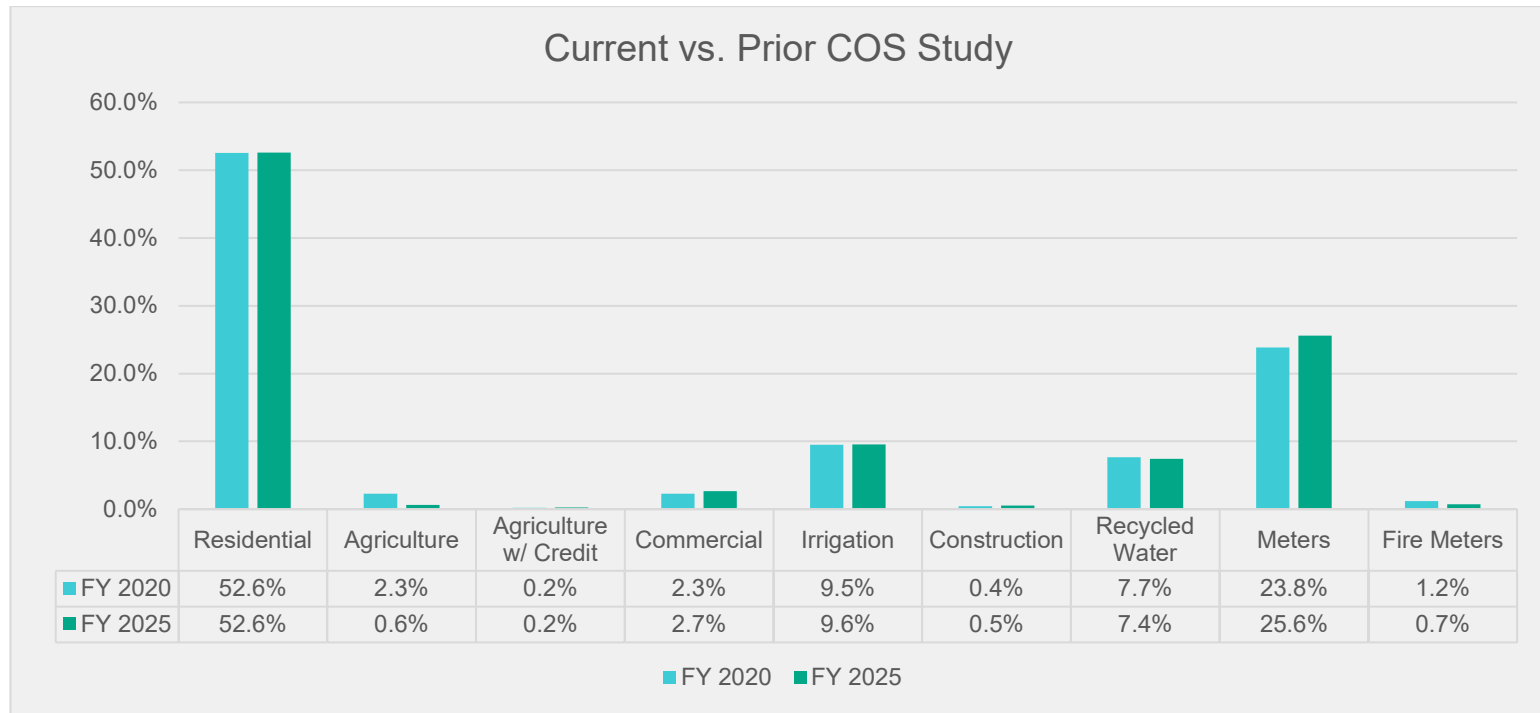
Table 4-16 shows the distribution of each cost causation component's revenue requirement to volumetric rates by customer class and to each fixed charge. The dollar amount attributed to each customer class for each cost causation component is determined by multiplying the unit costs (from **Table 4-15**) by the relevant units of service for each customer class (from **Table 4-9** through **Table 4-13**). **Figure 4-1** shows a comparison of the distribution of costs to each customer class from the current COS analysis presented in this study and the prior

COS analysis conducted in 2019. The changes shown are a result of changes in water usage patterns by customer class, O&M cost structure, capital needs, and other factors.

Table 4-16: Proposed Cost of Service by Customer Class

A	B	C	D	E	F	G	H	I	J	K	L
	Description	Supply	Base	Max Day	Max Hour	Recycled Water	Fire Protection	Meters	Customer	Revenue Offsets	Total
1	Volumetric Rates										
2	Domestic	\$19,185,717	\$7,815,134	\$6,214,564	\$4,259,170	\$0	\$0	\$0	\$0	(\$2,623,282)	\$34,851,304
3	Agriculture	\$288,094	\$117,353	\$131,632	\$76,381	\$0	\$0	\$0	\$0	(\$39,391)	\$574,069
4	Commercial	\$1,034,956	\$421,580	\$256,797	\$204,318	\$0	\$0	\$0	\$0	(\$141,510)	\$1,776,141
5	Irrigation	\$2,962,157	\$1,206,609	\$1,683,249	\$892,308	\$0	\$0	\$0	\$0	(\$405,019)	\$6,339,304
6	Construction	\$145,681	\$59,342	\$105,070	\$51,112	\$0	\$0	\$0	\$0	\$0	\$361,206
7	Recycled Water	\$0	\$0	\$0	\$0	\$4,909,499	\$0	\$0	\$0	\$0	\$4,909,499
8											
9	Fixed Charges OMWD										
10	System Access Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$14,016,270	\$2,945,457	\$0	\$16,961,727
11	Fire Meter Charges	\$0	\$0	\$0	\$0	\$0	\$107,978	\$0	\$379,680	\$0	\$487,658
12											
13	Total	\$23,616,605	\$9,620,018	\$8,391,314	\$5,483,289	\$4,909,499	\$107,978	\$14,016,270	\$3,325,137	(\$3,209,202)	\$66,260,908

Figure 4-1: Cost of Service Comparison: Current and Prior Studies



5. Rate Design

This section of the report details the calculation of the proposed water rates for FY 2025. All rates shown in this section are rounded up to the nearest cent. Other numbers shown in the tables in this section of the report are also rounded. Therefore, hand calculations based on the displayed numbers, such as summing or multiplying, may not equal the exact results shown. Note that the SDCWA Infrastructure Access Charge shown in this section was not developed by Raftelis but rather represents a direct pass-through of the CY 2025 rate established by SDCWA.

5.1. Rate Structure Overview

Based on discussions with District staff as well as evaluation of water usage characteristics by customer class, Raftelis recommends that the District maintain its existing water rate structure. Below is a summary of the District's existing rate structure by charge and customer class:

- » **Monthly Fixed Charges:**
 - » **OMWD System Access Charge** which varies by meter size
 - » **Fire Meter Charge** which varies by fire meter size
 - » **SDCWA Infrastructure Access Charge** which varies by meter size
- » **Volumetric Rates** per unit of water delivered, which varies by the following customer classes/tiers
 - » **Domestic:** four tier structure with defined monthly tier allotments
 - » **Agricultural:** uniform rate per unit
 - » **Combined Agricultural/Domestic:** follows the Domestic rate structure for monthly usage up to the Domestic Tier 2 limit and the Agricultural rate structure for monthly usage in excess of the Domestic Tier 2 limit.
 - » **Commercial:** uniform rate per unit
 - » **Irrigation:** two tier structure with defined monthly tier allotments that vary by both meter size and season (November 1-April 30 and May 1-October 31)
 - » **Construction:** uniform rate per unit
 - » **Recycled:** uniform rate per unit

Raftelis proposes to maintain the current Irrigation tier definitions, which vary by meter size and season. For Irrigation customers, all monthly water usage more than the Tier 1 allotment is charged at the Irrigation Tier 2 rate, as shown in **Table 5-1**.

Table 5-1: Irrigation Tier Definitions

Meter Size	Winter Tier 1 Allotment (Nov 1-Apr 30)	Summer Tier 1 Allotment (May 1-Oct 31)
5/8"	10 Units	15 Units
3/4"	20 Units	30 Units
1"	35 Units	50 Units
1-1/2"	50 Units	110 Units
2"	100 Units	200 Units
3"	200 Units	500 Units
4"	600 Units	3,500 Units
6"	3,100 Units	11,800 Units
8"	5,600 Units	21,300 Units

5.2. OMWD System Access Charge Calculation

Table 5-2 shows the calculation of proposed FY 2025 monthly OMWD System Access Charges, which are comprised of the Meters and Customer unit costs previously developed in **Table 4-15**. The Meter unit cost (**Table 4-15**, Column E, Line 8) is multiplied by the capacity ratio for each meter size (Column C) to determine the Meter component of the OMWD System Access Charge for each meter size (Column D). The Customer component of the charge is equal to the Customer unit cost (**Table 4-15**, Column E, Line 9) and is the same for all meter sizes, as customer service-related costs are not dependent on meter size. The proposed OMWD System Access Charge (Column F) is equal to the sum of the Meter and Customer components of the charge (Columns D and E) for each meter size.

Table 5-2: Monthly OMWD System Access Charge Calculation

A	B	C	D = C x \$37.89	E	F = D + E	G	H = F - G
Line	Meter Size	Capacity Ratio	Meter	Customer	Proposed Charge	Current Charge	Difference
1	5/8"	0.7	\$26.53	\$10.63	\$37.16	\$34.25	\$2.91
2	3/4"	1.0	\$37.89	\$10.63	\$48.53	\$44.79	\$3.74
3	1"	1.9	\$72.00	\$10.63	\$82.64	\$76.41	\$6.23
4	1-1/2"	3.1	\$117.47	\$10.63	\$128.11	\$118.54	\$9.57
5	2"	5.0	\$189.47	\$10.63	\$200.11	\$185.30	\$14.81
6	2-1/2"	9.3	\$352.42	\$10.63	\$363.05	\$336.33	\$26.72
7	3"	10.2	\$386.52	\$10.63	\$397.16	\$367.94	\$29.22
8	4"	17.1	\$647.99	\$10.63	\$658.63	\$610.30	\$48.33
9	6"	36.0	\$1,364.19	\$10.63	\$1,374.83	\$1,274.14	\$100.69
10	8"	65.0	\$2,463.13	\$10.63	\$2,473.76	\$2,292.73	\$181.03

5.3. Fire Meter Charge Calculation

Table 5-3 shows the calculation of proposed FY 2025 Fire Meter Charges, which are comprised of the Fire Protection and Customer unit costs previously developed in **Table 4-15**. The Fire Protection unit cost (**Table 4-15**, Column E, Line 7) is multiplied by the capacity ratio for each meter size (Column C) to determine the

Fire Protection component for each meter size (Column D). The Customer component of the charge is equal to one-half of the Customer unit cost (**Table 4-15**, Column E, Line 9) and is the same for all meter sizes, as customer service-related costs are not dependent on meter size. Based on feedback from District staff, Raftelis recommends that Fire Meter Charges are subject to half of the Customer unit cost since these charges are billed on the same water bill and require significantly less customer service support than regular meters. The proposed Fire Meter Charge (Column F) is equal to the sum of the Fire Protection and Customer components (Columns D and E) for each meter size.

Table 5-3: Monthly Fire Meter Charge Calculation

A	B	C	D = C x \$0.81	E	F = D + E	G	H = F - G
Line	Meter Size	Capacity Ratio	Fire Protection	Customer	Proposed Charge	Current Charge	Difference
1	5/8"	1.0	\$0.81	\$5.32	\$6.13	\$5.85	\$0.28
2	3/4"	1.0	\$0.81	\$5.32	\$6.13	\$5.85	\$0.28
3	1"	1.9	\$1.55	\$5.32	\$6.87	\$6.57	\$0.30
4	1-1/2"	3.1	\$2.52	\$5.32	\$7.84	\$7.54	\$0.30
5	2"	5.0	\$4.07	\$5.32	\$9.39	\$9.08	\$0.31
6	2-1/2"	9.3	\$7.57	\$5.32	\$12.89	\$12.55	\$0.34
7	3"	10.2	\$8.30	\$5.32	\$13.62	\$13.27	\$0.35
8	4"	17.1	\$13.92	\$5.32	\$19.24	\$18.85	\$0.39
9	6"	36.0	\$29.31	\$5.32	\$34.63	\$34.13	\$0.50
10	8"	65.0	\$52.91	\$5.32	\$58.23	\$57.56	\$0.67

5.4. SDCWA Infrastructure Access Charges

Table 5-4 shows the SDCWA Infrastructure Access Charges that will go into effect on January 1, 2025. The SDCWA Infrastructure Access Charge per meter equivalent is developed by SDCWA and passed through by the District to its customers. SDCWA has proposed to increase the SDCWA Infrastructure Access Charge from \$4.41 to \$4.55 per meter equivalent for CY 2025. **Table 5-4** shows the calculation of CY 2025 SDCWA Infrastructure Access Charges, which are determined by multiplying the \$4.55 rate per meter equivalent by the capacity ratio (Column C) for each meter size.

Table 5-4: Monthly SDCWA Infrastructure Access Charge

A	B	C	D	E = C x D	F	G
Line	Meter Size	Capacity Ratio	Charge per Meter Equivalent	Proposed Charge	Current Charge	Difference
1	5/8"	1.0	\$4.55	\$4.55	\$4.41	\$0.14
2	3/4"	1.0	\$4.55	\$4.55	\$4.41	\$0.14
3	1"	1.9	\$4.55	\$8.65	\$8.39	\$0.26
4	1-1/2"	3.1	\$4.55	\$14.11	\$13.70	\$0.41
5	2"	5.0	\$4.55	\$22.75	\$22.09	\$0.66
6	2-1/2"	9.3	\$4.55	\$42.32	\$41.10	\$1.22
7	3"	10.2	\$4.55	\$46.41	\$45.08	\$1.33
8	4"	17.1	\$4.55	\$77.81	\$75.58	\$2.23
9	6"	36.0	\$4.55	\$163.80	\$159.10	\$4.70
10	8"	65.0	\$4.55	\$295.75	\$287.29	\$8.46

5.5. Volumetric Rate Calculations

Proposed volumetric rates are comprised of unit costs for the Supply, Base Delivery, Max Day, Max Hour, Recycled Water, and Revenue Offsets cost causation components. The Recycled volumetric rate is comprised solely of the Recycled Water unit cost, while all other volumetric rates are comprised of the other cost causation component unit costs listed above. Unit costs from **Table 4-15** are used to provide the basis for the calculation of volumetric rates. However, peaking unit rates and Revenue Offset unit rates must first be differentiated by customer class, as these unit costs are not applied uniformly to each customer class and tier.

5.5.1. Peaking Unit Rates

Peaking unit costs, which vary by customer class and tier, must first be converted from units per day peaking requirements into unit rates per unit. The Max Day unit rate calculations are shown in **Table 5-5**. Max Day requirements in Column C (from **Table 4-12**, Column G) are multiplied by the Max Day unit cost in units per day in Column D (from **Table 4-15**, Column E, Line 3) to determine the Max Day revenue requirement by customer class and tier. This result in Column E is then divided by projected FY 2025 usage by class and tier in Column F (from **Table 4-12**, Column C) to determine the Max Day unit rate by customer class in Column G.

The Max Day unit rates are utilized to differentiate volumetric rates for each customer class and tier based on specific water usage characteristics.

Table 5-5: Max Day Unit Rates by Customer Class

A Line	B Customer Class	C Max Day Requirements (Units/day)	D Max Day Unit Cost (Units/day)	E = C x D Max Day Revenue Requirement	F FY 2025 Projected Usage (Units)	G = E / F Max Day Unit Rate (\$/unit)
1	Domestic					
2	Tier 1	1,888	\$460.18	\$868,934	1,511,998	\$0.57
3	Tier 2	4,277	\$460.18	\$1,968,429	1,986,076	\$0.99
4	Tier 3	4,662	\$460.18	\$2,145,204	1,433,314	\$1.50
5	Tier 4	2,677	\$460.18	\$1,231,997	556,269	\$2.21
7	Agricultural	286	\$460.18	\$131,632	82,403	\$1.60
8	Commercial	558	\$460.18	\$256,797	296,027	\$0.87
9	Irrigation					
10	Tier 1	1,433	\$460.18	\$659,388	411,926	\$1.60
11	Tier 2	2,225	\$460.18	\$1,023,862	435,335	\$2.35
12	Construction	228	\$460.18	\$105,070	41,669	\$2.52
13	Total	18,235		\$8,391,314	6,755,016	

Max Hour unit rates by customer class are calculated in **Table 5-6** in the same manner as described above for Max Day unit rates. Max Hour requirements in Column C (from **Table 4-13**, Column G) are multiplied by the Max Hour unit cost in units per day in Column D (from **Table 4-15**, Column E, Line 4) to determine the Max Hour revenue requirement by customer class and tier. This result in Column E is then divided by projected FY 2025 usage by class and tier in Column F (from **Table 4-13**, Column C) to determine the Max Hour unit rate by customer class in Column G.

Table 5-6: Max Hour Unit Rates by Customer Class

A Line	B Customer Class	C Max Hour Requirements (Units/day)	D Max Hour Unit Cost (Units/day)	E = C x D Max Hour Revenue Requirement	F FY 2025 Projected Usage (Units)	G = E / F Max Hour Unit Rate (\$/unit)
1	Domestic					
2	Tier 1	3,015	\$298.48	\$900,016	1,511,998	\$0.60
3	Tier 2	4,859	\$298.48	\$1,450,425	1,986,076	\$0.73
4	Tier 3	4,294	\$298.48	\$1,281,744	1,433,314	\$0.89
5	Tier 4	2,101	\$298.48	\$626,986	556,269	\$1.13
7	Agricultural	256	\$298.48	\$76,381	82,403	\$0.93
8	Commercial	685	\$298.48	\$204,318	296,027	\$0.69
9	Irrigation					
10	Tier 1	1,281	\$298.48	\$382,268	411,926	\$0.93
11	Tier 2	1,709	\$298.48	\$510,040	435,335	\$1.17
12	Construction	171	\$298.48	\$51,112	41,669	\$1.23
13	Total	18,371		5,483,289	6,755,016	

5.5.2. Revenue Offsets

Non-rate revenue sources that are not directly related to any specific District function or expense may be utilized at the District's discretion to offset various rates. These revenues are included within the Revenue Offsets cost causation component. **Table 4-15** shows the Revenue Offsets unit rate of \$0.48 if applied evenly to each unit of water usage (excluding Construction and Recycled usage). To provide for affordability for essential water use by Domestic customers, Raftelis recommends that the majority (\$1.60) of revenue offsets allocated to the Domestic customer class (**Table 4-16**, Column K, Line 2) be applied to Domestic Tier 1 water usage (**Table 4-12**, Column C, Line 2), and \$0.11 of revenue offsets be allocated to Tier 2 to minimize customer impacts from the large increases in SDCWA water rates. All residential users will benefit from the Tier 1 rates since they all have to use water in Tier 1.

Table 5-7 shows a summary of Revenue Offset unit rates per unit by customer class and tier. In an effort to have equitable rate increases across classes, some of the revenue offset from classes with little increase were redirected to classes that had a disproportional increase. Irrigation Tier 2 had additional revenue offset applied and volumetric rates are still increasing by 13 percent, the most of any class. **Table 4-15** shows the revenue offsets applied by class and **Table 5-8** shows the resulting differences between the proposed and current rates.

Table 5-7: Revenue Offsets by Customer Class and Tier

A	B	C
Line	Customer Class	Revenue Offset Unit Rate (\$/unit)
1	Domestic	
2	Tier 1	(\$1.60)
3	Tier 2	(\$0.11)
4	Tier 3	\$0.00
5	Tier 4	\$0.00
7	Agricultural	(\$0.48)
8	Agricultural with Credit	(\$0.24)
9	Commercial	(\$0.28)
10	Irrigation	
11	Tier 1	(\$0.48)
12	Tier 2	(\$0.58)

5.5.3. Proposed FY 2025 Volumetric Rates

Table 5-8 shows the calculation of proposed FY 2025 volumetric rates per unit by customer class and tier. Supply (Column C), Base Delivery (Column D), and Recycled Water (Column G) unit rates are directly from **Table 4-15**. Max Day (Column E), Max Hour (Column F), and Revenue Offset (Column H) unit rates were established in **Table 5-5**, **Table 5-6**, and **Table 5-7** respectively. The Recycled Water volumetric rate consists solely of the Recycled Water unit rate in Column G. The difference between the proposed FY 2025 and current volumetric rates is shown in Column L.

Table 5-8: Calculation of Proposed FY 2025 Volumetric Rates per Unit

A	B	C	D	E	F	G	H	I	J	K	L
Line	Customer Class	Supply Unit Rate	Base Unit Rate	Max Day Unit Rate	Max Hour Unit Rate	Recycled Water Unit Rate	Revenue Offsets Unit Rate	Ag Credit Unit Rate	Proposed Base Rate	Current Base Rate	Difference (\$)
1	Domestic										
2	Tier 1 (0-6 units)	\$3.50	\$1.42	\$0.57	\$0.60	N/A	(\$1.60)	N/A	\$4.49	\$4.24	\$0.25
3	Tier 2 (7-23 units)	\$3.50	\$1.42	\$0.99	\$0.73	N/A	(\$0.11)	N/A	\$6.53	\$6.14	\$0.39
4	Tier 3 (24-80 units)	\$3.50	\$1.42	\$1.50	\$0.89	N/A	\$0.00	N/A	\$7.32	\$6.85	\$0.47
5	Tier 4 (80 + units)	\$3.50	\$1.42	\$2.21	\$1.13	N/A	\$0.00	N/A	\$8.27	\$8.14	\$0.13
6											
7	Agriculture	\$3.50	\$1.42	\$1.60	\$0.93	N/A	(\$0.48)	N/A	\$6.97	\$6.75	\$0.22
8	Agriculture w/ Credit	\$3.50	\$1.42	\$1.60	\$0.93	N/A	(\$0.24)	(\$1.59)	\$5.62	\$5.41	\$0.21
9	Commercial	\$3.50	\$1.42	\$0.87	\$0.69	N/A	(\$0.28)	N/A	\$6.20	\$5.78	\$0.42
10	Irrigation										
11	Tier 1: "B" Base	\$3.50	\$1.42	\$1.60	\$0.93	N/A	(\$0.48)	N/A	\$6.98	\$6.50	\$0.48
12	Tier 2: "C" Over Base	\$3.50	\$1.42	\$2.35	\$1.17	N/A	(\$0.58)	N/A	\$7.87	\$6.94	\$0.93
13											
14	Construction	\$3.50	\$1.42	\$2.52	\$1.23	N/A	N/A	N/A	\$8.67	\$8.21	\$0.46
15	Recycled Water	N/A	N/A	N/A	N/A	\$4.68	N/A	N/A	\$4.68	\$4.29	\$0.39

5.6. Proposed Water Rates

Proposed monthly fixed charges and volumetric rates through FY 2029 are shown in **Table 5-9** and **Table 5-10** respectively. Proposed FY 2025 rates proposed to become effective on January 1, 2025, were developed previously in **Table 5-2**, **Table 5-3**, and **Table 5-8**. All rates and charges shown beyond FY 2025 are increased by the percentages of the estimated revenue adjustments shown in **Table 3-16**, and are rounded up to the nearest cent. The charges shown from January 1, 2026, through January 1, 2029, are estimated and will ultimately be determined by pass-through adjustments to the rates based on increases in, among other things, wholesale water supply costs and CPI.

Table 5-9: Proposed Monthly Fixed Charges

Effective Date/ Meter Size	Current	January 1, 2025 Proposed	January 1, 2026 Estimated	January 1, 2027 Estimated	January 1, 2028 Estimated	January 1, 2029 Estimated
Monthly OMWD System Access Charge						
5/8"	\$34.25	\$37.16	\$40.14	\$43.36	\$45.53	\$47.36
3/4"	\$44.79	\$48.53	\$52.42	\$56.62	\$59.46	\$61.84
1"	\$76.41	\$82.64	\$89.26	\$96.41	\$101.24	\$105.29
1-1/2"	\$118.54	\$128.11	\$138.36	\$149.43	\$156.91	\$163.19
2"	\$185.30	\$200.11	\$216.12	\$233.41	\$245.09	\$254.90
2-1/2"	\$336.33	\$363.05	\$392.10	\$423.47	\$444.65	\$462.44
3"	\$367.94	\$397.16	\$428.94	\$463.26	\$486.43	\$505.89
4"	\$610.30	\$658.63	\$711.33	\$768.24	\$806.66	\$838.93
6"	\$1,274.14	\$1,374.83	\$1,484.82	\$1,603.61	\$1,683.80	\$1,751.16
8"	\$2,292.73	\$2,473.76	\$2,671.67	\$2,885.41	\$3,029.69	\$3,150.88
Monthly SDCWA Infrastructure Access Charge*						
5/8"	\$4.41	\$4.55	TBD	TBD	TBD	TBD
3/4"	\$4.41	\$4.55	TBD	TBD	TBD	TBD
1"	\$8.39	\$8.65	TBD	TBD	TBD	TBD
1-1/2"	\$13.70	\$14.11	TBD	TBD	TBD	TBD
2"	\$22.09	\$22.75	TBD	TBD	TBD	TBD
2-1/2"	\$41.10	\$42.32	TBD	TBD	TBD	TBD
3"	\$45.08	\$46.41	TBD	TBD	TBD	TBD
4"	\$75.58	\$77.81	TBD	TBD	TBD	TBD
6"	\$159.10	\$163.80	TBD	TBD	TBD	TBD
8"	\$287.29	\$295.75	TBD	TBD	TBD	TBD
Effective Date	Current	January 1, 2025 Proposed	January 1, 2026 Proposed	January 1, 2027 Proposed	January 1, 2028 Proposed	January 1, 2029 Proposed
Monthly Fire Meter Charges						
5/8"	\$5.85	\$6.13	\$6.50	\$6.89	\$7.24	\$7.53
3/4"	\$5.85	\$6.13	\$6.50	\$6.89	\$7.24	\$7.53
1"	\$6.57	\$6.87	\$7.29	\$7.73	\$8.12	\$8.45
1-1/2"	\$7.54	\$7.84	\$8.32	\$8.82	\$9.27	\$9.65
2"	\$9.08	\$9.39	\$9.96	\$10.56	\$11.09	\$11.54
2-1/2"	\$12.55	\$12.89	\$13.67	\$14.50	\$15.23	\$15.84
3"	\$13.27	\$13.62	\$14.44	\$15.31	\$16.08	\$16.73
4"	\$18.85	\$19.24	\$20.40	\$21.63	\$22.72	\$23.63
6"	\$34.13	\$34.63	\$36.71	\$38.92	\$40.87	\$42.51
8"	\$57.56	\$58.23	\$61.73	\$65.44	\$68.72	\$71.47
*Note: A fixed charge imposed by SDCWA. Subject to change every year.						

Table 5-10: Proposed Volumetric Rates per Unit

Effective Date	Current	January 1, 2025 Proposed	January 1, 2026 Estimated	January 1, 2027 Estimated	January 1, 2028 Estimated	January 1, 2029 Estimated
Volumetric Rates (\$/unit¹)						
Domestic²						
Tier 1 (0-6 units)	\$4.24	\$4.49	\$4.85	\$5.24	\$5.51	\$5.74
Tier 2 (7-23 units)	\$6.14	\$6.53	\$7.06	\$7.63	\$8.02	\$8.35
Tier 3 (24-80 units)	\$6.85	\$7.32	\$7.91	\$8.55	\$8.98	\$9.34
Tier 4 (80 + units)	\$8.14	\$8.27	\$8.94	\$9.66	\$10.15	\$10.56
Agriculture						
Agriculture w/ Credit ³	\$5.41	\$5.62	TBD	TBD	TBD	TBD
Commercial	\$5.78	\$6.20	\$6.70	\$7.24	\$7.61	\$7.92
Irrigation						
Tier 1: "B" Base	\$6.50	\$6.98	\$7.54	\$8.15	\$8.56	\$8.91
Tier 2: "C" Over Base	\$6.94	\$7.87	\$8.50	\$9.18	\$9.64	\$10.03
Construction						
Construction	\$8.21	\$8.67	\$9.37	\$10.12	\$10.63	\$11.06
Recycled Water	\$4.29	\$4.68	\$5.06	\$5.47	\$5.75	\$5.98

¹ Customers are billed on a per unit of water basis, 1 unit = 1 HCF

² Domestic includes single-family and multi-family customers. Multi-family tiers apply per dwelling unit.

³ Note: Agriculture w/ Credit rate is updated annually by District staff based on SDCWA charges

Combined Agricultural/Domestic customers

First 23 Units per month: Follow Domestic rate structure.

Over 23 Units per month: Follow Agricultural rate structure.

5.7. Rate Reimbursement Credit

To minimize rate impacts on customers due to large increases in water purchase costs from SDCWA, a rate reimbursement credit (RRC) has been proposed to offset volumetric rates directly. SDCWA credited its member agencies for the funds it received from litigation with MWD. SDCWA's refund is given back to ratepayers in the form of a credit per unit of water used. The current refund is \$0.11, but is proposed to increase to \$0.22 to help offset the rate increases proposed by SDCWA. The \$0.22 increase would be applied for FY 2025 and decrease to \$0.11 in FY 2026. The funding is proposed to be used over the next two fiscal years. The effect on the proposed rates due to the RRC is shown in **Table 5-11** for an average customer with a ¾" meter using 22 units monthly.

Table 5-11: Projected FY 2025- FY 2027 Average Domestic Bills with RRC

	Current Bill	2025	2026	2027
RRC (\$/unit)	\$0.11	\$0.22	\$0.11	\$0.00
Average Domestic Bill with RRC	\$170.46	\$179.66	\$196.98	\$215.46
Year over Year Difference (%)		5.4%	9.6%	9.4%

5.8. Water Rates for Largest Users

Recent regulatory changes detailed in AB 755 passed in 2023 and codified in Water Code, §§ 390 & 390.1 require us to identify the costs to serve the largest 10 percent of the users in the District. Proposition 218 requires rates that allocate costs of service proportionately, not special rates for the top 10% of consumers regardless of other factors.

The District currently has 22,761 accounts; the top 10% of users represent 2,276 accounts and 45% of total water use. These large users are primarily domestic and irrigation customers. The District sells water purchased from SDCWA. These large customers all have higher peaking factors, and their rates reflect the cost they impose on the system. Based on the preceding factors, it is our professional judgment that the rates proposed in **Table 5-10** are the most efficient and fairest way to allocate the District's costs among those who create those costs, consistent with Proposition 218.

5.9. Proposed Potable Water Demand Reduction Rates

Raftelis updated the District's water demand reduction rates as part of this study. Water demand reduction rates are intended to recover reductions in net revenues resulting from decreased water sales during times of reduced water demand due to drought or demand reduction emergencies, or other reasons. Raftelis developed water demand reduction rates for three distinct stages:

- » **10 Percent Demand Reduction** below projected FY 2025 water usage
- » **20 Percent Demand Reduction** below projected FY 2025 water usage
- » **30 Percent Demand Reduction** below projected FY 2025 water usage

In the event that the District activates its water demand reduction rates, the District would notify customers before implementation. The District's water demand reduction rates would only be implemented by General Manager after District Board action under the terms of the District's Water Demand Reduction Condition Ordinance. Such action by the District is generally triggered by SDCWA and/or Metropolitan Water District of Southern California's (MWD) declaration of a specific level of water shortage.

Table 5-12 shows the estimated water usage (excluding Recycled customers) for each demand reduction stage. To estimate water usage at the customer class and tiered level, Raftelis assumed that not all customer classes reduce their usage equally. Typically, customers have greater flexibility to cut irrigation use, which is considered nonessential. Therefore, single family residential use and irrigation use bear higher burdens to cut back use during drought phases. For customer classes with uniform rates, this results in a percentage reduction equal to the overall reduction (i.e. 10%/20%/30%). For Domestic and Agricultural customers with

tiered rates however, a disproportional amount of the overall customer class water usage reduction typically occurs within the higher tiers. Raftelis analyzed FY 2022 account level water usage data by billing period to estimate the percent reduction by tier for Domestic (Lines 1-4) and Irrigation customers (Lines 8-9) if total customer class water usage was to decrease by 10 percent, 20 percent, and 30 percent.

Table 5-12: Percent Reduction in Water Usage by Customer Class and Tier

A Line	B Description	C 10% Demand Reduction	D 20% Demand Reduction	E 30% Demand Reduction
1	Domestic Tier 1	2.5%	2.7%	6.9%
2	Domestic Tier 2	10.0%	19.0%	29.7%
3	Domestic Tier 3	15.8%	29.9%	42.3%
4	Domestic Tier 4	26.3%	49.1%	63.4%
5	Agriculture	5.0%	8.0%	25.0%
6	Agriculture w/ Credit	4.0%	8.0%	25.0%
7	Commercial	3.5%	8.0%	15.0%
8	Irrigation Tier 1	2.0%	8.2%	10.1%
9	Irrigation Tier 2	9.7%	36.7%	57.8%
10	Construction	0.0%	10.0%	30.0%
11	Total Reduction	10.0%	20.0%	30.0%

Table 5-13 shows FY 2025 volumetric base rates (previously determined in **Table 5-10**) in Column C and assumed FY 2025 water usage at each demand reduction stage in Columns D-G. Projected usage by customer class and tier in Columns E-G, Lines 1-10 is determined by reducing the base demand in Column D by the percentage reduction at each stage from **Table 5-12**, Columns C-E, Lines 1-10.

Table 5-13: Projected Water Usage by Stage

B Line	C Description	D FY 2025 Proposed Base Rates	E FY 2025 Base Demand	F 10% Demand Reduction	G 20% Demand Reduction	H 30% Demand Reduction
1	Domestic Tier 1	\$4.49	1,511,998 hcf	1,474,707 hcf	1,471,692 hcf	1,407,297 hcf
2	Domestic Tier 2	\$6.53	1,986,076 hcf	1,786,790 hcf	1,608,193 hcf	1,397,015 hcf
3	Domestic Tier 3	\$7.32	1,433,314 hcf	1,206,372 hcf	1,004,124 hcf	827,420 hcf
4	Domestic Tier 4	\$8.27	556,269 hcf	409,776 hcf	283,014 hcf	203,700 hcf
5	Agriculture	\$6.97	59,071 hcf	56,117 hcf	54,345 hcf	44,303 hcf
6	Agriculture w/ Credit	\$5.62	23,332 hcf	22,399 hcf	21,465 hcf	17,499 hcf
7	Commercial	\$6.20	296,027 hcf	285,666 hcf	272,344 hcf	251,623 hcf
8	Irrigation Tier 1	\$6.98	411,926 hcf	403,497 hcf	378,306 hcf	370,231 hcf
9	Irrigation Tier 2	\$7.87	435,335 hcf	392,928 hcf	275,612 hcf	183,557 hcf
10	Construction	\$8.67	41,669 hcf	41,668 hcf	37,502 hcf	29,168 hcf
11	Total		6,755,016 hcf	6,079,920 hcf	5,406,599 hcf	4,731,813 hcf

Table 5-14 shows the determination of the uniform surcharge to be added to all potable volumetric rates (excluding Recycled Water) during each demand reduction stage for FY 2025. Projected volumetric rate revenues at each demand reduction stage (Line 2) is determined by multiplying projected water usage for each customer class and tier (**Table 5-13**, Columns D-G, Lines 1-10) by the FY 2025 proposed base rates (**Table**

5-13, Column C, Lines 1-10), and then summing across all customer classes and tiers. Line 3 shows the reduction in rate revenues relative to baseline (Column C, Line 2). Avoided water supply costs at each demand reduction stage are then calculated in Lines 5-12. Projected water usage (excluding Recycled) at each stage in Line 6 was determined previously in **Table 5-13**, Columns D-G, Line 11. The required water supply in units is shown in Line 8, assuming a 6.5 percent water loss (Line 7). Required water supply is shown in Line 9 by converting Line 8 to AF⁷. Line 10 shows the reduction in required water purchases relative to baseline (Column C, Line 9), which is then multiplied by the FY 2025 Untreated M&I rate per AF (Line 11) to estimate avoided water supply costs (Line 12). Net revenue loss in Line 14 is calculated by subtracting avoided water supply costs (Line 12) from the total rate revenue reduction (Line 3). The net revenue loss is then divided by projected potable water demand at each demand reduction level (Line 6) to determine the uniform surcharges at each stage (Line 16).

Table 5-14: Calculation of Water Demand Reduction Rate Surcharges

A	B	C	D	E	F
	Description	Base Demand	10% Demand Reduction	20% Demand Reduction	30% Demand Reduction
1	Reduction in Rate Revenues				
2	Projected Volumetric Rate Revenue	\$43,890,959	\$39,066,822	\$34,122,859	\$29,431,477
3	Total Rate Revenue Reduction	N/A	\$4,824,136	\$9,768,100	\$14,459,482
4					
5	Avoided Water Supply Costs				
6	Projected FY 2025 Water Usage	6,755,016	6,079,920	5,406,599	4,731,813
7	Assumed Water Loss	6.50%	6.50%	6.50%	6.50%
8	Required Water Purchases (units)	7,224,616	6,502,588	5,782,459	5,060,762
9	Required Water Purchases (AF)	16,585	14,928	13,275	11,618
10	Reduction in Required Water Purchases (AF)	N/A	1,658	3,311	4,968
11	FY 2025 Untreated M&I Rate (\$/AF)	\$1,834	\$1,834	\$1,834	\$1,834
12	Total Avoided Water Supply Costs	N/A	\$3,040,423	\$6,072,852	\$9,111,881
13					
14	Net Revenue Loss	N/A	\$1,783,713	\$3,695,248	\$5,347,601
15					
16	\$/Unit Surcharge	N/A	\$0.30	\$0.69	\$1.14

Table 5-15 shows FY 2025 volumetric rates under each demand reduction stage. Base volumetric rates were determined previously in **Table 5-11**. The effective rate at each of the three demand reduction stages is determined by simply adding the corresponding surcharge (**Table 5-14**, Line 16) to the FY 2025 base rate for customer class and tier. Note that Recycled Water customers are not subject to any rate increases during the three demand reduction stages which are targeted to potable water and there is little impact on wastewater generated and recycled water production. Water demand reduction rates for reductions in usage that are in between those shown above may be prorated. For example, the demand reduction rate for a 14% reduction in use would be $0.30 + 0.4 \times (0.69 - 0.30) = \0.46 per unit.

⁷ One AF = 435.6 Units.

Table 5-15: Proposed FY 2025 Water Demand Reduction Rates

CUSTOMER TYPE	BASE RATES	10% DEMAND REDUCTION	20% DEMAND REDUCTION	30% DEMAND REDUCTION
	1/1/2025	(\$0.30 Surcharge)	(\$0.69 Surcharge)	(\$1.14 Surcharge)
Domestic				
0-6 Units	\$4.49	\$4.79	\$5.18	\$5.63
7-23 Units	\$6.53	\$6.83	\$7.22	\$7.67
24-80 Units	\$7.32	\$7.62	\$8.01	\$8.46
80 + Units	\$8.27	\$8.57	\$8.96	\$9.41
Agricultural				
Agriculture w/ Credit	\$5.62	\$5.92	\$6.31	\$6.76
Commercial	\$6.20	\$6.50	\$6.89	\$7.34
Irrigation				
Tier 1	\$6.98	\$7.28	\$7.67	\$8.12
Tier 2	\$7.87	\$8.17	\$8.56	\$9.01
Construction	\$8.67	\$8.97	\$9.36	\$9.81
Recycled Water	\$4.68	\$4.68	\$4.68	\$4.68

6. Customer Impacts

6.1. Monthly Bill Impacts

Figure 6-1 shows estimated monthly bills under current rates and proposed FY 2025 rates for Domestic customers with a ¾-inch water meter at varying levels of monthly water usage. **Table 6-1** shows the bill impacts both with and without the RRC included. The base rate comparison with no RRC applied is shown in Columns A-D. The current RRC of \$0.11 is applied to the bills in Column E and the proposed RRC of \$0.22 is applied in Column F. Note that 13 units and 22 units per month, respectively, represent the median and average Domestic monthly water usage in FY 2022. High-use customers see a smaller percentage increase in monthly bills under the proposed FY 2025 rates due to the decreased differentiation in peaking costs between lower and higher Domestic tiers relative to the prior water rate study in 2019. The monthly bill impacts **with the RRC** included are shown graphically in **Figure 6-1**.

Figure 6-1: Domestic Bill Impacts at Varying Levels of Usage

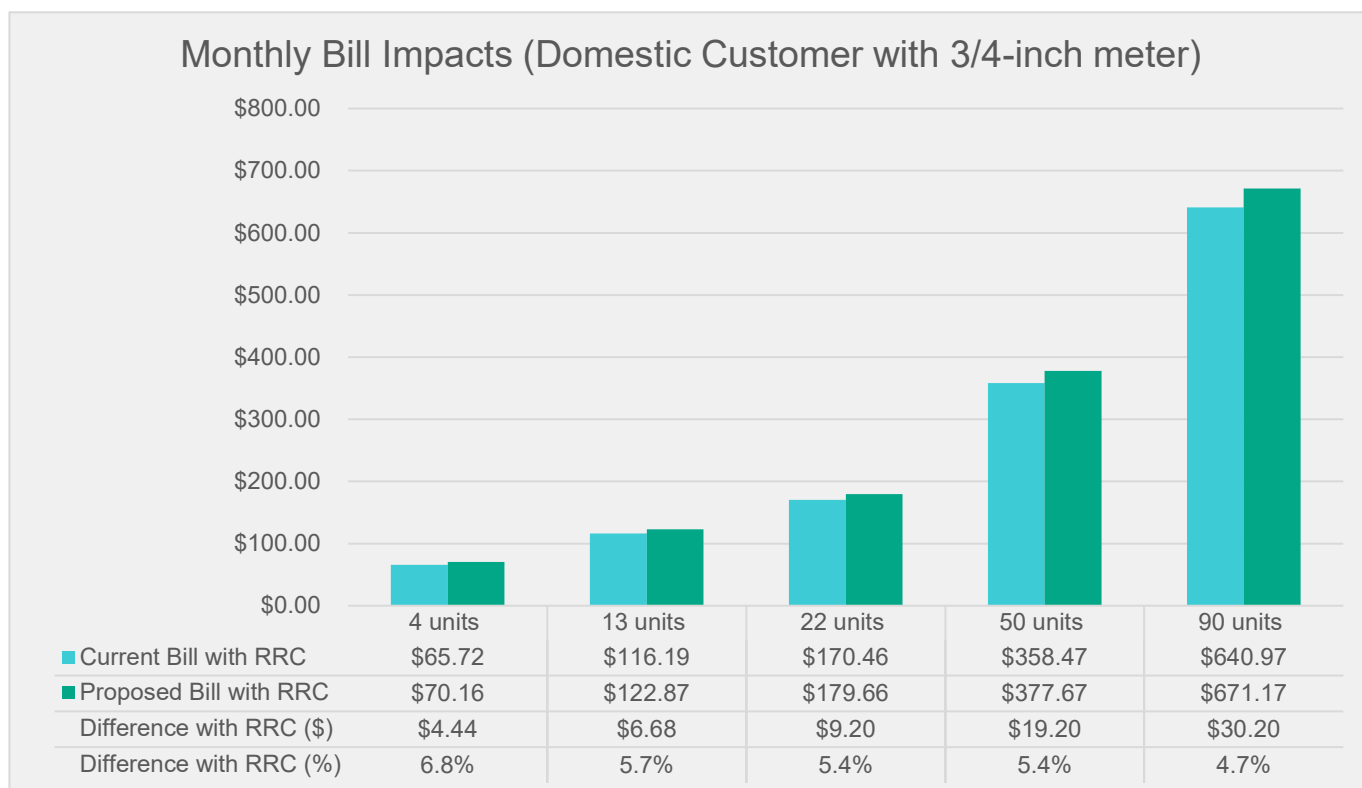


Table 6-1: Domestic Monthly Bill Impacts at Varying Levels of Usage

Usage Level	Monthly Usage (Units)	A Current Bill: Base Rate	C Difference (\$)	D Difference (%)	E Current Bill with RRC	F Proposed Bill with RRC	G Difference with RRC (\$)	H Difference with RRC (%)
Very Low	4	\$66.16	\$4.88	7.4%	\$65.72	\$70.16	\$4.44	6.8%
Low	13	\$117.62	\$8.11	6.9%	\$116.19	\$122.87	\$6.68	5.7%
Average	22	\$172.88	\$11.62	6.7%	\$170.46	\$179.66	\$9.20	5.4%
High	50	\$363.97	\$24.70	6.8%	\$358.47	\$377.67	\$19.20	5.4%
Very High	90	\$650.87	\$40.10	6.2%	\$640.97	\$671.17	\$30.20	4.7%

Table 6-2 This table shows estimated monthly bills under current rates and proposed FY 2025 rates for Commercial customers with a 1-inch water meter and varying monthly water usage. **Table 6-3** shows estimated monthly bills under current rates and proposed FY 2025 rates for Irrigation customers with a 1.5-inch water meter at varying levels of monthly water usage during the winter and summer (due to different tier allotment definitions and usage patterns during the winter and summer periods for Irrigation customers).

Table 6-2: Commercial Monthly Bill Impacts at Varying Levels of Usage (1" Meter Size)

Usage Level	Monthly Usage (Units)	Current Bill: with RRC	Proposed Bill: with RRC	Difference (\$)	Difference (%)
Low	30	\$254.90	\$270.69	\$15.79	6.2%
Average	60	\$425.00	\$450.09	\$25.09	5.9%
High	90	\$595.10	\$629.49	\$34.39	5.8%

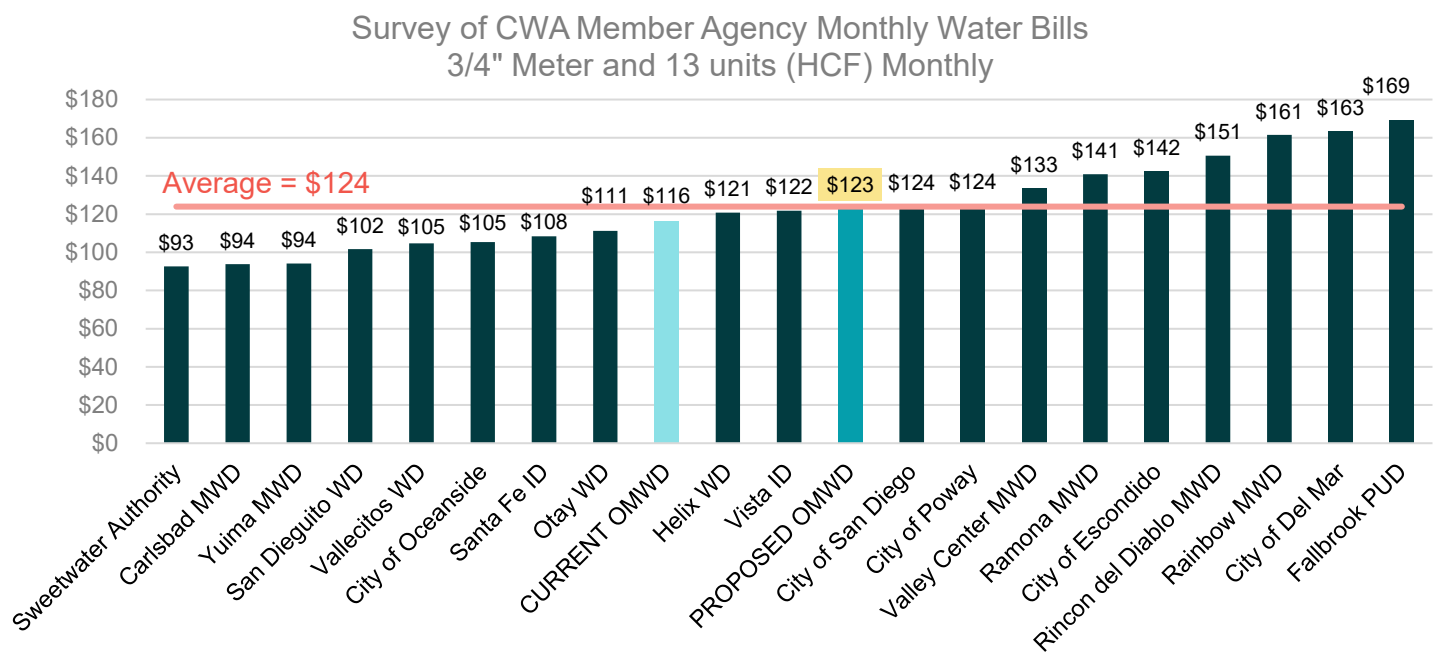
Table 6-3: Irrigation Monthly Bill Impacts at Varying Levels of Usage (1-1/2" Meter Size)

Usage Level	Monthly Usage (Units)	Current Bill: with RRC	Proposed Bill: with RRC	Difference (\$)	Difference (%)
Low - Winter	51	\$458.57	\$487.87	\$29.30	6.4%
Avg - Winter	102	\$806.90	\$878.02	\$71.12	8.8%
High - Winter	153	\$1,155.23	\$1,268.17	\$112.94	9.8%
Low - Summer	89	\$700.95	\$743.86	\$42.91	6.1%
Avg - Summer	178	\$1,299.58	\$1,406.02	\$106.44	8.2%
High - Summer	266	\$1,907.45	\$2,086.87	\$179.42	9.4%

6.2. Monthly Bill Comparison

Figure 6-2 shows a comparison of the District's current and FY 2025 proposed Domestic bills to neighboring water utilities assuming a $\frac{3}{4}$ -inch water meter and median Domestic monthly water usage (13 units). A District customer's bill under current rates is represented by the light blue bar and under proposed FY 2025 rates by the teal bar. The current and proposed bills include the RRC. The District's proposed FY 2025 rates result in a monthly bill that is approximately equal to the overall average across all agencies shown. While such comparisons can provide insights into a water utility's pricing policies, please also note that differences in water rates and bills are heavily influenced by factors such as geographic location, customer usage characteristics, source of water supply, water treatment, grant funding, and the age of system infrastructure.

Figure 6-2: Domestic Monthly Bill Comparison



Survey of posted rates as of May 2024

Does not include all 24 SDCWA member agencies for comparative purpose.

APPENDIX A:

Water Purchase Expenses



Table A-1: Recycled Water Purchase Expenses

Calculated Recycled Water Purchases Expenses	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Recycled Water from Vallecitos	\$705,979	\$557,100.00	\$585,000	\$614,250	\$644,963	\$677,211
Recycled Water from SEJPA	\$291,690	\$333,225	\$354,825	\$369,018	\$383,779	\$399,130
Recycled Water from City of SD	\$337,089	\$328,967	\$342,126	\$355,811	\$370,043	\$384,845
Recycled Water from RSFCSD	\$192,107	\$207,873	\$225,481	\$243,520	\$259,208	\$270,904
Recycled Water from SEJPA - Take or Pay	\$0	\$500,000	\$0	\$0	\$0	\$0
Total Calculated Recycled Water Purchases Expenses	\$1,526,865	\$1,927,165	\$1,507,432	\$1,582,598	\$1,657,992	\$1,732,089

Table A-2: Potable Water Purchase Expenses

Purchased Potable Water Expenses	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Tier 1 Melded Untreated M&I Supply Rate	\$19,657,805	\$21,436,675	\$23,883,767	\$26,304,995	\$28,347,236	\$29,536,245
Tier 2 Untreated Supply Rate Surcharge	\$0	\$0	\$0	\$0	\$0	\$0
Treatment Rate	\$258,089	\$1,119,517	\$344,892	\$379,856	\$409,346	\$426,516
Capacity Reservation Charge	\$360,000	\$441,000	\$510,000	\$561,000	\$604,000	\$628,000
Readiness to Serve Charge (FY Basis)	\$617,000	\$664,382	\$720,854	\$803,753	\$835,903	\$869,339
Infrastructure Access Charge	\$1,475,000	\$1,530,000	\$1,647,161	\$1,816,992	\$1,958,693	\$2,041,680
Customer Service Charge	\$1,265,000	\$1,380,000	\$1,498,000	\$1,648,000	\$1,773,000	\$1,843,000
Transportation Charge (Volume)	\$3,114,278	\$2,736,597	\$2,431,488	\$2,677,981	\$2,885,892	\$3,006,939
Transportation Charge (Fixed)	\$0	\$718,000	\$1,498,000	\$1,648,000	\$1,773,000	\$1,843,000
Storage Charge	\$3,033,000	\$3,176,000	\$3,395,000	\$3,736,000	\$4,018,000	\$4,179,000
Supply Reliability Charge	\$2,050,000	\$2,391,000	\$2,777,000	\$3,056,000	\$3,287,000	\$3,418,000
IAWP/SAWR Credit	\$33,512	\$37,098	\$44,564	\$48,881	\$52,614	\$54,830
Recycled Water	\$1,526,865	\$1,927,165	\$1,507,432	\$1,582,598	\$1,657,992	\$1,732,089
Recycled Credit	\$0	\$0	\$0	\$0	\$0	\$0
Lost Revenue From >9% Increase	\$0	\$447,530	\$0	\$0	\$0	\$0
Total Purchased Water Expenses	\$33,390,550	\$38,004,962	\$40,258,159	\$44,264,056	\$47,602,676	\$49,578,639

APPENDIX B:

Status Quo Financial Plan Cash Flow



Operating Cash Flow									
Description					FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
REVENUE									
<u>Revenue Under Existing Rates</u>									
System Access Charge Revenue Under Existing Rates					\$15,669,739	\$15,696,613	\$15,734,457	\$15,809,423	\$15,836,297
Fire Meter Charge Under Existing Rates					\$467,006	\$467,006	\$467,006	\$467,006	\$467,006
Commodity Charge Revenue Under Existing Rates					\$45,224,595	\$45,225,230	\$45,283,273	\$45,363,981	\$45,438,710
Infrastructure Access Charge Revenue Under Existing Rates					\$1,561,057	\$1,563,703	\$1,567,685	\$1,576,324	\$1,578,970
Total Rate Revenue Under Existing Rates					\$62,922,397	\$62,952,551	\$63,052,421	\$63,216,734	\$63,320,984
Revenue Summary									
Total Rate Revenue (incl. revenue adjustments)					\$61,361,341	\$61,388,849	\$61,484,736	\$61,640,410	\$61,742,014
Other Operating Revenue					\$3,009,557	\$3,543,414	\$3,700,654	\$3,835,818	\$3,910,682
Investment & Interest Income					\$569,000	\$278,000	\$70,000	\$0	\$0
Non-Operating Revenue					\$5,686,704	\$5,800,438	\$5,900,316	\$6,002,192	\$6,106,106
TOTAL REVENUE					\$70,626,601	\$71,010,701	\$71,155,706	\$71,478,420	\$71,758,802
EXPENSES									
O&M Expenses without Depreciation					\$22,269,000	\$23,597,000	\$24,542,973	\$25,528,731	\$26,555,994
Purchased Water (potable & recycled)					\$38,004,962	\$40,249,486	\$44,237,344	\$47,560,276	\$49,524,543
Other Operating Expenses (potable & recycled)					\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Non-Operating Expenses (potable & recycled)					\$1,570,927	\$1,043,507	\$12,000	\$10,000	\$10,000
Existing Debt Service					\$5,070,625	\$5,062,875	\$5,059,375	\$5,060,625	\$2,044,000
Proposed SRF Loan Payment					\$0	\$0	\$0	\$0	\$0
Proposed Debt Service					\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES					\$66,965,515	\$70,002,867	\$73,901,692	\$78,209,632	\$78,184,536

TRANSFERS								
Transfer Potable Oper. to Potable Capital - PAYGO				\$6,000,000	\$7,000,000	\$7,500,000	\$7,500,000	\$9,500,000
Transfer for Equipment Replc.				\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Transfer for Future Infrastructure Replc.				\$5,500,000	\$6,500,000	\$7,000,000	\$7,000,000	\$9,000,000
Transfer from Sewer Fund - 2018/2021B Bonds				(\$121,800)	(\$121,800)	(\$121,800)	(\$121,800)	\$0
Transfer to 2012 SRF Reserve				\$107,000	\$107,000	\$0	\$0	\$0
Transfer to/(from) Rate Stabilization Fund				(\$1,560,927)	(\$1,033,507)	(\$2,000)	\$0	\$0
Transfer to/(from) Pension Stabilization Fund				\$220,000	\$220,000	\$220,000	\$220,000	\$220,000
Potable OMWD Option 2 (reduce to CPI)				\$0	\$0	\$0	\$0	\$0
Transfer Recycled Oper. to Recycled Capital				\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Transfer Recycled Oper. to Potable Capital				\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
LESS TRANSFERS				\$6,344,273	\$7,871,693	\$9,296,200	\$9,298,200	\$11,420,000
Net Annual Cash Balance					(\$2,683,186)	(\$6,863,860)	(\$12,042,186)	(\$16,029,411)
Calculated Debt Coverage				292.0%	183.1%	144.1%	74.5%	-139.3%
Required Debt Coverage				125.0%	125.0%	125.0%	125.0%	125.0%
Fund Balances								
Reserve Interest Rate				3.0%	2.0%	2.0%	1.5%	1.5%
Operating Fund (Potable & Recycled)				FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Beginning Balance				\$15,874,000	\$13,190,814	\$6,326,954	(\$5,715,232)	(\$21,744,643)
Net Annual Cash Balance				(\$2,683,186)	(\$6,863,860)	(\$12,042,186)	(\$16,029,411)	(\$17,845,735)
Ending Balance - Operating Fund (Potable & Recycled)				\$13,190,814	\$6,326,954	(\$5,715,232)	(\$21,744,643)	(\$39,590,378)
Minimum Target Balance				\$9,908,049	\$10,495,313	\$11,306,353	\$12,014,631	\$12,506,390
Maximum Target Balance				\$19,816,097	\$20,990,626	\$22,612,707	\$24,029,263	\$25,012,779
Interest Income				\$569,000	\$278,000	\$70,000	\$0	\$0

Capital Improvement Fund (Potable & Recycled)					FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Beginning Balance					\$47,736,000	\$36,854,000	\$33,434,000	\$32,601,000	\$34,710,000
Plus:									
Interest Income					\$1,073,000	\$656,000	\$639,000	\$513,000	\$486,000
Transfer from Potable Operating Fund to Potable Capital					\$6,000,000	\$7,000,000	\$7,500,000	\$7,500,000	\$9,500,000
Transfer from Recycled Operating Fund to Recycled Capital					\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Transfer from Recycled Capital Fund to Potable Capital					\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Capacity Fee Revenues					\$118,000	\$412,000	\$4,047,000	\$4,687,000	\$803,000
Anticipated Grant Funds					\$1,772,000	\$817,000	\$0	\$0	\$0
Recycled Capacity Fee Revenues					\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Land Sales Proceeds					\$1,150,000	\$0	\$0	\$0	\$0
New Loan - State Revolving Fund (SRF) Proceeds					\$0	\$0	\$0	\$0	\$0
New Bond Proceeds					\$0	\$0	\$0	\$0	\$0
Less:									
Capital Item Purchases - Water Potable					\$372,000	\$473,000	\$400,000	\$400,000	\$400,000
Capital Item Purchases - Water Recycled					\$49,000	\$49,000	\$25,000	\$25,000	\$25,000
Capital Projects					\$22,249,000	\$13,458,000	\$14,269,000	\$11,841,000	\$13,843,000
Other Expenditures - Water Potable					\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Other Expenditures - Water Recycled					\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Ending Balance - Capital Improvement Fund (Potable & Recycled)					\$36,854,000	\$33,434,000	\$32,601,000	\$34,710,000	\$32,906,000
Minimum Target Balance					\$17,317,818	\$17,317,818	\$17,317,818	\$17,317,818	\$17,317,818
Maximum Target Balance					\$86,589,091	\$86,589,091	\$86,589,091	\$86,589,091	\$86,589,091
Net capital Expense					\$10,882,000				
Rate Stabilization Fund (Potable)					FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Beginning Balance					\$11,840,000	\$10,587,073	\$9,744,566	\$9,937,418	\$10,086,479
Interest Income					\$308,000	\$191,000	\$194,851	\$149,061	\$151,297
Transfer (to)/from Operating Fund					(\$1,560,927)	(\$1,033,507)	(\$2,000)	\$0	\$0
Ending Balance - Rate Stabilization Fund (Potable)					\$10,587,073	\$9,744,566	\$9,937,418	\$10,086,479	\$10,237,776
Minimum Target Balance					\$6,229,359	\$5,675,766	\$4,703,769	\$3,914,114	\$3,449,110
Maximum Target Balance					\$12,458,717	\$11,351,533	\$9,407,538	\$7,828,229	\$6,898,221
Pension Stabilization Fund (Potable)					FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Beginning Balance					\$676,055	\$923,055	\$1,166,055	\$1,413,776	\$1,658,283
Interest Income					\$27,000	\$23,000	\$27,721	\$24,507	\$28,174
Transfer (to)/from Operating Fund					\$220,000	\$220,000	\$220,000	\$220,000	\$220,000
Ending Balance - Pension Stabilization Fund (Potable)					\$923,055	\$1,166,055	\$1,413,776	\$1,658,283	\$1,906,457
Minimum Target Balance					\$956,562	\$956,562	\$956,562	\$956,562	\$956,562
Maximum Target Balance					\$1,913,124	\$1,913,124	\$1,913,124	\$1,913,124	\$1,913,124

Debt Coverage Calculation

Description	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Revenue Applicable for Debt Coverage Calculation					
Total Service Charge Revenue	\$61,361,341	\$61,388,849	\$61,484,736	\$61,640,410	\$61,742,014
Other Operating Revenue	\$3,009,557	\$3,543,414	\$3,700,654	\$3,835,818	\$3,910,682
Interest Income	\$1,977,000	\$1,148,000	\$931,572	\$686,568	\$665,471
Non-Operating Revenue	\$5,686,704	\$5,800,438	\$5,900,316	\$6,002,192	\$6,106,106
Capacity Fee Revenues	\$118,000	\$412,000	\$4,047,000	\$4,687,000	\$803,000
Anticipated Grant Funds	\$1,772,000	\$817,000	\$0	\$0	\$0
Recycled Capacity Fee Revenues	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Land Sales Proceeds	\$1,150,000	\$0	\$0	\$0	\$0
Total Revenue	\$75,079,601	\$73,114,701	\$76,069,278	\$76,856,988	\$73,232,273
Expenses					
O&M Expenses	\$22,269,000	\$23,597,000	\$24,542,973	\$25,528,731	\$26,555,994
Purchased Water Expenses (potable & recycled)	\$38,004,962	\$40,249,486	\$44,237,344	\$47,560,276	\$49,524,543
Total Expenses	\$60,273,962	\$63,846,486	\$68,780,317	\$73,089,007	\$76,080,536
Total Funds Available for Debt Service	\$14,805,639	\$9,268,215	\$7,288,962	\$3,767,981	(\$2,848,263)
Total Debt Service	\$5,070,625	\$5,062,875	\$5,059,375	\$5,060,625	\$2,044,000
Revenue to Debt Service Coverage Ratio	292.0%	183.1%	144.1%	74.5%	-139.3%

Recycled Water Operating Cash Flow

Description	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Recycled Water Revenue	\$5,184,865	\$5,315,676	\$5,353,051	\$5,353,051	\$5,353,051
Recycled Water Additional Revenue	(\$128,633)	(\$132,038)	(\$133,094)	(\$133,480)	(\$133,483)
Recycled Water Interest Income	\$283,962	\$171,648	\$70,000	\$0	\$0
Recycled Water Expenses	\$3,417,665	\$3,039,759	\$3,151,292	\$3,267,588	\$3,388,861
Recycled Water Transfers	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000
Net Cash Flow	\$222,531	\$615,528	\$438,665	\$251,983	\$130,706
Beginning Balance	\$7,922,000	\$8,144,531	\$8,760,058	\$9,198,723	\$9,450,706
Net Cash Flow	\$222,531	\$615,528	\$438,665	\$251,983	\$130,706
Ending Balance	\$8,144,531	\$8,760,058	\$9,198,723	\$9,450,706	\$9,581,412
Interest Income	\$287,000	\$205,768	\$216,574	\$167,261	\$169,221

Interest Allocation between Potable Water and Recycled Water operations								
Description			FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	
Beginning Fund Balance								
Potable Water Operations			50.1%	38.3%	0.0%	261.0%	143.5%	
Recycled Water Operations			49.9%	61.7%	100.0%	-161.0%	-43.5%	
Total Beginning Fund Balance			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest Allocation								
Potable Water Operations			\$285,038	\$106,352	\$0	\$0	\$0	
Recycled Water Operations			\$283,962	\$171,648	\$70,000	\$0	\$0	
Total Interest Allocation			\$569,000	\$278,000	\$70,000	\$0	\$0	\$0

APPENDIX C:

Proposed Financial Plan Cash Flow



Operating Cash Flow									
Description	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029				
REVENUE									
Revenue Under Existing Rates									
System Access Charge Revenue Under Existing Rates	\$15,669,739	\$15,696,613	\$15,734,457	\$15,809,423	\$15,836,297				
Fire Meter Charge Under Existing Rates	\$467,006	\$467,006	\$467,006	\$467,006	\$467,006				
Commodity Charge Revenue Under Existing Rates	\$45,224,595	\$45,225,230	\$45,283,273	\$45,363,981	\$45,438,710				
Infrastructure Access Charge Revenue Under Existing Rates	\$1,561,057	\$1,563,703	\$1,567,685	\$1,576,324	\$1,578,970				
Total Rate Revenue Under Existing Rates	\$62,922,397	\$62,952,551	\$63,052,421	\$63,216,734	\$63,320,984				
Revenue Adjustments									
System Access Charge Revenue Adjustment	\$626,790	\$1,933,823	\$3,352,320	\$4,603,780	\$5,529,268				
Fire Meter Charge Revenue Adjustments	\$14,010	\$42,871	\$73,464	\$103,111	\$128,697				
Commodity Charge Revenue Adjustments	\$1,808,984	\$5,571,748	\$9,647,873	\$13,210,209	\$15,864,996				
Infrastructure Access Charge Revenue Adjustments	\$24,779	\$118,208	\$288,160	\$430,564	\$511,697				
Total Revenue Adjustments	\$2,474,562	\$7,666,651	\$13,361,817	\$18,347,664	\$22,034,657				
Revenue Summary									
Total Rate Revenue (incl. revenue adjustments)	\$63,811,124	\$68,937,291	\$74,558,393	\$79,557,510	\$83,264,975				
Other Operating Revenue	\$3,034,335	\$3,661,623	\$3,988,814	\$4,266,381	\$4,422,378				
Investment & Interest Income	\$643,000	\$483,000	\$545,000	\$451,000	\$552,000				
Non-Operating Revenue	\$5,686,704	\$5,800,438	\$5,900,316	\$6,002,192	\$6,106,106				
TOTAL REVENUE	\$73,175,164	\$78,882,352	\$84,992,523	\$90,277,084	\$94,345,459				
EXPENSES									
O&M Expenses without Depreciation	\$22,269,000	\$23,597,000	\$24,542,973	\$25,528,731	\$26,555,994				
Purchased Water (potable & recycled)	\$38,004,962	\$40,258,159	\$44,264,056	\$47,602,676	\$49,578,639				
Other Operating Expenses (potable & recycled)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000				
Non-Operating Expenses (potable & recycled)	\$1,570,927	\$1,043,507	\$12,000	\$10,000	\$10,000				
Existing Debt Service	\$5,070,625	\$5,062,875	\$5,059,375	\$5,060,625	\$2,044,000				
Proposed SRF Loan Payment	\$0	\$0	\$0	\$0	\$0				
Proposed Debt Service	\$0	\$0	\$0	\$0	\$0				
TOTAL EXPENSES	\$66,965,515	\$70,011,541	\$73,928,403	\$78,252,032	\$78,238,632				

TRANSFERS								
Transfer Potable Oper. to Potable Capital - PAYGO				\$6,000,000	\$7,000,000	\$7,500,000	\$7,500,000	\$9,500,000
Transfer for Equipment Replc.				\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Transfer for Future Infrastructure Replc.				\$5,500,000	\$6,500,000	\$7,000,000	\$7,000,000	\$9,000,000
Transfer from Sewer Fund - 2018/2021B Bonds				(\$121,800)	(\$121,800)	(\$121,800)	(\$121,800)	\$0
Transfer to 2012 SRF Reserve				\$107,000	\$107,000	\$0	\$0	\$0
Transfer to/(from) Rate Stabilization Fund				(\$1,560,927)	(\$1,033,507)	(\$2,000)	\$0	\$0
Transfer to/(from) Pension Stabilization Fund				\$220,000	\$220,000	\$220,000	\$220,000	\$220,000
Potable OMWD Option 2 (reduce to CPI)				\$0	\$0	\$0	\$0	\$0
Transfer Recycled Oper. to Recycled Capital				\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Transfer Recycled Oper. to Potable Capital				\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
LESS TRANSFERS				\$6,344,273	\$7,871,693	\$9,296,200	\$9,298,200	\$11,420,000
Net Annual Cash Balance				(\$134,624)	\$999,118	\$1,767,920	\$2,726,852	\$4,686,827
Calculated Debt Coverage				342.2%	338.4%	417.0%	445.1%	963.0%
Required Debt Coverage				125.0%	125.0%	125.0%	125.0%	125.0%

Fund Balances									
	Reserve Interest Rate				3.0%	2.0%	2.0%	1.5%	1.5%
	Operating Fund (Potable & Recycled)				FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
	Beginning Balance				\$15,874,000	\$15,739,376	\$16,738,494	\$18,506,414	\$21,233,266
	Net Annual Cash Balance				(\$134,624)	\$999,118	\$1,767,920	\$2,726,852	\$4,686,827
	Ending Balance - Operating Fund (Potable & Recycled)				\$15,739,376	\$16,738,494	\$18,506,414	\$21,233,266	\$25,920,092
	Minimum Target Balance				\$9,908,049	\$10,496,738	\$11,310,744	\$12,021,601	\$12,515,282
	Maximum Target Balance				\$19,816,097	\$20,993,477	\$22,621,489	\$24,043,202	\$25,030,564
	Interest Income				\$643,000	\$483,000	\$545,000	\$451,000	\$552,000
	Capital Improvement Fund (Potable & Recycled)				FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
	Beginning Balance				\$47,736,000	\$36,854,000	\$33,434,000	\$32,601,000	\$34,710,000
	Plus:								
	Interest Income				\$1,073,000	\$656,000	\$639,000	\$513,000	\$486,000
	Transfer from Potable Operating Fund to Potable Capital				\$6,000,000	\$7,000,000	\$7,500,000	\$7,500,000	\$9,500,000
	Transfer from Recycled Operating Fund to Recycled Capital				\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
	Transfer from Recycled Capital Fund to Potable Capital				\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
	Capacity Fee Revenues				\$118,000	\$412,000	\$4,047,000	\$4,687,000	\$803,000
	Anticipated Grant Funds				\$1,772,000	\$817,000	\$0	\$0	\$0
	Recycled Capacity Fee Revenues				\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
	Land Sales Proceeds				\$1,150,000	\$0	\$0	\$0	\$0
	New Loan - State Revolving Fund (SRF) Proceeds				\$0	\$0	\$0	\$0	\$0
	New Bond Proceeds				\$0	\$0	\$0	\$0	\$0
	Less:								
	Capital Item Purchases - Water Potable				\$372,000	\$473,000	\$400,000	\$400,000	\$400,000
	Capital Item Purchases - Water Recycled				\$49,000	\$49,000	\$25,000	\$25,000	\$25,000
	Capital Projects				\$22,249,000	\$13,458,000	\$14,269,000	\$11,841,000	\$13,843,000
	Other Expenditures - Water Potable				\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
	Other Expenditures - Water Recycled				\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
	Ending Balance - Capital Improvement Fund (Potable & Recycled)				\$36,854,000	\$33,434,000	\$32,601,000	\$34,710,000	\$32,906,000
	Minimum Target Balance				\$17,317,818	\$17,317,818	\$17,317,818	\$17,317,818	\$17,317,818
	Maximum Target Balance				\$86,589,091	\$86,589,091	\$86,589,091	\$86,589,091	\$86,589,091

Pension Stabilization Fund (Potable)					FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Beginning Balance					\$676,055	\$923,055	\$1,166,055	\$1,413,776	\$1,658,283
Interest Income					\$27,000	\$23,000	\$27,721	\$24,507	\$28,174
Transfer (to)/from Operating Fund					\$220,000	\$220,000	\$220,000	\$220,000	\$220,000
Ending Balance - Pension Stabilization Fund (Potable)					\$923,055	\$1,166,055	\$1,413,776	\$1,658,283	\$1,906,457
Minimum Target Balance					\$956,562	\$956,562	\$956,562	\$956,562	\$956,562
Maximum Target Balance					\$1,913,124	\$1,913,124	\$1,913,124	\$1,913,124	\$1,913,124
Debt Coverage Calculation									
Description					FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Revenue Applicable for Debt Coverage Calculation									
Total Service Charge Revenue					\$63,811,124	\$68,937,291	\$74,558,393	\$79,557,510	\$83,264,975
Other Operating Revenue					\$3,034,335	\$3,661,623	\$3,988,814	\$4,266,381	\$4,422,378
Interest Income					\$2,051,000	\$1,353,000	\$1,406,572	\$1,137,568	\$1,217,471
Non-Operating Revenue					\$5,686,704	\$5,800,438	\$5,900,316	\$6,002,192	\$6,106,106
Capacity Fee Revenues					\$118,000	\$412,000	\$4,047,000	\$4,687,000	\$803,000
Anticipated Grant Funds					\$1,772,000	\$817,000	\$0	\$0	\$0
Recycled Capacity Fee Revenues					\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Land Sales Proceeds					\$1,150,000	\$0	\$0	\$0	\$0
Total Revenue					\$77,628,164	\$80,986,352	\$89,906,096	\$95,655,652	\$95,818,931
Expenses									
O&M Expenses					\$22,269,000	\$23,597,000	\$24,542,973	\$25,528,731	\$26,555,994
Purchased Water Expenses (potable & recycled)					\$38,004,962	\$40,258,159	\$44,264,056	\$47,602,676	\$49,578,639
Total Expenses					\$60,273,962	\$63,855,159	\$68,807,028	\$73,131,407	\$76,134,632
Total Funds Available for Debt Service					\$17,354,201	\$17,131,193	\$21,099,067	\$22,524,245	\$19,684,298
Total Debt Service					\$5,070,625	\$5,062,875	\$5,059,375	\$5,060,625	\$2,044,000
Revenue to Debt Service Coverage Ratio					342.2%	338.4%	417.0%	445.1%	963.0%

Recycled Water Operating Cash Flow

Description	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Recycled Water Revenue	\$5,184,865	\$5,315,676	\$5,353,051	\$5,353,051	\$5,353,051
Recycled Water Additional Revenue	\$73,232	\$505,348	\$976,839	\$1,383,700	\$1,686,032
Recycled Water Interest Income	\$320,892	\$257,262	\$316,258	\$279,799	\$350,644
Recycled Water Expenses	\$3,417,665	\$3,048,432	\$3,178,003	\$3,309,988	\$3,442,957
Recycled Water Transfers	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000
Net Cash Flow	\$461,325	\$1,329,854	\$1,768,144	\$2,006,562	\$2,246,769
Beginning Balance	\$7,922,000	\$8,383,325	\$9,713,180	\$11,481,324	\$13,487,885
Net Cash Flow	\$461,325	\$1,329,854	\$1,768,144	\$2,006,562	\$2,246,769
Ending Balance	\$8,383,325	\$9,713,180	\$11,481,324	\$13,487,885	\$15,734,654
<i>Interest Income</i>	<i>\$293,000</i>	<i>\$223,118</i>	<i>\$257,301</i>	<i>\$223,621</i>	<i>\$256,260</i>

Interest Allocation between Potable Water and Recycled Water operations

Description	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Beginning Fund Balance					
Potable Water Operations	50.1%	46.7%	42.0%	38.0%	36.5%
Recycled Water Operations	49.9%	53.3%	58.0%	62.0%	63.5%
Total Beginning Fund Balance	100.0%	100.0%	100.0%	100.0%	100.0%
Interest Allocation					
Potable Water Operations	\$322,108	\$225,738	\$228,742	\$171,201	\$201,356
Recycled Water Operations	\$320,892	\$257,262	\$316,258	\$279,799	\$350,644
Total Interest Allocation	\$643,000	\$483,000	\$545,000	\$451,000	\$552,000

APPENDIX D:

**Revised Water Consumption
Charge with Adopted SDCWA
Rates**



Revised Water Consumption Charge

The water supply component has been updated to reflect the CY 2025 rates and charges adopted by SDCWA at their board meeting that occurred after completion of this Study.

The Melded Supply Rate in the model was set to the original rate of \$1,385 per AF based on the best information available at the time. The SDCWA Board instead adopted a Melded Supply Rate of \$1,355 per AF, which is \$30 per AF less than what was modeled. To account for this decrease, the \$30 per AF decrease was converted to units, and that discount was applied directly to the cost per unit of water for potable water customers. The full breakdown is shown in **Table D-1**. The reduction of \$0.07 per unit of water is shown in Column C.

The revised rate table is shown in **Table D-2**.

With the change in supply cost, the drought rates also had to be adjusted to properly reflect costs and revenue loss during drought. **Table D-3** shows the calculation for the surcharge in commodity rates at each drought stage, and **Table D-4** shows the corresponding demand reduction shortage rates at each stage.

Table D-1. Breakdown of the Volumetric Charge Components

A	B	C	D	E	F	G	H	I	J	K	L
Customer Class	Supply Unit Rate	Change in Supply based on Adopted SDCWA Rates	Base Unit Rate	Max Day Unit Rate	Max Hour Unit Rate	Recycled Water Unit Rate	Revenue Offsets Unit Rate	Ag Credit Unit Rate	Revised Proposed Base Rate	Current FY 2024 Base Rate	Difference (\$)
Domestic											
Tier 1 (0-6 units)	\$3.50	(\$0.07)	\$1.42	\$0.57	\$0.60	N/A	(\$1.60)	N/A	\$4.43	\$4.24	\$0.19
Tier 2 (7-23 units)	\$3.50	(\$0.07)	\$1.42	\$0.99	\$0.73	N/A	(\$0.11)	N/A	\$6.47	\$6.14	\$0.33
Tier 3 (24-80 units)	\$3.50	(\$0.07)	\$1.42	\$1.50	\$0.89	N/A	\$0.00	N/A	\$7.25	\$6.85	\$0.40
Tier 4 (80 + units)	\$3.50	(\$0.07)	\$1.42	\$2.21	\$1.13	N/A	\$0.00	N/A	\$8.20	\$8.14	\$0.06
Agriculture											
Agriculture	\$3.50	(\$0.07)	\$1.42	\$1.60	\$0.93	N/A	(\$0.48)	N/A	\$6.90	\$6.75	\$0.15
Agriculture w/ Credit	\$3.50	(\$0.07)	\$1.42	\$1.60	\$0.93	N/A	(\$0.24)	(\$1.59)	\$5.55	\$5.41	\$0.14
Commercial	\$3.50	(\$0.07)	\$1.42	\$0.87	\$0.69	N/A	(\$0.28)	N/A	\$6.14	\$5.78	\$0.36
Irrigation											
Tier 1: "B" Base	\$3.50	(\$0.07)	\$1.42	\$1.60	\$0.93	N/A	(\$0.48)	N/A	\$6.91	\$6.50	\$0.41
Tier 2: "C" Over Base	\$3.50	(\$0.07)	\$1.42	\$2.35	\$1.17	N/A	(\$0.58)	N/A	\$7.80	\$6.94	\$0.86
Construction											
Construction	\$3.50	(\$0.07)	\$1.42	\$2.52	\$1.23	N/A	N/A	N/A	\$8.60	\$8.21	\$0.39
Recycled Water	N/A	N/A	N/A	N/A	N/A	\$4.68	N/A	N/A	\$4.68	\$4.29	\$0.39

Table D-2: Revised Proposed Volumetric Rates

Effective Date	Current FY 2024	January 1, 2025 Proposed	January 1, 2026 Estimated	January 1, 2027 Estimated	January 1, 2028 Estimated	January 1, 2029 Estimated
Volumetric Rates (\$/unit¹)						
Domestic²						
Tier 1 (0-6 units)	\$4.24	\$4.43	\$4.79	\$5.18	\$5.44	\$5.66
Tier 2 (7-23 units)	\$6.14	\$6.47	\$6.99	\$7.55	\$7.93	\$8.25
Tier 3 (24-80 units)	\$6.85	\$7.25	\$7.83	\$8.46	\$8.89	\$9.25
Tier 4 (80 + units)	\$8.14	\$8.20	\$8.86	\$9.57	\$10.05	\$10.46
Agriculture	\$6.75	\$6.90	\$7.46	\$8.06	\$8.47	\$8.81
Agriculture w/ Credit³	\$5.41	\$5.55	TBD	TBD	TBD	TBD
Commercial	\$5.78	\$6.14	\$6.64	\$7.18	\$7.54	\$7.85
Irrigation						
Tier 1: "B" Base	\$6.50	\$6.91	\$7.47	\$8.07	\$8.48	\$8.82
Tier 2: "C" Over Base	\$6.94	\$7.80	\$8.43	\$9.11	\$9.57	\$9.96
Construction	\$8.21	\$8.60	\$9.29	\$10.04	\$10.55	\$10.98
Recycled Water	\$4.29	\$4.68	\$5.06	\$5.47	\$5.75	\$5.98

¹ Customers are billed on a per unit of water basis, 1 unit = 1 HCF

² Domestic includes single-family and multi-family customers. Multi-family tiers apply per dwelling unit.

³ Note: Agriculture w/ Credit rate is updated annually by District staff based on SDCWA charges

Combined Agricultural/Domestic customers

First 23 Units per month: Follow Domestic rate structure.

Over 23 Units per month: Follow Agricultural rate structure.

Table D-3: FY 2025 Water Demand Reduction Rates Calculation

A	B	C	D	E	F
Line	Description	Base Demand	10% Demand Reduction	20% Demand Reduction	30% Demand Reduction
1	Reduction in Rate Revenues				
2	Projected Volumetric Rate Revenue	\$43,456,049	\$38,676,700	\$33,777,920	\$29,130,810
3	Total Rate Revenue Reduction	N/A	\$4,779,349	\$9,678,129	\$14,325,239
4	Avoided Water Supply Costs				
5	Projected FY 2025 Water Usage	6,755,016	6,079,920	5,406,599	4,731,813
6	Assumed Water Loss	6.50%	6.50%	6.50%	6.50%
7	Required Water Purchases (units)	7,224,616	6,502,588	5,782,459	5,060,762
8	Required Water Purchases (AF)	16,585	14,928	13,275	11,618
9	Reduction in Required Water Purchases (AF)	N/A	1,658	3,311	4,968
10	FY 2025 Untreated M&I Rate (\$/AF)	\$1,819	\$1,819	\$1,819	\$1,819
11	Total Avoided Water Supply Costs	N/A	\$3,015,560	\$6,023,191	\$9,037,368
12	Net Revenue Loss	N/A	\$1,763,789	\$3,654,939	\$5,287,872
13	\$/Unit Surcharge	N/A	\$0.30	\$0.68	\$1.12

Table D-4: Revised Proposed FY 2025 Water Demand Reduction Rates

Volumetric Rates (\$/Unit)	FY 2025 Proposed Base Rate	10% Demand Reduction (\$0.30 Surcharge)	20% Demand Reduction (\$0.68 Surcharge)	30% Demand Reduction (\$1.12 Surcharge)
Domestic				
Tier 1 (0-6 units)	\$4.43	\$4.73	\$5.11	\$5.55
Tier 2 (7-23 units)	\$6.47	\$6.77	\$7.15	\$7.59
Tier 3 (24-80 units)	\$7.25	\$7.55	\$7.93	\$8.37
Tier 4 (80+ units)	\$8.20	\$8.50	\$8.88	\$9.32
Agriculture				
Agriculture w/ Credit	\$5.55	\$5.85	\$6.23	\$6.67
Commercial	\$6.14	\$6.44	\$6.82	\$7.26
Irrigation				
Tier 1 ("B" Base)	\$6.91	\$7.21	\$7.59	\$8.03
Tier 2 ("C" Over Base)	\$7.80	\$8.10	\$8.48	\$8.92
Construction				
Recycled Water	\$4.68	\$4.68	\$4.68	\$4.68

Memo

Date: August 14, 2024

To: Olivenhain Municipal Water District Board of Directors

From: Leo Mendez, Accounting Supervisor
Rainy Selamat, Finance Manager

Via: Kimberly Thorner, General Manager

Subject: **PUBLIC HEARING TO CONSIDER IMPLEMENTATION OF PHASE TWO OF THE FIVE-YEAR PHASE-IN PROGRAM OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S WATER CAPACITY FEES FOR 2024 (AUGUST 14, 2024 – 5:30 P.M.)**

Purpose

The purpose of this agenda item is to receive and consider public comments regarding the implementation of phase two of the five-year phase-in program of the District's water capacity fees for 2024. The date and time of this public hearing was set by the Board at the July 17, 2024 meeting.

Recommendation

Staff recommends implementation of the phase two fees that were included as part of the 2023 Water Capacity Fee Study Report that the Board approved in 2023.

The existing and proposed fees for a ¾" meter are as follows:

Comparison (¾ inch meter)	Current	Proposed Adjustment	Proposed Fee	\$ Difference
Zone A	\$ 17,254	7% + 1.2% ENR Adj. *	\$ 18,603	\$ 1,349
Zone B	\$ 11,778	1.8% + 1.2% ENR Adj.	\$ 12,130	\$ 352
Zone C	\$ 12,232	3.8% + 1.2% ENR Adj.	\$ 12,832	\$ 600
Zone D	\$ 24,665	1.2% ENR Adj.	\$ 24,961	\$ 296
Zone E	\$ 12,476	4.4% + 1.2% ENR Adj.	\$ 13,158	\$ 682

*ENR Adjustment is based on an increase of 1.2% using the Engineering News-Record Construction Cost Index for Los Angeles from June 2023 to June 2024

Alternatives

The Board may choose to not increase the District's water capacity fees as recommended by staff, or to delay the District's water capacity fee increase for 2024.

Delaying increases to the District's capacity fees will increase the burden on existing water users for capital costs of replacing and refurbishing the District's water infrastructure.

Background

A capacity fee is a one-time fee assessed by the District to new users to pay for their share of costs to construct required facilities to provide services to their respective area (zone of benefit). Revenues generated from capacity fees are used by the District to reimburse existing rate payers (through lower rates and charges) for existing water infrastructure in the District and to pay for facilities included in the District's water capital improvement program included in its ten-year planned capital expenditures.

In accordance with Article 13 (Policy for District Facilities), the District evaluates capacity fees on an annual basis to determine if appropriate funds are being collected to fund necessary capital expansion, replacement, and betterment projects. The District's assets are divided into five zones of benefit for current assets and capital expansion projects and capacity fees are collected by Zone of Benefit.

In 2023, Raftelis Financial Consultants completed the District's 2023 Water Capacity Fee Study to: 1) ensure the District's current capacity fees are adequate in keeping up with

rising cost increases in construction and 2) ensure that the District's capacity fees are equitable across all zones of benefit. The attached Report includes details of the methodology and calculations used to determine the water capacity fees using the capacity buy-in method for the different zones of benefit.

The results of the study were presented and discussed with the Board and a five-year phase in and ENR-CCI adjustment was selected by the Board at the May 2023 meeting. Due to the significant changes to the capacity fees in Zone A, C and E, the Board decided to phase in the increases over five years to help mitigate the impacts to new users while continuing to use the ENR-CCI adjustment for an annual inflationary adjustment for consistency with Article 13 of the District's Administrative and Ethics Code.

Fiscal Impact

The District is currently estimated at 95% build-out with about 1,136 Equivalent Dwelling Units (EDUs) remaining until complete build-out in 2050. Not increasing the capacity fees as recommended in the Report would result in a total estimated revenue loss of approximately \$2.9 million until build-out.

Discussion

Notification of the August 14, 2024 public hearing was posted in the San Diego Union Tribune on August 2, 2024 and August 9, 2024 and on the District's website. The notice of public hearing was sent electronically to the Building Industry Association (BIA) on July 19, 2024.

A copy of the most recent survey of SDCWA Member Agency Water Capacity Fees for a ¾" meter with the District's current and proposed average water capacity fees is attached, along with a copy of the 2023 Water Capacity Fee Report prepared by Raftelis Financial Consultants.

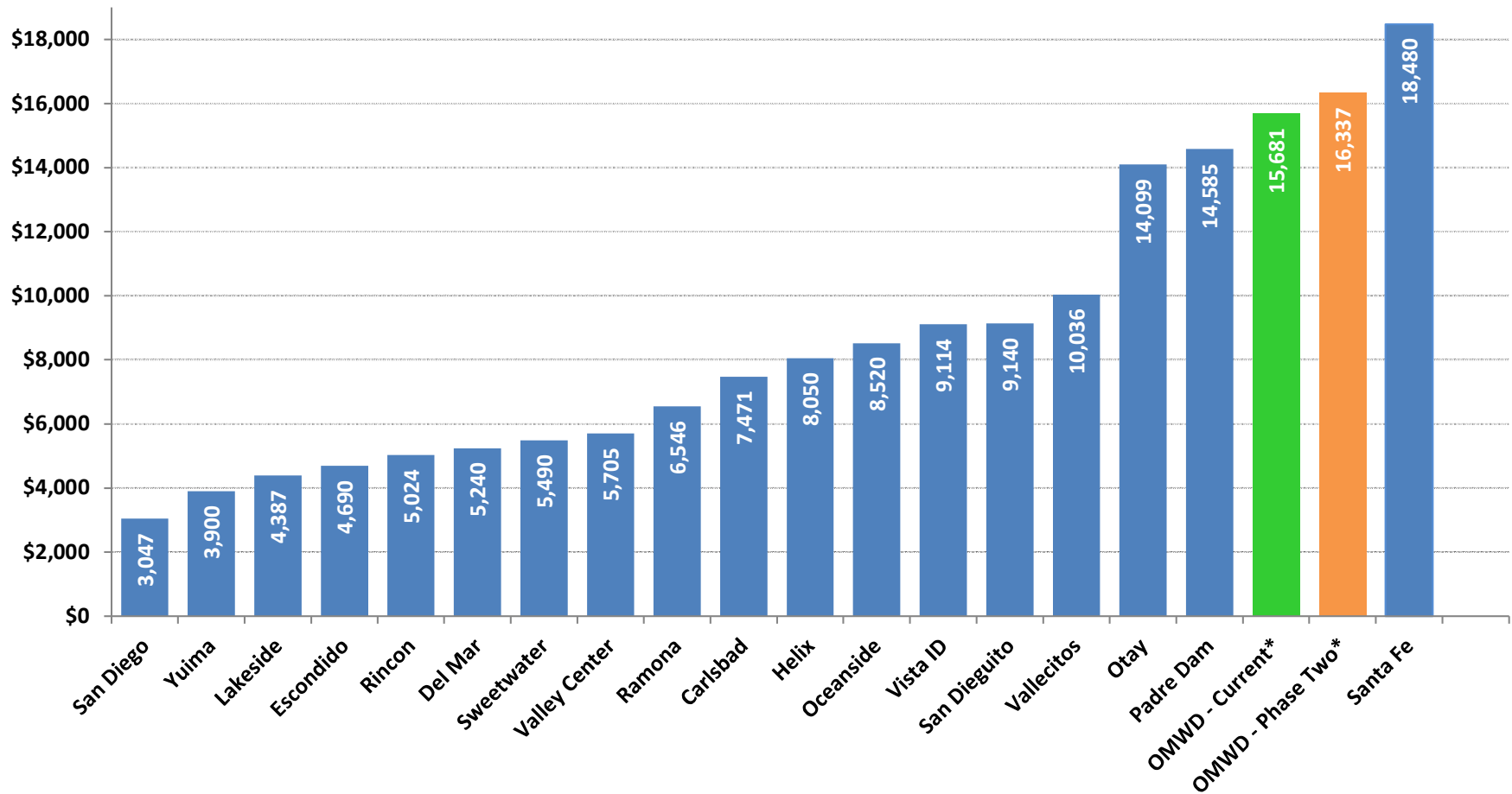
Staff will be available to answer any questions.

Attachments:

Attachment 1 – 2024 Water Capacity Fee Survey

Attachment 2 – Water Capacity Study Report (Raftelis)

SURVEY OF SDCWA MEMBER AGENCY WATER CAPACITY FEES
As of August 2024



*OMWD - Average 3/4' meter fee for Single Family Dwelling across Zones A-E

Olivenhain Municipal Water District

Water Capacity Fee Study

June 14, 2023



June 14, 2023

Ms. Kimberly Thorner
Ms. Rainy Selamat
Finance Manager
Olivenhain Municipal Water District
1966 Olivenhain Road
Encinitas, CA 92024

Subject: Water Capacity Fee Study

Dear Ms. Thorner,

Raftelis is pleased to provide this Water Capacity Fee Report (Report) to Olivenhain Municipal Water District (District). This Report details the methodology and calculations used to determine the water capacity fee.

We have calculated fees for ultimate buildout conditions under the capacity buy-in method for the different zones in the District. There are significant changes to existing water capacity fees based on detailed review of the assets used in the different zones.

It has been a pleasure working with District Staff and we thank Leo Mendez, Rainy Selamat, and Lindsey Stephenson, for the support provided during this Study.

Sincerely,

Raftelis

Sudhir Pardiwala
Executive Vice President

Sarah Wingfield
Associate Consultant

Table of Contents

1.	EXECUTIVE SUMMARY	1
1.1.	BACKGROUND OF THE STUDY	1
1.2.	CURRENT WATER CAPACITY FEES	2
1.3.	CALCULATED WATER CAPACITY FEES	4
1.4.	ECONOMIC AND LEGAL FRAMEWORK.....	5
1.4.1.	Economic Framework	5
1.4.2.	Legal Framework and California Requirements	6
2.	METHODOLOGY OVERVIEW	7
2.1.	CAPACITY FEE METHODOLOGIES	7
2.1.1.	Equity Buy-in Approach.....	7
2.1.2.	Capacity Buy-in Approach.....	8
2.1.3.	Incremental Cost Approach.....	8
2.1.4.	Hybrid Approach	9
2.1.5.	Recommended methodology	9
2.2.	ASSET VALUATION OPTIONS.....	9
2.2.1.	Original Cost.....	9
2.2.2.	Replacement Cost	10
2.2.3.	Original Cost Less Depreciation	10
2.2.4.	Replacement Cost Less Depreciation (RCLD)	10
2.2.5.	Recommended Asset Valuation Method	10
3.	PROPOSED CAPACITY FEES.....	11
3.1.	BUY-IN SYSTEM VALUE	11
3.2.	EQUIVALENT UNITS.....	12
3.3.	CALCULATED CAPACITY FEES	12
3.4.	CALCULATED CAPACITY FEE SCHEDULE	13

List of Tables

Table 1-1: Current Water Capacity Fees by Zone	2
Table 1-2: Calculated Water Capacity Fees by Zone Compared to Current for CY 2023	4
Table 1-3: Calculated Water Capacity Fees by Meter Size by Zone	4
Table 1-4: Proposed Calculated Water Capital Facility Fees for a ¾" Meter	4
Table 1-5: Hydraulic Capacity of Meters to Calculate Fees for Larger Meters	5
Table 3-1: Buy-in Component System Value.....	12
Table 3-2: Build-out EDUs by Zone	12
Table 3-3: Base Capacity Fee Calculation for One EDU (¾" meter)	13
Table 3-4: Zonal Component Capacity Fee Calculation for One EDU (¾" meter)	13
Table 3-5: Total Capacity Fee by Zone for One EDU (¾" meter)	13
Table 3-6: OMWD Meter Capacity Ratio.....	14
Table 3-7: Calculated Zonal Water Capacity Fees by Meter Size	14
Table 3-8: Comparison of ¾" Current and Calculated Water Capacity Fees by Zone	14
Table 3-9: Proposed Water Capital Facility Fees for ¾-in Meter	15

List of Figures

Figure 1-1: Zones of Benefit	3
Figure 2-1: Equity Buy-In Method	7
Figure 2-2: Capacity Buy-In Method	8
Figure 2-3: Incremental Cost Method	8
Figure 2-4: Hybrid Approach	9

List of Appendices

APPENDIX A: Zones of Benefit - Map	
APPENDIX B: Water Capital Fee Assets Valuation	
APPENDIX C: Water Pipeline Assets Valuation	
APPENDIX D: Engineering News-Record's Los Angeles -City Construction Cost Index	

Glossary of Terms

Buy-in method – An approach to determining capacity fees based on the value of the existing system's capacity. This method is typically used when the existing system has sufficient capacity to serve new development; may also be used in conjunction with the incremental cost method resulting in the hybrid approach. There are two approaches under the buy-in method. The first is based on the existing demand in the system and called Equity buy-in, the second is **Capacity buy-in or System buy-in** where the value is based on the total capacity of the system. This results typically in a lower capacity fee as the system capacity is typically more than the demand of the existing users.

Capacity – The water utility's ability to have a certain quantity or level of resources available to meet the water service needs of its customers. Including quantity, quality, peak loads, and other service requirements of the various customers or classes of customers served by the utility.

Capacity fee – A contribution of capital toward existing or planned future facilities necessary to meet the service needs of new customers to which such fees apply. Three methods used to determine the amount of these charges are the buy-in method, the incremental cost method, and the hybrid approach which includes elements of the first two methods. Various terms are used to describe these charges in the industry, but these charges are intended to provide funds to be used to finance all or part of capital improvements necessary to serve new customers.

Contribution in aid of construction (CIAC) – Any amount of money, services, or property received by a water utility from any person or developer or governmental agency that is provided at no cost to the utility.

Debt – An obligation resulting from the borrowing of money or from the purchase of goods and services for the purpose of constructing utility long-lived fixed assets.

Debt service – The amounts of money necessary to pay interest and principal requirements for a given series of years.

Depreciation – The loss in service value not restored by current maintenance as applied to depreciable plant facilities. Depreciation is incurred in connection with the consumption or prospective retirement of plant facilities in the course of providing service. This depreciation is the result of causes known to be in current operation and against which the utility is not protected by insurance. Among the causes are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in technology, changes in demand, and requirements of public authorities. The proper level of depreciation expense at any given time should be based on the costs of depreciable plant in service. The funds resulting from depreciation are available for replacements, improvements, expansion of the system, or for repayment of the principal portion of outstanding debt.

Equivalent dwelling unit – a single family unit is typically defined as an equivalent dwelling unit (EDU). For water service the standard meter is considered to be one EDU. For the District, the standard meter size for single family residential connections is $\frac{3}{4}$ -inch.

Equivalent meter- ratio – The ratio of the cost of investment in larger meters and services to those of a base meter size, such as the $\frac{3}{4}$ -inch meter typically used for residential customers.

Incremental cost method – An approach to determining capacity fees based on the value or cost to expand the existing system's capacity. This method is typically used when the existing system has limited or no capacity to serve

new development and new or incremental facilities are needed to serve new development now and into the future; may also be used in conjunction with the buy-in method resulting in the combined cost approach.

Hybrid approach – An approach to determining capacity fees based on a blended value of both the existing and expanded system's capacity. This method is typically used where some capacity is available in parts of the existing system (e.g., source of supply), but new or incremental capacity will need to be built in other parts (e.g., treatment plant) to serve new development at some point in the future; a combination of the buy-in and incremental cost approaches.

Original cost – The cost at which an asset is purchased, also called book value.

Replacement cost – The current cost of replacing an asset. Typically, an asset purchased years ago will cost more to replace now because of inflation. One method of determining the current value of an asset is by using inflation factors. The Engineering News-Record Construction Cost Index is widely used to determine current value.

Replacement cost less depreciation – is the depreciated value of the replacement cost. Since the current users have used the asset, it is no longer new and this cost represents a better value of the asset than the new cost.

Unit of service – An element of service for which a cost can be ascertained, such as EDUs, thousand gallons, hundred cubic feet, million gallons per day, etc.

1. Executive Summary

In Spring 2022, the Olivenhain Municipal Water District (District) engaged Raftelis to conduct an analysis of its water capacity fees and to document this analysis in a written report. This Water Capacity Fee Study Report (Report) supersedes the 2011 Water Capacity Fee Study and provides a detailed summary of our analysis in which we determined updated water capacity fees in accordance with Government Code Section 66013. The results of this study are independent of prior studies. The analysis presented in this report utilizes the capacity buy-in method to calculate the water capacity fees. Proposed capacity fees for water are based on meter size for all customers. Numbers shown in all the tables of this report are rounded; therefore, hand calculations based on the displayed numbers, such as summing or multiplying, may not equal the exact results shown.

1.1. Background of the Study

The District provides water services to a population of approximately 87,000 in Encinitas, Carlsbad, San Diego, Solana Beach, and neighboring communities. The District is a member of the San Diego County Water Authority (SDCWA), from which it purchases all of its potable water supply. The District also provides recycled water to its customers. Recycled water is produced at the District's water reclamation facility or purchased from the City of San Diego, Santa Fe Valley Community Services District, Vallecitos Water District, and the San Elijo Joint Powers Authority. The District's water system is nearly built-out and can accommodate new connections resulting from the projected minimal growth. The water system comprises approximately 466 miles of pipe ranging from 0.5-48 inches in diameter, 1 potable water treatment plant, 1 water reclamation facility, 18 reservoirs, and 10 pump stations. The District is considering investing in local water supply projects such as the San Dieguito Valley Groundwater project and will continue to expand its Recycled Water System to reduce its reliance on imported water from SDCWA. The District's other capital improvement programs mainly consist of betterment and replacement of its water infrastructures.

Capacity fees are one-time fees assessed by the District to new users as a condition of establishing a new connection to the District's water system or at the expansion of an already existing connection. The capacity fee requires new users, to pay for their share of costs to construct facilities required to provide their utility service, or, in the case of increased density, their increase of intensity use. Revenues generated through capacity fees are used to finance costs associated with the water facilities required to serve customers in their zones of benefits. These fees are designed to be proportional to the demand placed on the system by the new or expanded connection. The primary objective of establishing a capacity fee is to provide an equitable means by which new system users (or existing customers requiring additional capacity) may contribute their fair-share towards the costs associated with the water facilities required to serve them. This way, capacity fee revenues in effect, reimburse existing users (through lower rates) for costs they have incurred to build and maintain capacity for new users in their zones of benefits. The recommended capacity fees for the service area do not exceed the estimated reasonable costs of providing the facilities for which they are collected and are of proportional benefit to the property being charged.

In accordance with the District's Administrative and Ethics Code, the District evaluates capacity fees on annual basis to determine if appropriate funds are being collected to pay for necessary future capital and replacement projects and updates the fees to present value using the Engineering News Record Construction Cost Index for Los Angeles (ENR-CCI-LA).

The District retained Raftelis to assist in updating the 2011 Water Capacity Fee Study. The purpose of this update is to:

- Update existing water capacity fees, which includes:
 - Assessing the methodology of calculating the fees by meter size and the Zone of Benefit. A map showing the Zone of Benefit is included in **Figure 1-1**
 - Adding additional assets and depreciation since 2011 (when the last capacity fee study was completed).
 - Update asset valuations to fiscal year 2021/22 dollars.
 - Review existing and future equivalent dwelling units (EDUs).
 - Update calculated pipeline replacement costs based on:
 - Revised lineal feet of pipelines based on the District's latest GIS data.
 - Cost per inch per lineal foot, based on the midpoint of recent pipeline constructions bids.
 - Review fiscal year 2022/23 water capital improvement projects.

- Validate the methodology of calculating and assessing the fees by Zone of Benefit.

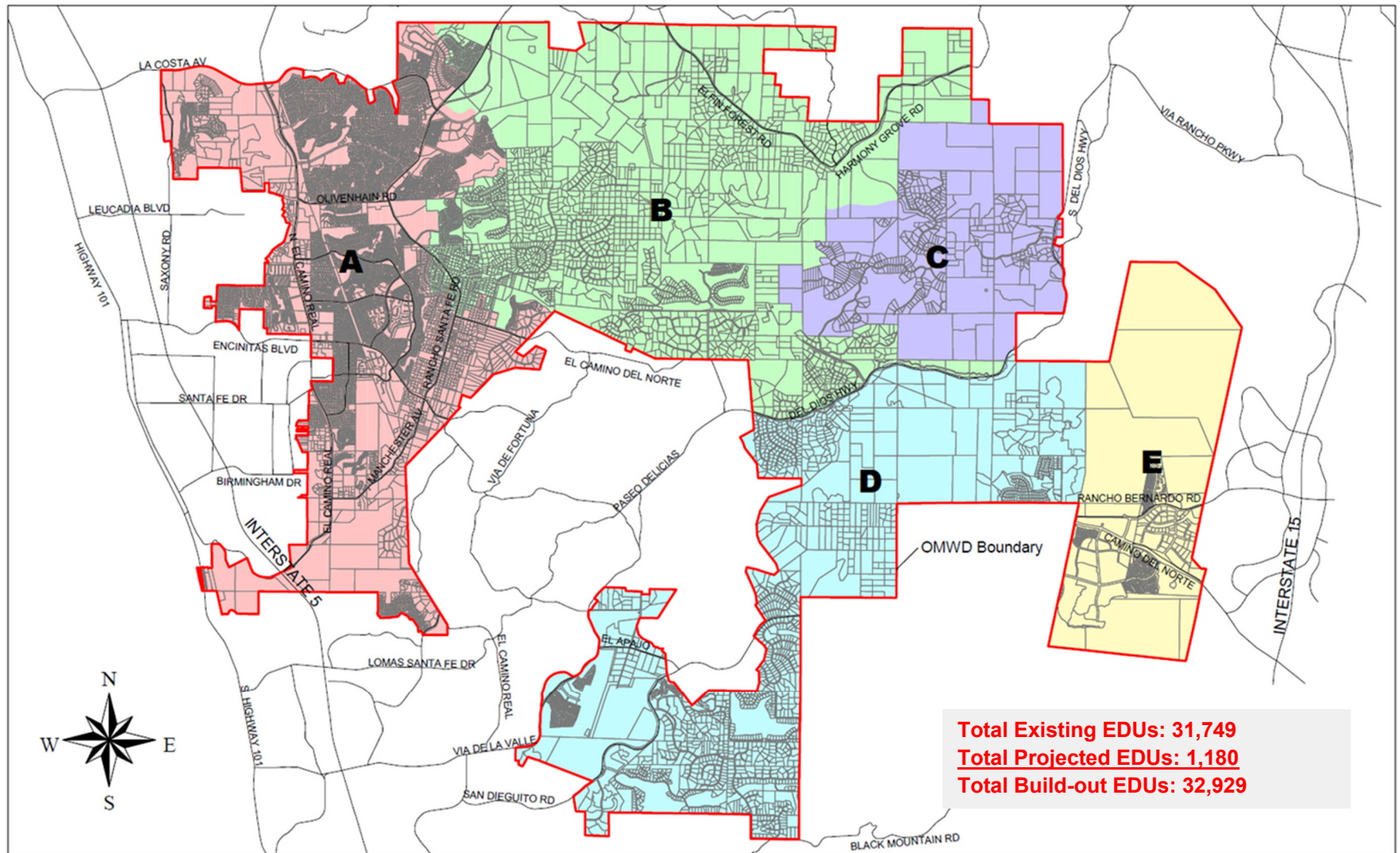
1.2. Current Water Capacity Fees

Table 1-1 shows the District's current water capacity fees by zone and meter size. The current capacity fee schedule was developed in 2011 and has annually adjusted with inflation as measured by the Engineering News-Record Construction Cost Index (CCI) for Los Angeles.

Table 1-1: Current Water Capacity Fees by Zone

Meter Size	Zone A	Zone B	Zone C	Zone D	Zone E
5/8 inch	\$11,288	\$8,099	\$8,248	\$17,093	\$8,365
3/4 inch	\$16,126	\$11,570	\$11,785	\$24,421	\$11,951
1 inch	\$30,640	\$21,986	\$22,395	\$46,400	\$22,709
1-1/2 inch	\$49,993	\$35,875	\$36,540	\$75,708	\$37,053
2 inch	\$80,637	\$57,864	\$58,938	\$122,112	\$59,765
3 inch	\$164,500	\$118,045	\$120,237	\$249,108	\$121,924
4 inch	\$275,779	\$197,900	\$201,576	\$417,625	\$204,405
6 inch	\$580,592	\$416,634	\$424,371	\$879,214	\$430,326
8 inch	\$1,048,294	\$752,257	\$766,227	\$1,587,472	\$776,979

Figure 1-1 Zones of Benefit



1.3. Calculated Water Capacity Fees

The methodology used in this study to calculate water capacity fees is consistent with industry standards and practiced widely by water utilities in the country. **Table 1-2** shows the calculated water capacity fees schedule for a ¾-inch meter. **Table 1-3** shows the capital facility fees for the different meter sizes. The District is no longer installing new 5/8-inch connections. Therefore, calculated water capacity fee for a 5/8-inch meter by Zone of Benefit is not included and shown in the table below.

Table 1-2: Calculated Water Capacity Fees by Zone Compared to Current for CY 2023

Comparison (a ¾-inch meter)	Current	Calculated	Difference (\$)	Difference (%)
Zone A	\$16,126	\$21,700	\$5,574	35%
Zone B	\$11,570	\$12,570	\$1,000	9%
Zone C	\$11,785	\$14,004	\$2,219	19%
Zone D	\$24,421	\$24,764	\$343	1%
Zone E	\$11,951	\$14,612	\$2,660	22%

Table 1-3: Calculated Water Capacity Fees by Meter Size by Zone

Meter Size	Zone A	Zone B	Zone C	Zone D	Zone E
5/8 inch	N/A	N/A	N/A	N/A	N/A
3/4 inch	\$21,700	\$12,570	\$14,004	\$24,764	\$14,612
1 inch	\$41,231	\$23,884	\$26,608	\$47,052	\$27,762
1-1/2 inch	\$67,272	\$38,968	\$43,412	\$76,768	\$45,297
2 inch	\$108,502	\$62,852	\$70,020	\$123,820	\$73,059
3 inch	\$221,345	\$128,217	\$142,840	\$252,593	\$149,041
4 inch	\$371,078	\$214,953	\$239,468	\$423,465	\$249,862
6 inch	\$781,218	\$452,532	\$504,143	\$891,504	\$526,025
8 inch	\$1,410,532	\$817,072	\$910,257	\$1,609,661	\$949,768

Since the Calculated Water Capacity Fees shown in the above tables show significant increases compared to the current water capacity fees for Zones A, C, and E, the District is considering to phase in these increases over five years and adjusting the fees through 2027 by the percentages shown in **Table 1-4**.

Table 1-4: Proposed Calculated Water Capacity Fees for a ¾" Meter

	2023	2024	2025	2026	2027
Zone A	7.0%	7% + ENR Adj. ¹	7% + ENR Adj.	7% + ENR Adj.	7% + ENR Adj.
Zone B	1.8%	1.8% + ENR Adj.	1.8% + ENR Adj.	1.8% + ENR Adj.	1.8% + ENR Adj.
Zone C	3.8%	3.8% + ENR Adj.	3.8% + ENR Adj.	3.8% + ENR Adj.	3.8% + ENR Adj.
Zone D	1.0%	ENR Adj.	ENR Adj.	ENR Adj.	ENR Adj.
Zone E	4.4%	4.4% + ENR Adj.	4.4% + ENR Adj.	4.4% + ENR Adj.	4.4% + ENR Adj.

¹ ENR Adjustment is based on Engineering News-Record Construction Cost Index for the City of Los Angeles.

Both current and calculated water capacity fees for larger meters will be proportionately higher based on the hydraulic capacity of the meters as shown in **Table 1-5** and are described further in section 3.4

Table 1-5: Hydraulic Capacity of Meters to Calculate Fees for Larger Meters

Meter Size	Meter Ratio
3/4 inch	1.00
1 inch	1.90
1-1/2 inch	3.10
2 inch	5.00
3 inch	10.20
4 inch	17.10
6 inch	36.00
8 inch	65.00

1.4. Economic and Legal Framework

1.4.1. ECONOMIC FRAMEWORK

For publicly owned systems, most of the assets are typically paid for by the contributions of existing customers through rates, charges, securing debt, and taxes. In service areas that incorporate new customers, the infrastructure developed by previous customers is generally extended towards the service of new customers. Existing customers' investment in the existing system capacity allows newly connecting customers to take advantage of unused surplus capacity. New connectors typically "Buy-In" the existing and pre-funded facilities to establish economic equality among new and existing customers, putting them on par with existing customers. In other words, the new users are buying into the existing system based on the replacement costs of existing assets to continue providing the same service level to new customers through repairs, expansions, and upgrades to the system.

The basic economic philosophy behind capacity fees is that the costs of providing service should be paid for by those that receive utility from the product. To effect fair distribution of the value of the system, the charge should reflect a reasonable estimate of the cost of providing capacity to new users and not unduly burden existing users through a rate increase. Accordingly, many utilities make this philosophy one of their primary guiding principles when developing their capacity fee structure.

The philosophy that service should be paid for by those that receive utility from the product is often referred to as "growth-should-pay-for-growth." The principal is summarized in the American Water Works Association (AWWA) Manual M26: *Water Rates and Related Charges*:

"The purpose of designing customer-contributed-capital system charges is to prevent or reduce the inequity to existing customers that results when these customers must pay the increase in water rates that are needed to pay for added plant costs for new customers. Contributed capital reduces the need for new outside sources of capital, which ordinarily has been serviced from the revenue stream. Under a system of contributed capital, many water utilities are able to finance required facilities by use of a 'growth-pays-for-growth' policy."

This principle, in general, applies to water, wastewater, and storm drainage systems. In the excerpt above, customer-contributed-capital system charges are equivalent to capacity fees.

1.4.2. LEGAL FRAMEWORK AND CALIFORNIA REQUIREMENTS

In establishing capacity fees, it is vital to understand and comply with local laws and regulations governing the establishment, calculation, and implementation of capacity fees. The following sections summarize the regulations applicable to developing capacity fees for the District.

Capacity fees must be established based on a reasonable relationship to the needs and benefits of additional development or expansion. Courts have long used a standard of reasonableness to evaluate the legality of development charges. The basic statutory standards governing capacity fees are embodied by California Government Code Sections 66013, 66016, 66022, and 66023. Government Code Section 66013 contains requirements specific to determining utility development charges:

“Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount the fee or charge in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.”

Section 66013 also includes the following general requirements:

- Local agencies must follow a process set forth in the law, making certain determinations regarding the purpose and use of the charge; they must establish a nexus or relationship between a development project and the public improvement being financed with the charge.
- The capacity charge revenue must be segregated from the General Fund in order to avoid commingling of capacity fees and the General Fund.

2. Methodology Overview

A capital facility fee is generally a one-time charge paid by a new water system customer for the cost of facilities necessary to provide water system capacity to that new customer. However, it is also assessed to existing customers requiring increased water system capacity. Revenues generated by this charge are used to pay for water facilities needed to serve new customers.

2.1. Capacity Fee Methodologies

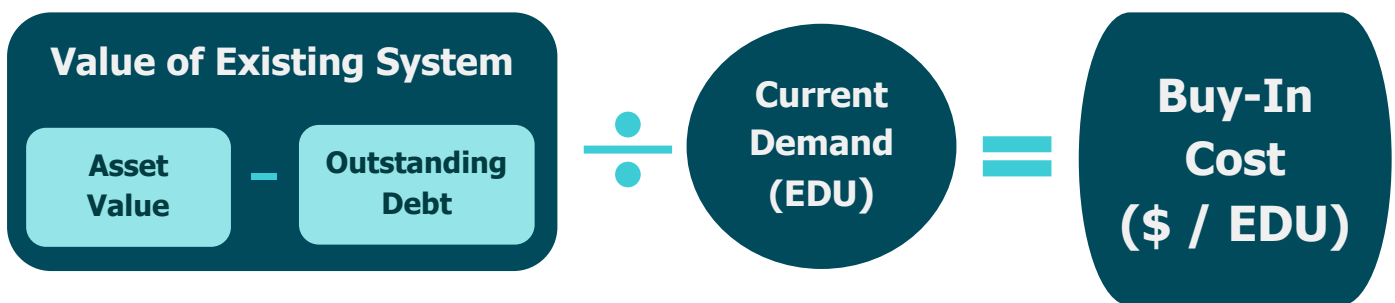
There are several methodologies for calculating capacity fees. The various approaches have largely evolved on the basis of changing public policy, legal requirements, and the unique and special circumstances of every local agency. However, there are two general approaches that are widely accepted and appropriate for water capacity fees.

2.1.1. EQUITY BUY-IN APPROACH

The equity buy-in method focuses on total value and current demand of the existing system. This method is utilized when existing users have developed and maintained a utility system that can accommodate further growth. Since existing customers have already financed the costs associated with developing the current system, new customers will pay their respective portion of the net investment. The net equity investment, or value of the existing system, is then divided by the current demand of the system to determine the buy-in cost per unit of capacity (UOC). For water systems, a unit of capacity is generally an equivalent dwelling unit (EDU) typically measured by the standard single family meter size.

For example, if the current system has 1,000 units of usage in a typical year and the new connection would average an additional equivalent unit of usage, the new connection will cost 1/1000 of the total value of the existing system. By following this method, the new customer has bought into the current system by paying their portion of the overall system based on their strain or capacity access of the system. This places them in an equal financial position to the pre-existing customers. The process for this method is shown in **Figure 2-1**.

Figure 2-1: Equity Buy-In Method

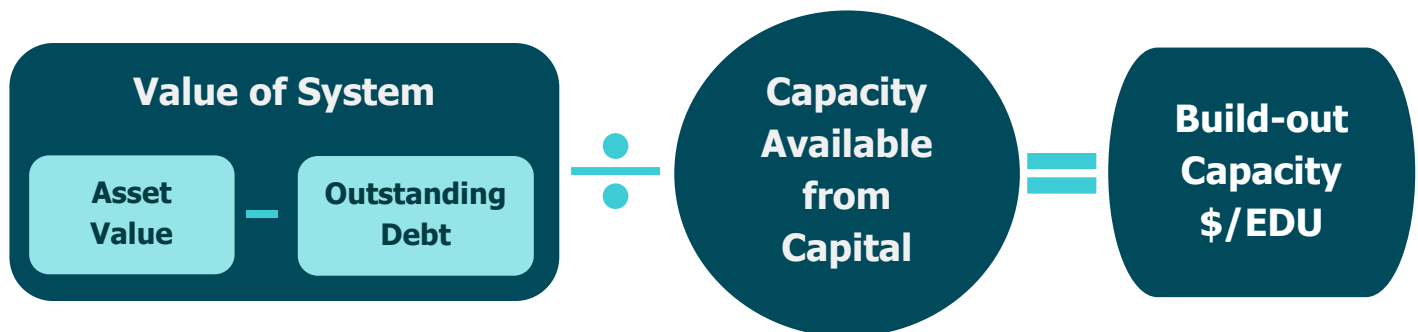


As shown, the value of the system typically includes asset value less any outstanding debt principal. Likewise, debt obligations are secured by the value of the system and used to pay for the assets of the system. Once the value of the existing system is determined, this is divided by the current demand (EDUs) and the buy-in cost is determined for various connection types.

2.1.2. CAPACITY BUY-IN APPROACH

The capacity buy-in approach is based on the same premise as that for the equity buy-in approach – that new customers share in the system costs with existing customers. The difference between the two approaches is that for the capacity buy-in approach, for each major asset, the value is divided by its capacity. This approach has a major challenge as determining the capacity of each major asset is problematic, as the system is designed for peak use and customer behavior fluctuates based on economics and water conservation. **Figure 2-2** illustrates the framework for calculating the capacity buy-in fee. In this case, the capacity at build-out is used to address the challenge of determining the capacity of the assets.

Figure 2-2: Capacity Buy-In Method

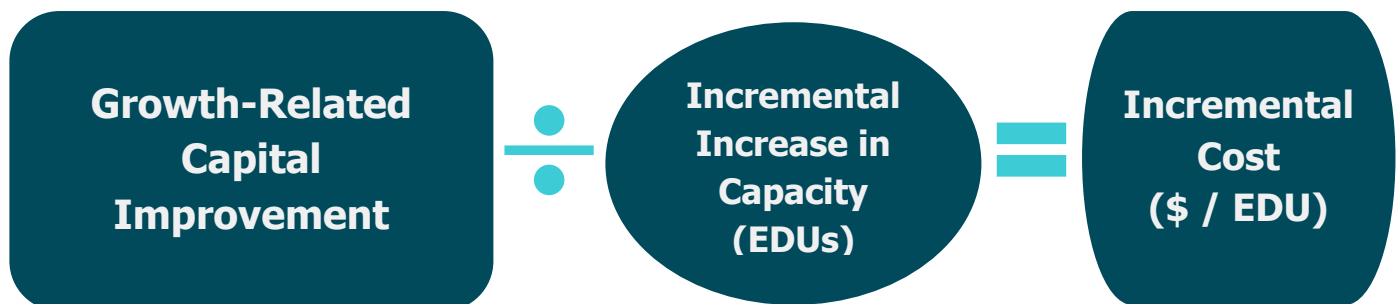


2.1.3. INCREMENTAL COST APPROACH

The incremental method is based on the premise that new development (new users) should pay for the additional capacity and expansions necessary to serve the new development. This method is typically used where there is little or no capacity available to accommodate growth and expansion is needed to service the new development. Under the incremental method, growth-related capital improvements are allocated to new development based on their estimated usage or capacity requirements, irrespective of the value of past investments made by existing customers.

For instance, if it costs X dollars (\$X) to provide 100 additional units of capacity for average usage and a new connector uses one of those units of capacity, then the new user would pay \$X/100 to connect to the system. In other words, new customers pay the incremental cost of capacity. As with the equity buy-in approach, new connectors will effectively acquire a financial position that is on par with existing customers. Use of this method is considered to be most appropriate when a significant portion of the capacity required to serve new customers must be provided by the construction of new facilities. **Figure 2-3** shows the framework for calculating the incremental cost fee.

Figure 2-3: Incremental Cost Method

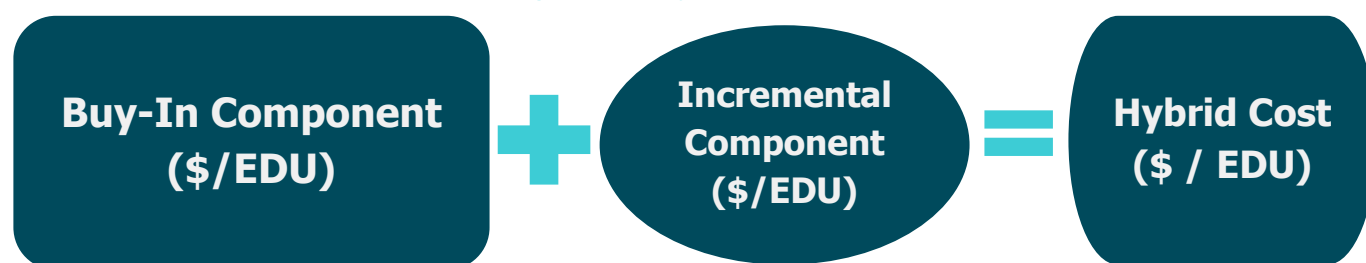


2.1.4. HYBRID APPROACH

The hybrid approach is typically used where some capacity is available to serve new growth, but additional expansion is still necessary to accommodate new development. Under the hybrid approach the capacity fee is based on the summation of the existing capacity and any necessary expansions.

In utilizing this methodology, it is important that system asset costs are not double counted when combining costs of the existing system with future costs from expanding the system. Asset costs that are included in the incremental costs should be excluded from the existing system. Capital Improvement Program (CIP). CIP costs that expand system capacity to serve future customers may be included proportionally to the percentage of the cost specifically required for expansion of the system. **Figure 2-4** summarizes the framework for calculating the hybrid capacity fee.

Figure 2-4: Hybrid Approach



2.1.5. RECOMMENDED METHODOLOGY

The District staff anticipates minimum future growth since the District is at about 95% build-out. Therefore, the system is mainly built out. As a result, Raftelis recommends the capacity buy-in approach for the calculation of the capacity. Under this approach, the buildout capacity that is expected is used as the denominator to determine the capacity fee.

2.2. Asset Valuation Options

Four principal methods are used to estimate the asset value of existing facilities: original cost (OC), replacement cost (RC), original cost less depreciation (OCLD), and replacement cost new less depreciation (RCLD).

2.2.1. ORIGINAL COST

The principal advantages of original cost valuation are relative simplicity and stability since the recorded costs of fixed assets are held constant. The major criticism levied against OC is the disregard of changes in the time value of money, and future capital costs, which are attributable to inflation and other factors. History shows that prices tend to increase rather than remain constant or decrease. This situation may be exacerbated since most water and sewer systems are developed over time on a piecemeal basis as demanded by the customer base and service area growth. Consequently, each asset addition is paid for with dollars of different purchasing power. When these outlays are added together to obtain a plant value, the result can be misleading. Additionally, the original cost does not account for the depreciation of facilities and other assets as they age which may not be representative of the state of the systems. We discuss depreciation in further detail below.

2.2.2. REPLACEMENT COST

Changes in the value of assets over time, represented by general inflation, are recognized by the replacement cost valuation. The replacement cost represents the cost of duplicating the existing water facilities (or duplicating their functions) in current dollars. Unlike the original cost approach, the replacement cost approach recognizes price level changes that have occurred since plant construction and subsequent investments. The most accurate replacement cost valuation requires a physical inventory and appraisal of the utility facilities in terms of their replacement costs at the time of valuation. However, with original cost records available, a reasonable approximation of replacement cost value can be easily derived by trending historical original costs. This approach employs the use of cost indices to express actual capital investment by the utility in current dollars. An obvious advantage of the RC approach is that it accounts for changes in the value of money over time. However, just like the original cost, it does not account for the depreciation of facilities and system assets.

2.2.3. ORIGINAL COST LESS DEPRECIATION

The current value of water facilities is also materially impacted by the effects of age. All assets have estimated useful lives, which vary by type. For example, pumps may have a 20-year life, buildings 50 years, and pipelines 50 to 100 years. Each year an asset is devalued by the fraction of its useful life to original cost. This is referred to as *straight line* or linear depreciation. At the end of an asset's useful life, it is worth zero dollars on paper, though it may still be in service. Depreciation accounts for estimated devaluation in system assets caused by wear and tear, decay, inadequacy, and obsolescence. Original cost valuation can be expressed as net of depreciation to yield the appropriate recognition of the effects of depreciation on existing water and sewer systems. Accumulated depreciation is computed for each asset and deducts losses in valuation based on age or condition from the respective total original cost.

2.2.4. REPLACEMENT COST LESS DEPRECIATION (RCLD)

The RCLD is identical to the original cost less depreciation valuation method, except that asset cost and asset depreciation are in today's dollars rather than the value of the dollar when the asset was placed in service. Original cost and depreciation are inflated using historical indices. Replacement cost depreciation is then subtracted from the replacement cost new of the asset to yield replacement cost less depreciation. RCLD allows for an accounting of system assets in present value while also accounting for proportional devaluation via depreciation.

2.2.5. RECOMMENDED ASSET VALUATION METHOD

Raftelis recommends using the RCLD method to account for today's replacement cost for system improvements while acknowledging the remaining useful life of the system facilities. This is the standard widely used in industry to compute capacity fees. Several factors were reviewed with District staff regarding the system assets, including age of the assets and availability of detailed records. The District provided records of their asset list as of the end of Fiscal Year 2020, which Raftelis utilized to calculate the RCLD value of the system. A complete list of these assets can be found in **Appendix B** and **Appendix C**. Replacement cost was estimated by escalating the original cost to what the current day replacement cost would be. This was accomplished by applying the Engineering News-Record's 20-City Construction Cost Index, shown in **Appendix D**. The depreciation cost was calculated by using a straight-line method of depreciation. This amount was then subtracted from the replacement cost to arrive at the RCLD amounts from the water asset list provided. Pipeline costs have increased significantly and the District obtained quotes on replacing pipelines. These costs were used to value the RCLD of existing pipelines.

3. Proposed Capacity Fees

This section calculates the capacity fees for each zone of benefit. The capacity fee is calculated by dividing the allocated system value in each zone is divided by the current demand on the system in each zone. The system demand in each zone is measured on a per equivalent dwelling unit (EDU) basis. One ¾-in meter represents one EDU. The EDUs for other meters are shown in **Table 3-5** below based on the hydraulic capacity of each meter under the current system. The per EDU amount will then be distributed across the different meter sizes to determine the proposed water capacity fee.

3.1. Buy-In System Value

The initial step in the capacity buy-in method is to determine the value of the water system. Contribution in aid of construction (CIAC) is excluded in determining the value of the water system used for the calculated water capacity fee in this report. Raftelis included outstanding debt principal when calculating the system's value. The asset cost basis for determining the buy-in component of the capacity fee is the RCLD, which estimates the replacement cost reflecting the remaining depreciable life of the facility. System asset data were available through the end of FY 2022. Recycled water assets are included in the valuation of system due to the fact that potable water customers benefit from recycled water facilities as recycled water offsets potable water use and the need for more expensive potable water sources. Recycled water customers also benefit from potable water when recycled water may not be available and pay the same capacity fee developed in this Study. The RCLD is based on the original asset cost adjusted to current costs based on a ratio of the Engineering News-Record, Construction Cost Index (CCI) for Los Angeles, March 2022 to the CCI for the construction year. Pipeline replacement costs are based on District's most recent publicly bid pipeline projects, range from \$55 to \$85 per inch-diameter per foot of length². This study uses an average of \$67 per foot cost to estimate pipeline costs. This replacement cost is adjusted to account for estimated accumulated depreciation through FY 2022. CIAC or contributed assets are excluded in the total net asset value.

Table 3-1 shows the adjusted system value. The adjusted system value reflects the current customers' equity or debt-free investment position. Since new customers, through payment of the general water service rates, would be covering the capital carrying costs of the existing plant, the outstanding debt principal is subtracted from the RCLD Asset Value. Assets in Zone B benefit the whole district and are termed "Base" assets. The assets in each zone are totaled as shown below.

² OMWD Long-term Budgeting for Pipeline Replacement, DRAFT version, May 2023, HDR

Table 3-1: Buy-in Component System Value

Net Asset Value	Total System	Base	Zone of Benefit
Total Water Assets (RCLD)*	\$185,966,836	\$175,376,519	\$10,590,317
Total Recycled Water Assets (RCLD)*	\$11,580,734	\$11,580,734	\$0
Pipeline Costs (RCLD)*	\$458,149,848	\$245,691,321	\$212,458,527
FY 2023 R&R Water Capital Projects	\$11,670,000	\$11,670,000	\$0
Groundwater Project FY 23	\$700,000	\$700,000	\$0
FY 2023 Recycled Water Capital Projects	\$5,361,000	\$5,361,000	\$0
Less Remaining Principal Balance	(\$36,450,820)	(\$36,450,820)	
Total - Net Asset Value	\$636,977,598	\$413,928,754	\$223,048,844

*Exclude Contribution in Aid of Construction (CIAC) assets. Pipeline Costs were calculated as shown in APPENDIX C.

3.2. Equivalent Units

The second step in calculating the capacity fee is determining the current demand. Dividing the system's value by capacity provides a unit cost for the development charge. Capacity is usually expressed in meter equivalents rather than the number of service connections. District Staff provided the number of EDUs for the five distinct zones of benefits. The benefit of using meter equivalents is that it relates the relative capacity of service connections with meters of various sizes, i.e., accounts for the larger meters generating more demand. The District's capacity fee is calculated based on assigned EDUs. EDUs are calculated and assigned by the District's Engineering department based on Article 13 of the District's Administrative and Ethics Code to provide adequate water capacity to each new development and/or a new parcel within the District's service area including peaking and system wide fire protection.

Table 3-2 shows the number of current EDUs by zone.

Table 3-2: Build-out EDUs by Zone

Zone of Benefit	Current EDUs	EDU Projections	Build-Out EDUs
Zone A	16,113	359	16,472
Zone B	4,834	515	5,349
Zone C	590	93	683
Zone D	4,838	126	4,964
Zone E	5,374	87	5,461
Total	31,749	1,180	32,929

3.3. Calculated Capacity Fees

The final step in determining the capacity fee is to divide the adjusted water system value of each zone by the build-out EDUs (Table 3-2). The total net asset value in Table 3-1 is distributed to each zone based on each individual assets. The EDUs relate the relative capacity of service connections with meters of various sizes.

First, we calculate the base capacity fee, these are the assets in Zone B that benefit all zones and is shown in

Table 3-3: Base Capacity Fee Calculation. Zone B includes the District’s water treatment plant. All assets in Zone B, including the pipelines, benefit all the other zones.

Table 3-3: Base Capacity Fee Calculation for One EDU (3/4” meter)

Base Capacity Fee Component	
Base Allocated Asset Costs	\$413,928,754
Distribution Cost	\$0
Build-out EDUs Total	32,929
Base Capacity Fee	\$12,570

Next, we calculate the capacity fee associated with the assets in each zone as shown in **Table 3-4:** Zonal Component Capacity Fee Calculation. Since Zone B assets benefit the whole district and are included as the base capacity fee, no additional zonal capacity fee is considered for Zone B

Table 3-4: Zonal Component Capacity Fee Calculation for One EDU (3/4” meter)

Capacity Fee By Zone	Zone A	Zone B	Zone C	Zone D	Zone E
Zonal Component Asset Value	\$150,391,797	\$0	\$979,163	\$60,529,371	\$11,148,514
Build-Out EDUs By Zone	16,472	5,349	683	4,964	5,461
Zonal Component Capacity Fee per EDU	\$9,130	\$0	\$1,434	\$12,194	\$2,041

The total capacity fee is the sum of the base capacity fee in **Table 3-3** and the zonal component capacity fee shown in **Table 3-4** as shown in **Table 3-5**. Because of the topography and density, the value of the assets serving customers varies significantly along with the corresponding fees.

Table 3-5: Total Capacity Fee by Zone for One EDU (3/4” meter)

Capacity Fee by Zone per EDU	Zone A	Zone B	Zone C	Zone D	Zone E
Base Component Capacity Fee	\$12,570	\$12,570	\$12,570	\$12,570	\$12,570
Zonal Component Capacity Fee	\$9,130	\$0	\$1,434	\$12,194	\$2,041
Total Capacity Fee by Zone	\$21,700	\$12,570	\$14,004	\$24,764	\$14,612

3.4. Calculated Capacity Fee Schedule

The District’s base and most common meter size is ¾-inch. Therefore, the component unit charge is applied to the ¾-inch meter which is equated to one EDU. The capacity of each meter size is used to determine the meter ratio compared to the ¾-inch meter based on the Engineer’s Report prepared for Olivenhain Municipal Water District Assessment District No.96-1 Olivenhain Water Storage Project adopted by the Board of Directors. The calculated fee schedule is proportional to the meter capacity ratio. The capacity ratios shown in **Table 3-6:** OMWD Meter Capacity Ratio are used to determine the fees for the various meter sizes.

Table 3-6: OMWD Meter Capacity Ratio

Meter Size	Meter Ratio/EDU
5/8 inch	0.70
3/4 inch	1.00
1 inch	1.90
1-1/2 inch	3.10
2 inch	5.00
3 inch	10.20
4 inch	17.10
6 inch	36.00
8 inch	65.00

Table 3-7 shows the calculated water capacity fee by meter size by zone. The fee by meter size is calculated by multiplying the fee per EDU, derived in Table 3-5, by the meter ratios, defined in Table 3-6, at each zone.

Table 3-7: Calculated Zonal Water Capacity Fees by Meter Size

Meter Size	Zone A	Zone B	Zone C	Zone D	Zone E
5/8 inch	N/A	N/A	N/A	N/A	N/A
3/4 inch	\$21,700	\$12,570	\$14,004	\$24,764	\$14,612
1 inch	\$41,231	\$23,884	\$26,608	\$47,052	\$27,762
1-1/2 inch	\$67,272	\$38,968	\$43,412	\$76,768	\$45,297
2 inch	\$108,502	\$62,852	\$70,020	\$123,820	\$73,059
3 inch	\$221,345	\$128,217	\$142,840	\$252,593	\$149,041
4 inch	\$371,078	\$214,953	\$239,468	\$423,465	\$249,862
6 inch	\$781,218	\$452,532	\$504,143	\$891,504	\$526,025
8 inch	\$1,410,532	\$817,072	\$910,257	\$1,609,661	\$949,768

Table 3-8 shows a comparison between the current and calculated water capacity fee per EDU in each zone.

Table 3-8: Comparison of 3/4" Current and Calculated Water Capacity Fees by Zone

Zone	Current	Proposed	Difference (\$)	
Zone A	\$16,126	\$21,700	\$5,574	
Zone B	\$11,570	\$12,570	\$1,000	
Zone C	\$11,785	\$14,004	\$2,219	
Zone D	\$24,421	\$24,764	\$343	
Zone E	\$11,951	\$14,612	\$2,660	

There are significant changes to the capacity fees in Zones A, C, and E. To mitigate the impacts to new customers, the District Board has decided to phase in the increases over five years as shown in **Table 3-9**.

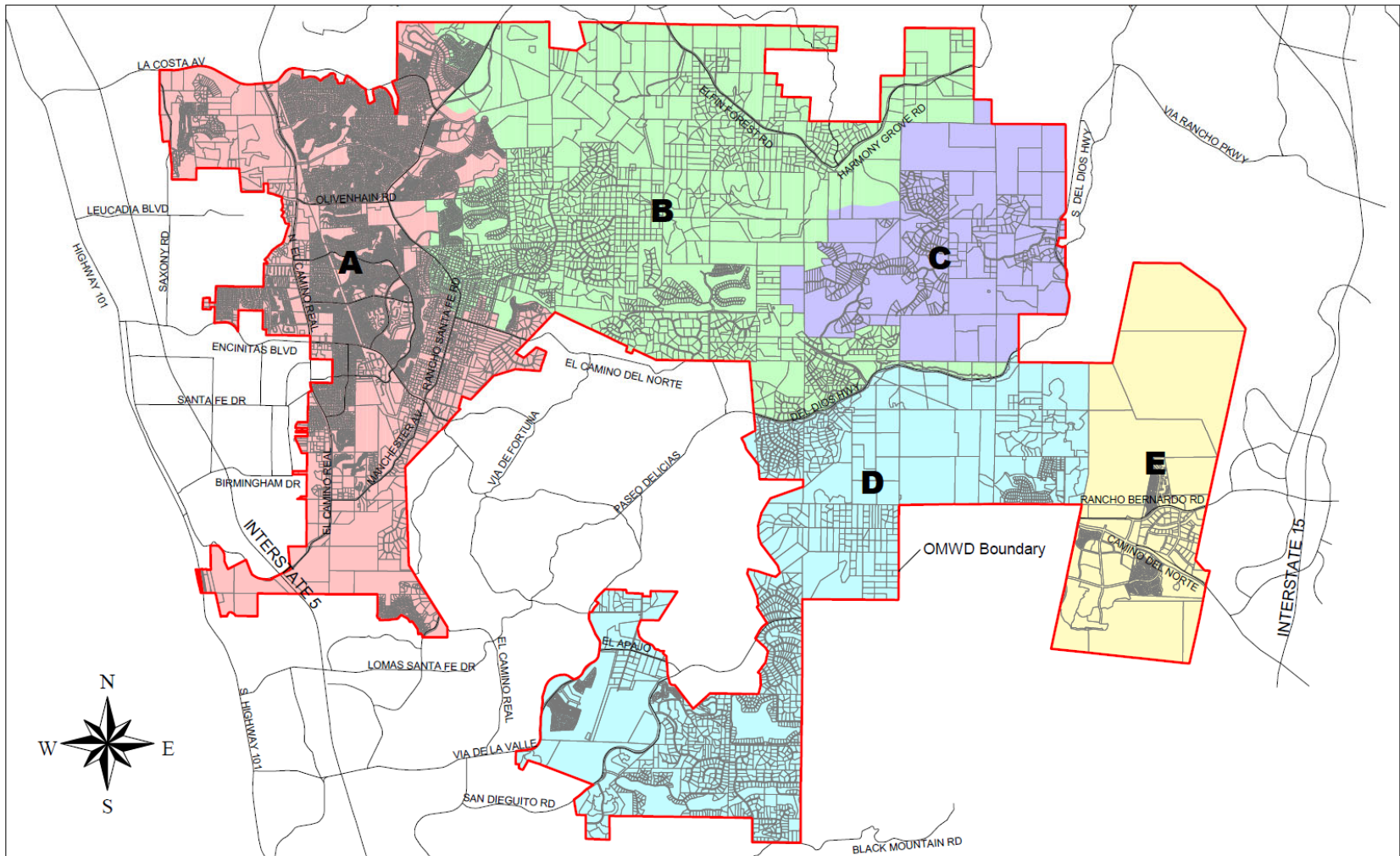
Table 3-9: Proposed Water Capital Facility Fees for ¾-in Meter

	2023	2024	2025	2026	2027
Zone A	7.0%	7% + ENR Adj. ³	7% + ENR Adj.	7% + ENR Adj.	7% + ENR Adj.
Zone B	1.8%	1.8% + ENR Adj.	1.8% + ENR Adj.	1.8% + ENR Adj.	1.8% + ENR Adj.
Zone C	3.8%	3.8% + ENR Adj.	3.8% + ENR Adj.	3.8% + ENR Adj.	3.8% + ENR Adj.
Zone D	1.0%	ENR Adj.	ENR Adj.	ENR Adj.	ENR Adj.
Zone E	4.4%	4.4% + ENR Adj.	4.4% + ENR Adj.	4.4% + ENR Adj.	4.4% + ENR Adj.

³ ENR Adjustment is the Engineering News-Record Construction Cost Index for the City of Los Angeles.

APPENDIX A:

Zones of Benefit Map



APPENDIX B:

Water Capital Fee Assets Valuation

**Appendix B: Water Capital Fee Assets Valuation
Summary**

Zone of Benefit	Total Original Cost	Replacement Cost	Replacement Cost Less Depreciation
A	3,618,823	6,451,178	5,231,598
C	263,909	324,095	179,365
D	5,277,918	8,197,003	5,147,514
E	56,158	70,050	31,841
ALL	203,139,231	325,470,920	186,957,253
Total	212,356,039	340,513,246	197,547,571

Appendix B: Water Capital Fee Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
202102	AUTOMOTIVE	2021 FORD F250 CREW CAB 4X2 (PU111)	\$29,518	\$8,434	\$33,027	\$9,436	\$23,591
202103	AUTOMOTIVE	2021 FORD F150 CREW CAB 4X2 (PU112)	\$22,968	\$6,562	\$25,698	\$7,342	\$18,356
202104	AUTOMOTIVE	2021 FORD F150 CREW CAB 4X2 (PU113)	\$23,397	\$6,685	\$26,178	\$7,479	\$18,698
202105	AUTOMOTIVE	2020 FORD F450 FLATBED DUMP TRUCK (FB25)	\$37,920	\$10,834	\$42,427	\$12,122	\$30,305
297880	AUTOMOTIVE	2019 FORD F250 S/C W/SVC BED (PU109)	\$31,190	\$13,367	\$34,731	\$14,885	\$19,846
297881	AUTOMOTIVE	2019 FORD F250 (PU110)	\$32,337	\$13,859	\$36,009	\$15,432	\$20,576
297882	AUTOMOTIVE	2020 FORD F550 CREW TRUCK (FB02)	\$103,023	\$44,153	\$114,721	\$49,166	\$65,555
297883	AUTOMOTIVE	2020 FORD F450 FLATBED DUMP TRUCK (FB26)	\$42,427	\$18,183	\$47,245	\$20,248	\$26,997
297884	AUTOMOTIVE	2020 FORD TRANSIT 150MR PASSENGER XL VAN	\$30,813	\$13,206	\$34,312	\$14,705	\$19,607
208365	AUTOMOTIVE	2018 FORD F150 S/C 4X2 (PU106)	\$26,763	\$15,293	\$30,234	\$17,276	\$12,957
208366	AUTOMOTIVE	2018 FORD F150 S/C 4X2 (PU105)	\$26,504	\$15,145	\$29,940	\$17,109	\$12,832
208367	AUTOMOTIVE	2018 FORD F150 S/C 4X2 (PU104)	\$30,563	\$17,465	\$34,526	\$19,729	\$14,797
208368	AUTOMOTIVE	2018 FORD F150 S/C 4X2 (PU103)	\$23,925	\$13,671	\$27,028	\$15,444	\$11,583
208369	AUTOMOTIVE	2019 FORD F150 S/C 4X4 (PU108)	\$28,407	\$16,233	\$32,091	\$18,338	\$13,753
208370	AUTOMOTIVE	2018 FORD F150 C/C 4X2 (PU107)	\$24,319	\$13,897	\$27,473	\$15,699	\$11,774
208371	AUTOMOTIVE	2019 FORD F550 4X2 DIESEL (FB01)	\$137,938	\$78,822	\$155,826	\$89,043	\$66,782
208360	AUTOMOTIVE	2017 FORD F250 SUPER DUTY (PU 98)	\$28,486	\$20,347	\$33,020	\$23,586	\$9,434
208361	AUTOMOTIVE	2018 FORD F150 SUPER CAB (PU100)	\$35,946	\$25,676	\$41,667	\$29,762	\$11,905
208362	AUTOMOTIVE	2018 FORD F150 SUPER CAB (PU101)	\$22,819	\$16,299	\$26,451	\$18,893	\$7,557
208363	AUTOMOTIVE	2018 FORD F150 SUPER CAB (PU99)	\$22,819	\$16,299	\$26,451	\$18,893	\$7,557
208364	AUTOMOTIVE	2017 FORD F750 WATER TRUCK	\$42,823	\$21,412	\$49,639	\$24,820	\$24,820
208354	AUTOMOTIVE	2017 FORD F150 4X4 (PU92)	\$39,726	\$34,051	\$48,066	\$41,199	\$6,867
208355	AUTOMOTIVE	2017 FORD F150 4X4 TRUCK (PU94)	\$37,335	\$32,001	\$45,172	\$38,719	\$6,453
208356	AUTOMOTIVE	2017 FORD F150 V-6 (PU95)	\$27,061	\$23,195	\$32,742	\$28,065	\$4,677
208357	AUTOMOTIVE	2017 FORD F150 V-6 (PU96)	\$27,061	\$23,195	\$32,742	\$28,065	\$4,677
208358	AUTOMOTIVE	2017 FORD F150 V-6 (PU93)	\$30,271	\$25,946	\$36,626	\$31,393	\$5,232
208359	AUTOMOTIVE	2017 FORD F250 TRUCK W/SVC BED (PU97)	\$27,138	\$23,261	\$32,835	\$28,144	\$4,691
208350	AUTOMOTIVE	2015 FORD F150 V6 (PU90)	\$19,190	\$16,449	\$23,219	\$19,902	\$3,317
208351	AUTOMOTIVE	FORD F250 EXTRA CAB W/SVC (PU91)	\$25,389	\$21,762	\$30,719	\$26,330	\$4,388
208352	AUTOMOTIVE	2016 FORD F450 REG CAB (FB27)	\$33,599	\$28,799	\$40,652	\$34,845	\$5,807
208353	AUTOMOTIVE	2016 FORD F-650 DUMP TRUCK (D627)	\$67,036	\$57,459	\$81,108	\$69,521	\$11,587
208340	AUTOMOTIVE	2015 Case 580SN 4WD Backhoe (BA09)	\$97,010	\$45,271	\$119,163	\$55,609	\$63,553
202110	AUTOMOTIVE-REC	2021 FORD F250 CREW CAB 4X2 (PU111)	\$5,952	\$1,701	\$6,659	\$1,903	\$4,757
202111	AUTOMOTIVE-REC	2021 FORD F150 CREW CAB 4X2 (PU112)	\$4,626	\$1,322	\$5,176	\$1,479	\$3,697
202112	AUTOMOTIVE-REC	2021 FORD F150 CREW CAB 4X2 (PU113)	\$4,626	\$1,322	\$5,176	\$1,479	\$3,697
202113	AUTOMOTIVE-REC	2020 FORD F450 FLATBED DUMP (FB25)	\$8,025	\$2,293	\$8,979	\$2,565	\$6,413
297890	AUTOMOTIVE-REC	2019 FORD F250 S/C W/SVC BED (PU109)	\$6,233	\$2,671	\$6,941	\$2,975	\$3,966
297891	AUTOMOTIVE-REC	2019 FORD F250 (PU110)	\$6,233	\$2,671	\$6,941	\$2,975	\$3,966
297892	AUTOMOTIVE-REC	2020 FORD F450 FLATBED DUMP (FB26)	\$7,669	\$3,287	\$8,540	\$3,660	\$4,880
297893	AUTOMOTIVE-REC	2020 FORD TRANSIT PASSENGER VAN (VN57)	\$7,747	\$3,320	\$8,627	\$3,697	\$4,930
297894	AUTOMOTIVE-REC	2020 FORD F550 CREW TRUCK (FB02)	\$19,237	\$8,244	\$21,421	\$9,180	\$12,241
728332	AUTOMOTIVE-REC	2018 FORD F150 S/C 4X2 (PU106)	\$1,900	\$1,086	\$2,146	\$1,227	\$920
728333	AUTOMOTIVE-REC	2018 FORD F150 S/C 4X2 (PU105)	\$1,900	\$1,086	\$2,146	\$1,227	\$920
728334	AUTOMOTIVE-REC	2018 FORD F150 S/C 4X2 (PU103)	\$3,793	\$2,167	\$4,285	\$2,448	\$1,836
728335	AUTOMOTIVE-REC	2019 FORD F150 S/C 4X4 (PU108)	\$4,500	\$2,571	\$5,084	\$2,905	\$2,179
728336	AUTOMOTIVE-REC	2018 FORD F150 S/C 4X2 (PU107)	\$4,064	\$2,322	\$4,591	\$2,623	\$1,968
728327	AUTOMOTIVE-REC	2017 FORD F250 SUPER DUTY (PU98)	\$4,600	\$3,286	\$5,332	\$3,809	\$1,523
728328	AUTOMOTIVE-REC	2018 FORD F150 SUPER CAB (PU101)	\$3,600	\$2,571	\$4,173	\$2,981	\$1,192
728329	AUTOMOTIVE-REC	2018 FORD F150 SUPER CAB (PU99)	\$3,600	\$2,571	\$4,173	\$2,981	\$1,192
728330	AUTOMOTIVE-REC	2017 FORD F750 WATER TRUCK	\$42,822	\$21,411	\$49,638	\$24,819	\$24,819

Appendix B: Water Capacital Fee Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
728331	AUTOMOTIVE-REC	2018 FORD F150 SUPER CAB (PU102)	\$5,157	\$3,684	\$5,978	\$4,270	\$1,708
728324	AUTOMOTIVE-REC	2017 FORD F150 V-6 (PU95)	\$4,000	\$3,429	\$4,840	\$4,148	\$691
728325	AUTOMOTIVE-REC	2017 FORD F150 V-6 (PU96)	\$4,000	\$3,429	\$4,840	\$4,148	\$691
728326	AUTOMOTIVE-REC	2017 FORD F250 W/SVC BED (PU97)	\$5,000	\$4,286	\$6,050	\$5,185	\$864
728320	AUTOMOTIVE-REC	2105 FORD F150 V6 (PU90)	\$3,685	\$3,159	\$4,459	\$3,822	\$637
728321	AUTOMOTIVE-REC	FORD F250 EXTRA CAB W/SVC (PU91)	\$4,850	\$4,157	\$5,868	\$5,030	\$838
728322	AUTOMOTIVE-REC	2016 FORD F450 REG CAB (FB27)	\$6,400	\$5,486	\$7,744	\$6,637	\$1,106
728323	AUTOMOTIVE-REC	20 FORD F-650 DUMP TRUCK (D653)	\$13,405	\$11,490	\$16,219	\$13,902	\$2,317
212227	BLDGS/IMPRV	SOLAR PANELS	\$9,933	\$662	\$10,283	\$686	\$9,598
212243	BLDGS/IMPRV	NEW ADMIN BLDG - HQ - CAP FEES	\$24,753	\$619	\$25,626	\$641	\$24,986
202139	BLDGS/IMPRV	OMWD HQ BUILDING	\$13,012,685	\$650,634	\$14,559,407	\$727,970	\$13,831,436
202164	BLDGS/IMPRV	EFRR INTERPRETIVE CENTER ROOF	\$23,428	\$2,343	\$26,213	\$2,621	\$23,591
202165	BLDGS/IMPRV	CAPITALIZED INTEREST 218 BONDS	\$142,073	\$7,104	\$158,961	\$7,948	\$151,013
297872	BLDGS/IMPRV	EFRR RIDGETOP PICNIC AREA FENCING	\$13,200	\$1,584	\$14,699	\$1,764	\$12,935
810089	BLDGS/IMPRV	SECURITY CAMERAS (SECURITY CAMERA KING)	\$6,017	\$4,814	\$6,797	\$5,438	\$1,359
810087	BLDGS/IMPRV	GAS PUMP RELOCATION	\$297,734	\$49,622	\$345,124	\$57,521	\$287,603
810088	BLDGS/IMPRV	WASH BAY RELOCATION	\$298,352	\$49,725	\$345,841	\$57,640	\$288,201
810083	BLDGS/IMPRV	PARKS TRAILER REPAIRS	\$10,399	\$6,239	\$12,582	\$7,549	\$5,033
810084	BLDGS/IMPRV	900 LINEAR FEET OF FENCING - PARKS DEP	\$26,606	\$15,964	\$32,192	\$19,315	\$12,877
298117	BLDGS/IMPRV	CUP Modifications	\$164,406	\$23,017	\$201,950	\$28,273	\$173,677
298115	BLDGS/IMPRV	EFRR Drainage & Paving Improvements	\$67,992	\$21,757	\$85,397	\$27,327	\$58,070
298116	BLDGS/IMPRV	Emergency Power Generating System	\$413,791	\$132,413	\$519,719	\$166,310	\$353,409
298113	BLDGS/IMPRV	Building B Modifications	\$296,324	\$98,775	\$388,077	\$129,359	\$258,718
298110	BLDGS/IMPRV	Admin Ee Parking Lot Lights	\$9,756	\$5,366	\$13,092	\$7,201	\$5,892
298111	BLDGS/IMPRV	Building J	\$4,305,689	\$947,252	\$5,778,151	\$1,271,193	\$4,506,958
298112	BLDGS/IMPRV	Surplus Storage Facility	\$136,092	\$29,940	\$182,633	\$40,179	\$142,454
298102	BLDGS/IMPRV	Fence Around Office Perimeter	\$84,023	\$36,410	\$115,918	\$50,231	\$65,687
298103	BLDGS/IMPRV	Gaty Communications Building	\$42,067	\$13,672	\$58,036	\$18,862	\$39,174
298104	BLDGS/IMPRV	Efr Interpretvie Center	\$17,490	\$9,095	\$24,129	\$12,547	\$11,582
238106	BLDGS/IMPRV	4G Vent Installed	\$2,359	\$2,241	\$4,225	\$4,014	\$211
810081	BLDGS/IMPRV	Master Plan Develop	\$118,107	\$98,422	\$239,077	\$199,231	\$39,846
212229	BLDGS/IMPRV-REC	BLDG D RECYCLED PORTION	\$3,537	\$88	\$3,662	\$92	\$3,570
202167	BLDGS/IMPRV-REC	OMWD HQ OFFICE - RECYCLED PORTION	\$278,679	\$13,934	\$311,804	\$15,590	\$296,213
728104	BLDGS/IMPRV-REC	Wet Weather Pond Fence	\$90,367	\$49,702	\$121,271	\$66,699	\$54,572
728103	BLDGS/IMPRV-REC	Capitalized Interest	\$254,713	\$40,754	\$344,878	\$55,180	\$289,697
728101	BLDGS/IMPRV-REC	4S Rcyld Sys Const	\$2,048,840	\$437,086	\$3,233,531	\$689,820	\$2,543,711
728102	BLDGS/IMPRV-REC	4S Rcyld Sys Int	\$583,563	\$124,494	\$920,995	\$196,479	\$724,516
298407	COMMEQUIP	Knightsbridge Remote Prs I/O	\$41,270	\$20,635	\$54,049	\$27,024	\$27,024
298406	COMMEQUIP	Scada System Upgrades	\$28,419	\$15,631	\$38,138	\$20,976	\$17,162
298405	COMMEQUIP	Radio Repeater @ Berk Rsvr	\$19,827	\$10,905	\$26,607	\$14,634	\$11,973
278402	COMMEQUIP	Gaty/Subnet Opto Replacement	\$188,385	\$141,288	\$286,970	\$215,228	\$71,743
278401	COMMEQUIP	Miller Opto Replacement	\$11,744	\$8,808	\$17,890	\$13,417	\$4,472
268401	COMMEQUIP	4G/Zorro Subnet Tele	\$236,619	\$189,296	\$373,439	\$298,751	\$74,688
268404	COMMEQUIP	Telemetry Installs	\$41,789	\$33,431	\$65,952	\$52,762	\$13,190
268402	COMMEQUIP	Cielo Ps Opto Rplcmt	\$14,221	\$11,377	\$22,445	\$17,956	\$4,489
268403	COMMEQUIP	Miller Hydrogen Opto	\$21,128	\$16,902	\$33,344	\$26,676	\$6,669
248402	COMMEQUIP	Del Mar Flow Meter	\$22,884	\$16,477	\$37,680	\$27,130	\$10,550
238403	COMMEQUIP	Headquarters Antenna	\$77,413	\$73,542	\$138,638	\$131,706	\$6,932
238405	COMMEQUIP	4G Antenna	\$119,013	\$113,062	\$213,141	\$202,484	\$10,657
238406	COMMEQUIP	Gaty Tower	\$35,899	\$34,104	\$64,291	\$61,077	\$3,215

Appendix B: Water Capital Fee Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
238408	COMMEQUIP	Peay Rsvr Cntrl Sys	\$54,669	\$51,936	\$97,907	\$93,011	\$4,895
212233	COMP HW/SW-REC	FY21/22 COMPUTER EQUIPMENT	\$2,073	\$691	\$2,147	\$716	\$1,431
202120	COMP HW/SW-REC	FY 20/21 COMPUTER SUPPLIES	\$1,643	\$1,095	\$1,838	\$1,226	\$613
212230	COMPUTER HW/SW	NETWORK SECURITY	\$52,507	\$17,502	\$54,360	\$18,120	\$36,240
212231	COMPUTER HW/SW	FY21/22 COMPUTER EQUIPMENT	\$65,825	\$21,942	\$68,147	\$22,716	\$45,431
202115	COMPUTER HW/SW	FY 20/21 COMPUTERS, MONITORS, ETC.	\$26,283	\$17,522	\$29,407	\$19,605	\$9,802
202116	COMPUTER HW/SW	NETWORK SECURITY	\$158,277	\$105,518	\$177,090	\$118,060	\$59,030
202117	COMPUTER HW/SW	PHONE SYSTEM	\$65,429	\$43,619	\$73,206	\$48,804	\$24,402
202118	COMPUTER HW/SW	GP UPGRADE	\$23,424	\$15,616	\$26,208	\$17,472	\$8,736
297895	COMPUTER HW/SW	NETWORK SECURITY - HARDWARE	\$20,723	\$12,434	\$23,076	\$13,846	\$9,231
297896	COMPUTER HW/SW	ANTI-VIRUS APPLIANCE (CDW)	\$47,541	\$28,525	\$52,939	\$31,764	\$21,176
708628	COMPUTER HW/SW	NETWORK SECURITY	\$138,429	\$110,744	\$156,381	\$125,105	\$31,276
708629	COMPUTER HW/SW	WAN UPGRADES	\$32,146	\$25,717	\$36,314	\$29,051	\$7,263
868632	COMPUTER HW/SW	INVENTORY BAR CODING	\$40,546	\$24,328	\$49,058	\$29,435	\$19,623
868619	COMPUTER HW/SW	BILLING INTEGRATION WITH GEOVIEWER	\$45,400	\$38,915	\$54,931	\$47,084	\$7,847
868620	COMPUTER HW/SW	FIXED BASE PIPELINE MONITORING	\$16,300	\$13,971	\$19,722	\$16,904	\$2,817
868621	COMPUTER HW/SW	WAN UPGRADES	\$72,998	\$62,570	\$88,322	\$75,705	\$12,617
868622	COMPUTER HW/SW	CUSTOMER UTILITY BILLING	\$1,059,439	\$317,832	\$1,281,849	\$384,555	\$897,294
208707	COMPUTER HW/SW	EAM Upgrades-Databridge to Infinity CIS	\$31,600	\$11,060	\$38,816	\$13,586	\$25,231
208709	COMPUTER HW/SW	Finance ERP	\$145,633	\$50,972	\$178,890	\$62,611	\$116,278
208696	COMPUTER HW/SW	Finance ERP Capitalized Interest	\$55,766	\$22,306	\$70,042	\$28,017	\$42,025
208697	COMPUTER HW/SW	Finance ERP	\$1,534,366	\$613,746	\$1,927,153	\$770,861	\$1,156,292
238801	ELEC SUBSTATION	Elect'L Substation	\$575,669	\$312,506	\$1,030,966	\$559,667	\$471,299
238802	ELEC SUBSTATION	Elect'L Substation	\$575,670	\$218,755	\$1,030,967	\$391,768	\$639,200
870002	HYDROELEC PLANT	Miller Hydro Controls	\$133,905	\$107,124	\$181,305	\$145,044	\$36,261
286001	INTANGBL ASSETS	Conveyance Of Easements	\$88,856	\$73,175	\$129,349	\$106,523	\$22,826
276001	INTANGBL ASSETS	Video Security System (Dam)	\$75,294	\$66,436	\$114,697	\$101,203	\$13,494
256003	INTANGBL ASSETS	Dam & Rsvr Construct	\$24,529,509	\$17,375,069	\$39,867,309	\$28,239,344	\$11,627,965
256004	INTANGBL ASSETS	Pre-Ad 96-1 Costs	\$2,674,656	\$1,894,548	\$4,347,063	\$3,079,170	\$1,267,893
300062	LAND	Gano Reservoir	\$695,031	\$0	\$1,096,915	\$0	\$1,096,915
300060	LAND	Unit G-1 (Greenland)	\$499,009	\$0	\$787,548	\$0	\$787,548
300061	LAND	Denk Inflow PI Esmnt	\$6,000	\$0	\$9,469	\$0	\$9,469
300063	LAND	Unit X Pipeline	\$431,947	\$0	\$681,710	\$0	\$681,710
300056	LAND	Dam & Reservoir	\$811,787	\$0	\$1,319,381	\$0	\$1,319,381
300057	LAND	Dam & Reservoir	\$2,644,992	\$0	\$4,298,852	\$0	\$4,298,852
300058	LAND	WTP Connection Easement	\$1,202,126	\$0	\$1,953,790	\$0	\$1,953,790
300050	LAND	Water Treatment Plnt	\$379,431	\$0	\$679,524	\$0	\$679,524
300051	LAND	Via Ambiente Road	\$134,800	\$0	\$241,413	\$0	\$241,413
300052	LAND	P/L East Mitigation	\$1,001,904	\$0	\$1,794,311	\$0	\$1,794,311
300053	LAND	Wtp Coastal Sage	\$906,985	\$0	\$1,624,320	\$0	\$1,624,320
300054	LAND	P/L West Easement	\$12,432	\$0	\$22,264	\$0	\$22,264
300055	LAND	Land	\$137,641	\$0	\$246,501	\$0	\$246,501
300047	LAND	Right-Of-Way	\$30,565	\$0	\$61,870	\$0	\$61,870
300045	LAND	Master Plan Develop	\$1,505,330	\$0	\$3,134,513	\$0	\$3,134,513
300026	LAND	District Easements	\$1,592	\$0	\$4,352	\$0	\$4,352
300029	LAND	Staver Settlement	\$5,000	\$0	\$13,669	\$0	\$13,669
300023	LAND	District Easements	\$1,990	\$0	\$5,924	\$0	\$5,924
300017	LAND	Unit "K" Phase 1	\$6,725	\$0	\$22,113	\$0	\$22,113
300019	LAND	Unit K Pipeline R/W	\$83,902	\$0	\$275,872	\$0	\$275,872
300018	LAND	General Easements	\$4,050	\$0	\$13,316	\$0	\$13,316

Appendix B: Water Capital Fee Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
300020	LAND	Gaty li Res Site	\$25,127	\$0	\$82,618	\$0	\$82,618
300021	LAND	Denk Reservoir Site	\$109,078	\$0	\$358,651	\$0	\$358,651
300022	LAND	Roger Miller Res Sit	\$63,883	\$0	\$210,049	\$0	\$210,049
300014	LAND	General Easements	\$1,285	\$0	\$4,762	\$0	\$4,762
300001	LAND	Unit "G" Pipeline	\$11,412	\$0	\$44,993	\$0	\$44,993
300012	LAND	Reclass R/W Unit "H"	\$19,699	\$0	\$77,665	\$0	\$77,665
300013	LAND	Completed	\$9,898	\$0	\$39,024	\$0	\$39,024
300004	LAND	Id4 - Reservoir (2)	\$5,928	\$0	\$23,372	\$0	\$23,372
300008	LAND	Wanket Tank Site Aqu	\$10,268	\$0	\$40,485	\$0	\$40,485
300005	LAND	Unit B-1	\$6,536	\$0	\$25,769	\$0	\$25,769
300010	LAND	General Easemnts Dis	\$13,469	\$0	\$53,102	\$0	\$53,102
300011	LAND	Unit "K" Pln Rt Stdy	\$45,607	\$0	\$179,811	\$0	\$179,811
300006	LAND	Id3 Unit	\$1,332	\$0	\$5,252	\$0	\$5,252
310039	LAND IMPRV	Unit G-1 Mitigation	\$214,041	\$85,616	\$280,315	\$112,126	\$168,189
310038	LAND IMPRV	District Office Landscape	\$43,165	\$31,654	\$57,927	\$42,479	\$15,447
310036	LAND IMPRV	Landscaping	\$218,407	\$52,418	\$295,719	\$70,973	\$224,747
310037	LAND IMPRV	Oak Riparian Mitigation	\$65,448	\$15,707	\$88,615	\$21,268	\$67,348
310033	LAND IMPRV	Olivenhain Rd/Cup Permitting	\$1,838,245	\$477,944	\$2,536,050	\$659,373	\$1,876,677
310034	LAND IMPRV	Tree Rmvl/Relo @ District	\$46,380	\$12,059	\$63,986	\$16,636	\$47,350
310031	LAND IMPRV	Elfin Forest Rr Bridge	\$135,007	\$75,604	\$196,533	\$110,058	\$86,475
310032	LAND IMPRV	4G Reservoir Fencing	\$34,925	\$24,447	\$50,841	\$35,589	\$15,252
310027	LAND IMPRV	Denk Inflow P/L Mitigation	\$92,227	\$55,336	\$140,492	\$84,295	\$56,197
310028	LAND IMPRV	Unit G1 Pipeline Mitigation	\$272,736	\$163,642	\$415,464	\$249,279	\$166,186
310029	LAND IMPRV	Denk Outflow P/L Mitigation	\$30,843	\$18,506	\$46,984	\$28,190	\$18,794
310030	LAND IMPRV	Via Ambiente Bridge Lomr	\$27,004	\$9,001	\$41,136	\$13,712	\$27,424
310022	LAND IMPRV	Zorro Rehab Landscap	\$11,437	\$7,320	\$18,051	\$11,553	\$6,498
310023	LAND IMPRV	Gano Rsvr-Landscape	\$120,000	\$76,800	\$189,387	\$121,208	\$68,179
310024	LAND IMPRV	Unit X P/L Landscape	\$80,000	\$51,200	\$126,258	\$80,805	\$45,453
310025	LAND IMPRV	X-1 Access Road	\$1,215,760	\$486,304	\$1,918,743	\$767,497	\$1,151,246
310026	LAND IMPRV	X-2 Access Road	\$1,652,937	\$661,175	\$2,608,706	\$1,043,483	\$1,565,224
310018	LAND IMPRV	Via Ambiente Bridge	\$476,381	\$181,025	\$853,151	\$324,197	\$528,954
310019	LAND IMPRV	Via Ambiente Road	\$714,439	\$271,487	\$1,279,489	\$486,206	\$793,283
310016	LAND IMPRV	Olivenhain Rd Wideng	\$257,494	\$214,578	\$521,230	\$434,358	\$86,872
310012	LAND IMPRV	San Diequito River	\$2,915	\$2,623	\$6,024	\$5,422	\$602
310010	LAND IMPRV	Fence By Cal West	\$3,006	\$2,806	\$6,207	\$5,793	\$414
273301	LAND IMPRV-REC	Santa Fe Valley P.S. Landscape	\$64,019	\$38,411	\$97,521	\$58,513	\$39,008
273302	LAND IMPRV-REC	Santa Fe Valley P.S. Access Rd	\$145,648	\$43,694	\$221,869	\$66,561	\$155,308
212219	METERS	FIXED BASE AMI	\$600,931	\$30,047	\$622,129	\$31,106	\$591,023
212220	METERS	FY2122 METER REPLACEMENTS	\$199,953	\$13,330	\$207,007	\$13,800	\$193,206
202155	METERS	FIXED BASE AMI	\$758,619	\$75,862	\$848,790	\$84,879	\$763,911
202156	METERS	FY 20/21 METER REPLACEMENTS	\$255,780	\$34,104	\$286,183	\$38,158	\$248,025
297870	METERS	FY 2020 2" & UNDER	\$189,586	\$37,917	\$211,114	\$42,223	\$168,891
297871	METERS	FIXED BASED AMI	\$550,266	\$82,540	\$612,751	\$91,913	\$520,838
297945	METERS	T & M METERS	\$12,642	\$2,528	\$14,077	\$2,815	\$11,262
297831	METERS	FY 2019 METERS 2" & UNDER	\$250,686	\$100,274	\$283,194	\$113,278	\$169,917
297832	METERS	FY 2019 METERS OVER 2" (4)	\$13,867	\$5,547	\$15,665	\$6,266	\$9,399
297833	METERS	FIXED BASE AMI	\$617,075	\$246,830	\$697,097	\$278,839	\$418,258
297816	METERS	FY 2018 METERS OVER 2" (SIX)	\$16,658	\$8,329	\$19,310	\$9,655	\$9,655
297817	METERS	FIRE HYDRANT/WATER SVC RELO - GRANGETTOS	\$51,824	\$25,912	\$60,073	\$30,036	\$30,036
297818	METERS	FY 2018 AMI FIXED BASED TOWERS	\$139,460	\$46,487	\$161,658	\$53,886	\$107,772

Appendix B: Water Capital Fee Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
297819	METERS	FY 2018 AMI METERS	\$384,628	\$192,314	\$445,848	\$222,924	\$222,924
297820	METERS	FY 2018 METERS 2" & UNDER	\$246,265	\$123,133	\$285,463	\$142,731	\$142,731
297808	METERS	FY 2017 2" METERS & UNDER	\$425,080	\$255,048	\$514,317	\$308,590	\$205,727
297809	METERS	FY 2017 METERS OVER 2"	\$26,222	\$15,733	\$31,727	\$19,036	\$12,691
297810	METERS	M400 AMI BASE STATIONS (3)	\$229,955	\$91,982	\$278,230	\$111,292	\$166,938
297811	METERS	2017 AMI RETROFIT SERVICES	\$470,194	\$282,116	\$568,902	\$341,341	\$227,561
297918	METERS	FY 2016 AMR 2" & UNDER	\$146,455	\$87,873	\$177,201	\$106,320	\$70,880
297919	METERS	FY 2016 AMR 4"	\$10,421	\$6,253	\$12,609	\$7,565	\$5,043
297916	METERS	FY 2015 Additions	\$202,604	\$141,823	\$248,871	\$174,210	\$74,661
297917	METERS	Upgrade to 520M's & 520R's	\$507,830	\$355,481	\$623,799	\$436,659	\$187,140
297913	METERS	FY 2014 Additions	\$208,405	\$111,150	\$261,756	\$139,603	\$122,153
297914	METERS	Upgrade to 520R's from B's and C's	\$281,743	\$150,263	\$353,867	\$188,729	\$165,138
297915	METERS	Upgrade to 520M's	\$14,900	\$7,947	\$18,714	\$9,981	\$8,733
297908	METERS	Amr Meter/Battery Replacements	\$122,317	\$110,085	\$160,110	\$144,099	\$16,011
297909	METERS	Metro 50 Tower Base Station	\$75,425	\$45,255	\$98,730	\$59,238	\$39,492
297910	METERS	Radio Read Remotes	\$15,085	\$9,051	\$19,746	\$11,848	\$7,898
297911	METERS	Meters FY 2013	\$2,143,585	\$1,286,151	\$2,805,916	\$1,683,550	\$1,122,366
297912	METERS	Meters Capitalized Interest	\$56,383	\$50,745	\$73,804	\$66,424	\$7,380
297903	METERS	Fire Hydrant (Elfin Forest)	\$43,810	\$14,238	\$60,441	\$19,643	\$40,798
257903	METERS	2004/05 Vent-O-Mats	\$72,303	\$61,457	\$117,512	\$99,885	\$17,627
212221	METERS-REC	RETROFIT METERS TO RECYCLED	\$62,719	\$4,181	\$64,932	\$4,329	\$60,603
212222	METERS-REC	FY2122 METER REPLACEMENTS	\$19,470	\$1,298	\$20,157	\$1,344	\$18,813
202157	METERS-REC	METER REPLACEMENTS	\$4,132	\$551	\$4,623	\$616	\$4,007
202158	METERS-REC	RETROFIT METERS TO RECYCLED	\$26,358	\$3,514	\$29,491	\$3,932	\$25,559
297862	METERS-REC	RECYCLED RETROFITS (FY19/20)	\$132,095	\$26,419	\$147,095	\$29,419	\$117,676
297946	METERS-REC	FY 2020 MTR REPLACEMENT 3" (1) 6" (1)	\$11,944	\$2,389	\$13,300	\$2,660	\$10,640
727307	METERS-REC	RECYCLED RETROFITS	\$51,892	\$20,757	\$58,621	\$23,448	\$35,173
727305	METERS-REC	RECYCLED RETROFITS - 2" & UNDERS	\$56,315	\$28,158	\$65,279	\$32,640	\$32,640
727306	METERS-REC	RECYCLED RETROFITS - OVER 2"	\$6,519	\$3,260	\$7,557	\$3,778	\$3,778
727304	METERS-REC	FY 2017 METERS - 2" AND LESS	\$5,550	\$3,330	\$6,715	\$4,029	\$2,686
727302	METERS-REC	6" OCTAVE METER	\$3,838	\$2,303	\$4,643	\$2,786	\$1,857
727301	METERS-REC	Meters FY 2013	\$53,880	\$48,492	\$70,528	\$63,475	\$7,053
202114	OFFC FURN/EQUIP	HQ FACILITIES ENHANCEMENTS	\$44,173	\$17,669	\$49,423	\$19,769	\$29,654
248504	OFFC FURN/EQUIP	Times Two Files	\$21,234	\$19,111	\$34,963	\$31,467	\$3,496
248506	OFFC FURN/EQUIP	Expansion/Renovation	\$68,612	\$61,751	\$112,973	\$101,675	\$11,297
248507	OFFC FURN/EQUIP	Expansion/Renovation	\$68,612	\$41,167	\$112,973	\$67,784	\$45,189
238506	OFFC FURN/EQUIP	Wtp - Furniture	\$18,642	\$14,168	\$33,385	\$25,373	\$8,012
238507	OFFC FURN/EQUIP	Wtp - Furniture	\$50,000	\$27,143	\$89,545	\$48,610	\$40,935
202140	OFFIC F&E	OMWD HQ - OFFICE FURNITURE (CAP FEES)	\$137,242	\$54,897	\$153,555	\$61,422	\$92,133
212215	PUMP STNS,ETC.	VAULT UPGRADES	\$19,700	\$1,313	\$20,395	\$1,360	\$19,035
212217	PUMP STNS,ETC.	PUMPS & MOTORS FY2122	\$62,720	\$4,181	\$64,933	\$4,329	\$60,604
212216	PUMP STNS,ETC.	GOLEM PUMP STATION REPLACEMENT	\$27,820	\$1,855	\$28,801	\$1,920	\$26,881
202148	PUMP STNS,ETC.	VAULT UPGRADES	\$58,175	\$7,757	\$65,090	\$8,679	\$56,411
202150	PUMP STNS,ETC.	CIELO GENERATOR SWITCH	\$12,970	\$1,729	\$14,512	\$1,935	\$12,577
202149	PUMP STNS,ETC.	GOLEM PUMP STATION	\$362,266	\$18,113	\$405,326	\$20,266	\$385,059
297860	PUMP STNS,ETC.	PUMP CONTROLS - THORNTON	\$22,081	\$6,624	\$24,588	\$7,376	\$17,212
297859	PUMP STNS,ETC.	VAULTS (6) FLOOR LINERS	\$86,554	\$25,966	\$96,383	\$28,915	\$67,468
297858	PUMP STNS,ETC.	RANCHO LAKES PUMP CONTROLS	\$12,809	\$3,843	\$14,264	\$4,279	\$9,985
730058	PUMP STNS,ETC.	VAULT FLOOR LINER - THORNTON P/S	\$16,944	\$4,518	\$19,141	\$5,104	\$14,037
730057	PUMP STNS,ETC.	CONNEMARA BLADDERS	\$20,796	\$11,883	\$23,493	\$13,424	\$10,068

Appendix B: Water Capital Fee Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
730055	PUMP STNS,ETC.	VALES I PRS	\$814,351	\$162,870	\$943,969	\$188,794	\$755,175
730056	PUMP STNS,ETC.	CIELO PUMP STATION CONTROLS	\$157,404	\$52,468	\$182,458	\$60,819	\$121,638
730053	PUMP STNS,ETC.	VAULT FLOOR LINERS (9)	\$53,159	\$31,895	\$64,318	\$38,591	\$25,727
730054	PUMP STNS,ETC.	4S WATER PR STATION PEDESTAL	\$10,522	\$6,313	\$12,731	\$7,639	\$5,092
730052	PUMP STNS,ETC.	VAULT LINERS	\$45,356	\$27,213	\$54,877	\$32,926	\$21,951
297301	PUMP STNS,ETC.	El Cmno Del Norte Cla-Valves	\$9,483	\$6,164	\$13,082	\$8,504	\$4,579
287302	PUMP STNS,ETC.	Maryloyd Pump Sta Switch Gear	\$46,287	\$32,401	\$67,381	\$47,167	\$20,214
287303	PUMP STNS,ETC.	Cielo Booster #1-Turbine Pump	\$6,626	\$4,638	\$9,645	\$6,752	\$2,894
267301	PUMP STNS,ETC.	Potable Pump Station	\$526,962	\$210,785	\$831,664	\$332,666	\$498,998
730501	PUMP STNS,ETC.	Excess Treated Wtr Investment	\$738,637	\$251,137	\$1,200,492	\$408,167	\$792,325
247301	PUMP STNS,ETC.	Unit H Deepwell	\$70,284	\$42,170	\$115,724	\$69,435	\$46,290
247303	PUMP STNS,ETC.	520 Vault Prs Const	\$353,990	\$159,296	\$582,858	\$262,286	\$320,572
237302	PUMP STNS,ETC.	Rancho Lakes Ps	\$48,499	\$30,716	\$86,858	\$55,010	\$31,848
227301	PUMP STNS,ETC.	Thornton Pump Stat	\$645,602	\$430,401	\$1,176,360	\$784,240	\$392,120
730018	PUMP STNS,ETC.	Pump & Chlorine Sta	\$38,844	\$37,549	\$80,884	\$78,188	\$2,696
730017	PUMP STNS,ETC.	Pump & Chlor Sta #92	\$190,577	\$142,932	\$404,915	\$303,686	\$101,229
727303	PUMP STNS-REC	VILLAGE PARK RECYCLED PUMP STATION	\$807,362	\$242,209	\$976,852	\$293,056	\$683,796
297306	PUMP STNS-REC	RECYCLED FILL STATION	\$97,165	\$58,299	\$117,563	\$70,538	\$47,025
297304	PUMP STNS-REC	Santa Fe Valley Pump Station Valve	\$15,312	\$7,145	\$18,808	\$8,777	\$10,031
297305	PUMP STNS-REC	Santa Fe Valley Pump Station Solar Sys	\$31,226	\$14,572	\$38,356	\$17,900	\$20,457
294503	PUMP STNS-REC	Flow Meter @ Mahr	\$235,000	\$152,750	\$324,207	\$210,735	\$113,472
294501	PUMP STNS-REC	Prs @ Calle Barcelona	\$187,500	\$121,875	\$258,676	\$168,139	\$90,537
294502	PUMP STNS-REC	Prs @ Calle Acervo	\$211,000	\$137,150	\$291,096	\$189,213	\$101,884
284501	PUMP STNS-REC	Crosby Prs	\$107,819	\$75,473	\$156,955	\$109,868	\$47,086
274501	PUMP STNS-REC	Santa Fe Valley Pump Station	\$564,436	\$169,331	\$859,816	\$257,945	\$601,871
212214	RESERVOIRS	CONCRETE TANKS REHAB	\$198,579	\$19,858	\$205,584	\$20,558	\$185,026
202146	RESERVOIRS	CONCRETE TANKS REHAB STUDY (GATY II)	\$58,928	\$11,786	\$65,933	\$13,187	\$52,746
297829	RESERVOIRS	CHAIN LINK INSTALLATION	\$8,768	\$2,338	\$9,905	\$2,641	\$7,264
297814	RESERVOIRS	GATY DRIVEWAY OVERLAY	\$23,103	\$7,701	\$26,780	\$8,927	\$17,853
297815	RESERVOIRS	GATY I & II IRRIGATION REPLACEMENT	\$40,852	\$20,426	\$47,354	\$23,677	\$23,677
297813	RESERVOIRS	ROGER MILLER IRRIGATION REPLACEMENT	\$11,850	\$5,925	\$13,736	\$6,868	\$6,868
297805	RESERVOIRS	WIEGAND RESERVOIR IRRIGATION	\$15,011	\$9,007	\$18,162	\$10,897	\$7,265
297806	RESERVOIRS	ROGER MILLER INLET PIPELINE	\$23,469	\$7,041	\$28,396	\$8,519	\$19,877
297807	RESERVOIRS	4G RESERVOIR REPLACEMENT	\$207,374	\$31,106	\$250,908	\$37,636	\$213,272
717102	RESERVOIRS	Emerg Generators (Denk,Gano,Peay,4S)	\$22,662	\$10,575	\$27,837	\$12,990	\$14,846
297112	RESERVOIRS	Gaty Check Valve Rehab	\$266,952	\$96,103	\$349,435	\$125,797	\$223,639
297107	RESERVOIRS	Lux Canyon Prs Replacement	\$357,536	\$107,261	\$484,098	\$145,229	\$338,869
297108	RESERVOIRS	Dove Hollow Prs	\$569,468	\$170,840	\$771,051	\$231,315	\$539,735
297103	RESERVOIRS	Lusardi #1 Vault Rehab	\$85,532	\$25,660	\$115,810	\$34,743	\$81,067
287101	RESERVOIRS	Wiegand Outlet Piping	\$42,934	\$12,021	\$62,499	\$17,500	\$45,000
267101	RESERVOIRS	Avd Diestra Pr Stat	\$177,791	\$71,116	\$280,595	\$112,238	\$168,357
267102	RESERVOIRS	Denk Inlet Flow Cntl	\$438,852	\$175,541	\$692,607	\$277,043	\$415,564
267103	RESERVOIRS	Gano Rsvr Construct	\$7,604,722	\$1,622,341	\$12,001,966	\$2,560,419	\$9,441,546
267104	RESERVOIRS	Gano Rsvr Equipment	\$47,367	\$30,315	\$74,756	\$47,844	\$26,912
267105	RESERVOIRS	Gano Rsvr Piping	\$160,000	\$51,200	\$252,516	\$80,805	\$171,711
267106	RESERVOIRS	Gano Rsvr Cntl Valve	\$401,680	\$128,538	\$633,941	\$202,861	\$431,080
257101	RESERVOIRS	Zorro Rehab	\$1,271,714	\$720,638	\$2,066,891	\$1,171,238	\$895,653
257102	RESERVOIRS	Zorro Prs	\$492,789	\$279,247	\$800,921	\$453,855	\$347,066
247102	RESERVOIRS	Wiegand Rsvr Struct	\$238,410	\$107,285	\$392,551	\$176,648	\$215,903
710071	RESERVOIRS	Gaty I Repairs '96	\$18,020	\$7,809	\$37,061	\$16,060	\$21,002

Appendix B: Water Capital Fee Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
710073	RESERVOIRS	R.S.F.Security Tie-In	\$2,041	\$885	\$4,199	\$1,819	\$2,379
710069	RESERVOIRS	Cathodic Protect '95	\$192,912	\$86,811	\$398,719	\$179,424	\$219,295
710070	RESERVOIRS	Resr & Tanks Design	\$437,709	\$196,969	\$904,673	\$407,103	\$497,570
710062	RESERVOIRS	Wanket Tank Repair	\$88,824	\$45,892	\$196,731	\$101,644	\$95,087
710064	RESERVOIRS	Resv & Tanks - Boyle	\$6,788	\$3,507	\$15,034	\$7,768	\$7,267
710065	RESERVOIRS	Resv & Tanks-Twining	\$11,629	\$6,008	\$25,755	\$13,307	\$12,448
710066	RESERVOIRS	R&T - Nowel-Thompson	\$2,300	\$1,188	\$5,094	\$2,632	\$2,462
710067	RESERVOIRS	4-S Ranch-Landscape	\$16,646	\$8,600	\$36,868	\$19,049	\$17,820
710057	RESERVOIRS	Wanket Tank Repair	\$4,960	\$2,645	\$11,160	\$5,952	\$5,208
710060	RESERVOIRS	Reservoir & Tanks	\$7,292	\$3,889	\$16,408	\$8,751	\$7,657
710053	RESERVOIRS	Maryloyd	\$28,132	\$15,941	\$65,754	\$37,261	\$28,494
710037	RESERVOIRS	Palm Res-Landscape	\$5,403	\$3,726	\$14,769	\$10,186	\$4,584
710038	RESERVOIRS	Gaty li Reservoir	\$17,151	\$11,627	\$46,885	\$31,787	\$15,099
710033	RESERVOIRS	Gaty li Res-Initial	\$2,987,530	\$2,041,479	\$8,893,866	\$6,077,475	\$2,816,391
710034	RESERVOIRS	Gaty li- Int Cap	\$77,557	\$52,997	\$230,887	\$157,773	\$73,114
710028	RESERVOIRS	Palms Reservoir li	\$350,902	\$245,631	\$1,153,770	\$807,639	\$346,131
710016	RESERVOIRS	Wanket Tank	\$45,267	\$32,441	\$167,800	\$120,257	\$47,543
710015	RESERVOIRS	Additions F/Y 78	\$17,122	\$12,556	\$67,505	\$49,504	\$18,001
710012	RESERVOIRS	Wanket Tank	\$358,660	\$274,973	\$2,014,927	\$1,544,777	\$470,150
710009	RESERVOIRS	Wanket Tank Unit "J"	\$12,777	\$10,009	\$77,913	\$61,032	\$16,881
710001	RESERVOIRS	200' Reservoir Palms #1	\$58,304	\$53,445	\$732,255	\$671,234	\$61,021
710003	RESERVOIRS	Gaty Reservoir	\$202,475	\$199,100	\$3,031,204	\$2,980,684	\$50,520
710006	RESERVOIRS	Maryloyd Reservoir	\$31,172	\$30,652	\$466,668	\$458,891	\$7,778
710007	RESERVOIRS	Golem Reservoir	\$56,988	\$56,038	\$853,153	\$838,934	\$14,219
727109	RESERVOIRS-RC	Pond Driveway Expansion	\$18,400	\$6,624	\$24,085	\$8,671	\$15,415
727110	RESERVOIRS-RC	Pond Fencing/Landscape Imprvmt	\$28,898	\$17,339	\$37,828	\$22,697	\$15,131
202147	RESERVOIRS-REC	STORAGE POND LANDSCAPE	\$364,348	\$72,870	\$407,655	\$81,531	\$326,124
297830	RESERVOIRS-REC	STORAGE POND LANDSCAPE	\$30,017	\$12,007	\$33,909	\$13,564	\$20,345
727111	RESERVOIRS-REC	WIEGAND RESERVOIR CONVERSION	\$123,823	\$37,147	\$149,817	\$44,945	\$104,872
727112	RESERVOIRS-REC	STORAGE POND ACCESS RD	\$424,995	\$169,998	\$514,214	\$205,686	\$308,529
727102	RESERVOIRS-REC	Storage Pond Const	\$764,777	\$244,729	\$1,206,990	\$386,237	\$820,753
727104	RESERVOIRS-REC	Storage Pond Struct	\$1,802,242	\$576,718	\$2,844,344	\$910,190	\$1,934,154
727105	RESERVOIRS-REC	Storage Pond Sprnklr	\$202,707	\$129,732	\$319,917	\$204,747	\$115,170
940001	SEWER LATERALS	Building J Lateral	\$277,299	\$76,257	\$372,130	\$102,336	\$269,794
202101	SHOP/FIELDEQUIP	LINE LOCATING EQUIPMENT	\$6,911	\$2,764	\$7,732	\$3,093	\$4,639
297874	SHOP/FIELDEQUIP	CANYCOM BFP 602HB POWERED WHEELBARROW	\$7,540	\$3,232	\$8,397	\$3,599	\$4,798
297876	SHOP/FIELDEQUIP	TIRE WHEEL BALANCER	\$6,196	\$2,655	\$6,899	\$2,957	\$3,942
297877	SHOP/FIELDEQUIP	LINE LOCATING EQUIPMENT	\$5,920	\$3,552	\$6,592	\$3,955	\$2,637
820528	SHOP/FIELDEQUIP	SC200 CONTROLLER (WTP)	\$2,191	\$876	\$2,475	\$990	\$1,485
820529	SHOP/FIELDEQUIP	TU5400 TURBIDMETER (WTP)	\$7,158	\$2,863	\$8,086	\$3,234	\$4,852
820530	SHOP/FIELDEQUIP	TU5400 TURBIDITY ANALYZER (WTP)	\$7,278	\$2,911	\$8,222	\$3,289	\$4,933
820531	SHOP/FIELDEQUIP	DEPOLOX FREE CL2 ANALYZER (WTP)	\$6,070	\$2,428	\$6,857	\$2,743	\$4,114
820532	SHOP/FIELDEQUIP	GANTRY CRANE 4,000 LB (WTP)	\$7,498	\$2,999	\$8,470	\$3,388	\$5,082
820533	SHOP/FIELDEQUIP	FALL RETRIEVAL SYSTEM (WTP)	\$9,735	\$2,596	\$10,998	\$2,933	\$8,065
8205034	SHOP/FIELDEQUIP	CANDLE ASSEMBLY (WTP)	\$24,996	\$6,666	\$28,237	\$7,530	\$20,707
820520	SHOP/FIELDEQUIP	WTP CONDUCTIVITY PROBE/CONTROLLER	\$5,080	\$2,540	\$5,889	\$2,944	\$2,944
820468	SHOP/FIELDEQUIP	ELECTRICAL INSTALLATION	\$9,098	\$5,459	\$11,008	\$6,605	\$4,403
820492	SHOP/FIELDEQUIP	SURVEILLANCE SYSTEM UPGRADES	\$40,912	\$24,547	\$49,501	\$29,700	\$19,800
208242	SHOP/FIELDEQUIP	4000A Reconditioned Breaker	\$15,485	\$7,226	\$19,021	\$8,876	\$10,144
208243	SHOP/FIELDEQUIP	Wachs HPU-750 Hydraulic Pump	\$5,872	\$4,110	\$7,213	\$5,049	\$2,164

Appendix B: Water Capital Fee Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
208246	SHOP/FIELDEQUIP	4" Sensus Meter Tester	\$9,458	\$4,414	\$11,617	\$5,421	\$6,196
208235	SHOP/FIELDEQUIP	Unit Z Pumps	\$45,636	\$24,339	\$57,319	\$30,570	\$26,749
258220	SHOP/FIELDEQUIP	Cathodic Test Sta	\$41,725	\$35,467	\$67,815	\$57,643	\$10,172
258222	SHOP/FIELDEQUIP	Lone Jack Rd Hydrant	\$15,543	\$13,211	\$25,262	\$21,472	\$3,789
728231	SHOP/FIELD-REC	4S I RECYCLED CLA VALVES	\$6,934	\$3,467	\$8,037	\$4,019	\$4,019
728232	SHOP/FIELD-REC	TURBINE PUMP	\$14,998	\$7,499	\$17,386	\$8,693	\$8,693
728235	SHOP/FIELD-REC	REPLACEMENT BLADDER - SFV RAW WTR PS	\$22,089	\$15,778	\$25,605	\$18,289	\$7,316
728230	SHOP/FIELD-REC	WIEGAND RESERVOIR IRRIGATION PUMP	\$9,315	\$5,589	\$11,271	\$6,762	\$4,508
728228	SHOP/FIELD-REC	SAMPLE COLLECTION EQUIPMENT	\$7,146	\$6,125	\$8,647	\$7,411	\$1,235
728229	SHOP/FIELD-REC	LINER FLOOR OF PUMP STATION	\$6,237	\$5,346	\$7,546	\$6,468	\$1,078
728226	SHOP/FIELD-REC	SOLAR BEE WATER MIXER @ WW	\$68,273	\$27,309	\$82,606	\$33,042	\$49,564
728224	SHOP/FIELD-REC	Wachs HPU-750 Hydraulic Pump	\$1,957	\$1,370	\$2,404	\$1,683	\$721
728202	SHOP/FIELD-REC	Rcyld Sys Equipment	\$257,006	\$137,070	\$405,613	\$216,327	\$189,286
710063	STEEL RESERVRS	Weigand & Denk Tank	\$20,544	\$10,614	\$45,502	\$23,509	\$21,992
710058	STEEL RESERVRS	Weigand & Denk Tank	\$181,757	\$96,937	\$408,981	\$218,123	\$190,858
710059	STEEL RESERVRS	Peay Reservoir	\$518,896	\$276,744	\$1,167,595	\$622,717	\$544,878
710061	STEEL RESERVRS	4-S Ranch Reservoir	\$1,265,420	\$674,891	\$2,847,388	\$1,518,607	\$1,328,781
710054	STEEL RESERVRS	Peay Reservoir - Paint Mtn	\$5,362,516	\$2,949,384	\$12,493,259	\$6,871,293	\$5,621,967
710041	STEEL RESERVRS	Zorro Reservoir	\$402,060	\$261,339	\$1,070,965	\$696,127	\$374,838
710039	STEEL RESERVRS	Roger Miller Res	\$39,516	\$26,790	\$108,026	\$73,238	\$34,788
710040	STEEL RESERVRS	Denk Reservoir	\$2,112,243	\$1,408,162	\$5,774,321	\$3,849,547	\$1,924,774
710032	STEEL RESERVRS	Roger Miller Res-Int	\$1,368,254	\$934,973	\$4,073,286	\$2,783,412	\$1,289,874
710035	STEEL RESERVRS	R.Miller Res-Int Cap	\$43,454	\$29,694	\$129,362	\$88,398	\$40,965
710002	STEEL RESERVRS	400' Reservoir Zorro	\$71,012	\$65,094	\$891,858	\$817,537	\$74,322
710004	STEEL RESERVRS	Wiegand Reservoir	\$64,745	\$61,508	\$899,405	\$854,435	\$44,970
727101	STEEL RSVR RECY	Thelma Miller Rsvr	\$1,095,453	\$350,545	\$1,728,872	\$553,239	\$1,175,633
727106	STEEL RSVR RECY	T.Miller Rsvr Int	\$119,525	\$38,248	\$188,637	\$60,364	\$128,273
410505	STUDY COSTS-REC	Implement Recycled	\$32,547	\$27,408	\$51,366	\$43,256	\$8,110
410502	STUDY COSTS-REC	Recycled Agreement	\$420,735	\$357,625	\$683,813	\$581,241	\$102,572
212223	TREATMENT PLANT	CHEMICAL SYSTEM UPDATE	\$5,895	\$590	\$6,103	\$610	\$5,493
212224	TREATMENT PLANT	MEMBRANE REPLACEMENT	\$747,271	\$74,727	\$773,632	\$77,363	\$696,269
212225	TREATMENT PLANT	CHLORINE GENERATION CELL	\$22,804	\$2,280	\$23,608	\$2,361	\$21,247
212226	TREATMENT PLANT	TRAIN 9 CONTROL WIRING	\$36,139	\$3,614	\$37,414	\$3,741	\$33,672
202159	TREATMENT PLANT	CHEMICAL SYSTEM UPDATE	\$453,961	\$90,792	\$507,920	\$101,584	\$406,336
202160	TREATMENT PLANT	VALVE ACTUATORS	\$23,064	\$4,613	\$25,805	\$5,161	\$20,644
202161	TREATMENT PLANT	TRAINS 9 & 10 - VALVES	\$43,847	\$8,769	\$49,059	\$9,812	\$39,247
202162	TREATMENT PLANT	MEMBRANES	\$681,754	\$136,351	\$762,789	\$152,558	\$610,231
202163	TREATMENT PLANT	PUMPS & MOTORS	\$9,810	\$1,962	\$10,976	\$2,195	\$8,781
297863	TREATMENT PLANT	RECOAT EQUIPMENT	\$23,936	\$7,181	\$26,654	\$7,996	\$18,658
297864	TREATMENT PLANT	SETTLER UNIT 3	\$153,683	\$46,105	\$171,134	\$51,340	\$119,794
297865	TREATMENT PLANT	VALVE ACTUATORS	\$235,919	\$70,776	\$262,708	\$78,812	\$183,896
297866	TREATMENT PLANT	STRUCTURAL ENGINEERING	\$17,828	\$3,566	\$19,852	\$3,970	\$15,882
297867	TREATMENT PLANT	MEMBRANES - TRAIN 8	\$668,289	\$200,487	\$744,176	\$223,253	\$520,923
297869	TREATMENT PLANT	REPLACE PUMP AND MOTORS	\$60,068	\$18,020	\$66,888	\$20,067	\$46,822
295054	TREATMENT PLANT	RECOAT EQUIPMENT	\$27,990	\$11,196	\$31,620	\$12,648	\$18,972
295055	TREATMENT PLANT	HVAC SYSTEM	\$142,369	\$37,965	\$160,831	\$42,888	\$117,943
295056	TREATMENT PLANT	SETTLER UNIT 1	\$95,546	\$25,479	\$107,937	\$28,783	\$79,154
295057	TREATMENT PLANT	SETTLER UNIT 3	\$85,041	\$22,678	\$96,069	\$25,618	\$70,451
295058	TREATMENT PLANT	SEWER SYS (BLDG) REHAB	\$206,441	\$33,031	\$233,213	\$37,314	\$195,899
295059	TREATMENT PLANT	TRANSFORMER REPLACEMENT	\$33,800	\$9,013	\$38,183	\$10,182	\$28,001

Appendix B: Water Capital Fee Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
295060	TREATMENT PLANT	MAIN COMPRESSOR	\$151,743	\$40,465	\$171,420	\$45,712	\$125,708
295061	TREATMENT PLANT	STRAINER ISOLATION VALVE	\$134,751	\$35,934	\$152,226	\$40,594	\$111,632
295062	TREATMENT PLANT	STREAMING CURRENT MONITOR #2	\$19,442	\$7,777	\$21,963	\$8,785	\$13,178
295063	TREATMENT PLANT	SOLENOID REPLACEMENT	\$26,204	\$10,482	\$29,602	\$11,841	\$17,761
295064	TREATMENT PLANT	MEMBRANES - TRAIN 7	\$609,254	\$243,702	\$688,262	\$275,305	\$412,957
295065	TREATMENT PLANT	MEMBRANES - TRAIN 3	\$612,716	\$245,087	\$692,173	\$276,869	\$415,304
295066	TREATMENT PLANT	SECURITY CAMERAS (SECURITY CAMERA KING)	\$12,033	\$9,627	\$13,594	\$10,875	\$2,719
295067	TREATMENT PLANT	PUMP & MOTORS REPLACEMENT	\$30,387	\$12,155	\$34,328	\$13,731	\$20,597
295048	TREATMENT PLANT	AMMONIA SYSTEM EQUIPMENT	\$86,684	\$43,342	\$100,481	\$50,241	\$50,241
295049	TREATMENT PLANT	VARIABLE FEQUENCY DRIVES (VFD'S)	\$82,455	\$41,228	\$95,580	\$47,790	\$47,790
295050	TREATMENT PLANT	HYPOCHLORITE TANK	\$55,191	\$27,596	\$63,976	\$31,988	\$31,988
295052	TREATMENT PLANT	THM ANALYZER (NEW)	\$68,101	\$34,051	\$78,941	\$39,470	\$39,470
295053	TREATMENT PLANT	TRAIN 7 BASIN REFURBISHED	\$35,961	\$11,987	\$41,685	\$13,895	\$27,790
295041	TREATMENT PLANT	DIST SYS PROGRAM LOGIC CONTROLLERS	\$10,858	\$6,515	\$13,137	\$7,882	\$5,255
295042	TREATMENT PLANT	VARIABLE FREQUENCY DRIVES (VFD'S) PUMPS	\$137,467	\$82,480	\$166,325	\$99,795	\$66,530
295043	TREATMENT PLANT	BRINE TANK	\$49,692	\$19,877	\$60,124	\$24,050	\$36,074
295045	TREATMENT PLANT	PUMPS & MOTORS	\$33,846	\$20,307	\$40,951	\$24,571	\$16,380
295047	TREATMENT PLANT	MEMBRANES - TRAIN 1	\$555,852	\$333,511	\$672,543	\$403,526	\$269,017
295037	TREATMENT PLANT	DIST SYSTEM PGM LOGIC CONTROLLERS-PLC'S	\$98,977	\$49,488	\$119,755	\$59,878	\$59,878
295038	TREATMENT PLANT	VARIABLE FREQUENCY DRIVES (VFD'S)	\$290,487	\$174,292	\$351,469	\$210,881	\$140,588
295039	TREATMENT PLANT	PUMP & MOTORS	\$30,198	\$18,119	\$36,538	\$21,923	\$14,615
295040	TREATMENT PLANT	MEMBRANES	\$1,237,038	\$742,223	\$1,496,730	\$898,038	\$598,692
295035	TREATMENT PLANT	Hypochlorite Generation System Upgrades	\$535,059	\$374,541	\$657,245	\$460,072	\$197,174
295036	TREATMENT PLANT	Solenoid Valve Replacements	\$78,569	\$45,832	\$96,511	\$56,298	\$40,213
295027	TREATMENT PLANT	420 ZW-500D Membranes	\$507,963	\$451,522	\$637,997	\$567,109	\$70,889
295028	TREATMENT PLANT	21 20-Module ZW 500D Cassettes	\$299,809	\$119,924	\$376,558	\$150,623	\$225,935
295030	TREATMENT PLANT	Hypochlorite Tanks	\$321,741	\$171,595	\$404,105	\$215,523	\$188,582
295031	TREATMENT PLANT	Fluoridation System - Building	\$644,116	\$171,764	\$809,005	\$215,735	\$593,271
295032	TREATMENT PLANT	Fluoridation System - Equipment & Pumps	\$648,094	\$345,650	\$814,002	\$434,134	\$379,868
295033	TREATMENT PLANT	Turbines	\$1,240,397	\$661,545	\$1,557,930	\$830,896	\$727,034
295034	TREATMENT PLANT	Turbines	\$1,240,397	\$330,773	\$1,557,930	\$415,448	\$1,142,482
295017	TREATMENT PLANT	Vinyl Automated Double Gate	\$34,419	\$12,391	\$45,054	\$16,220	\$28,835
295018	TREATMENT PLANT	Via Ambiente Gate	\$25,714	\$9,257	\$33,659	\$12,117	\$21,542
295019	TREATMENT PLANT	Element Strainers (3)	\$279,964	\$167,978	\$366,468	\$219,881	\$146,587
295020	TREATMENT PLANT	Membranes	\$141,904	\$127,714	\$185,750	\$167,175	\$18,575
295021	TREATMENT PLANT	Lt2 Equipment	\$672,536	\$302,641	\$880,339	\$396,152	\$484,186
295022	TREATMENT PLANT	Residual Handling Building	\$2,533,360	\$456,005	\$3,316,125	\$596,902	\$2,719,222
295023	TREATMENT PLANT	Steel Water Storage Tanks	\$1,724,268	\$310,368	\$2,257,037	\$406,267	\$1,850,771
295024	TREATMENT PLANT	Lt2 Upgrades	\$19,808,088	\$3,565,456	\$25,928,449	\$4,667,121	\$21,261,328
295025	TREATMENT PLANT	Lt2 Capitalized Interest	\$1,052,928	\$189,527	\$1,378,265	\$248,088	\$1,130,178
295026	TREATMENT PLANT	Lt2 Materials	\$107,262	\$96,536	\$140,405	\$126,364	\$14,040
295014	TREATMENT PLANT	Clortec Ct-750 Cell	\$25,029	\$13,766	\$33,588	\$18,473	\$15,115
295016	TREATMENT PLANT	Frame - Zw-500D Modules (40)	\$581,830	\$320,007	\$780,805	\$429,443	\$351,362
295012	TREATMENT PLANT	Cla Valve Check Valves	\$27,983	\$8,395	\$37,888	\$11,366	\$26,522
295013	TREATMENT PLANT	Clean In Place Heating System	\$35,100	\$21,060	\$47,525	\$28,515	\$19,010
295002	TREATMENT PLANT	Wtp Gate	\$75,695	\$39,362	\$104,429	\$54,303	\$50,126
295005	TREATMENT PLANT	Cassette Frames 500D(20'S) 72	\$1,002,802	\$521,457	\$1,383,469	\$719,404	\$664,065
295006	TREATMENT PLANT	Feed Channel Baffle Wall	\$75,339	\$39,176	\$103,938	\$54,048	\$49,890
295007	TREATMENT PLANT	Crane & Hoist	\$29,759	\$15,475	\$41,056	\$21,349	\$19,707
285002	TREATMENT PLANT	Control Instrumentation	\$80,670	\$56,469	\$117,433	\$82,203	\$35,230

Appendix B: Water Capital Fee Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
285003	TREATMENT PLANT	Basin Walls Resurfacing	\$271,851	\$76,118	\$395,741	\$110,807	\$284,933
285004	TREATMENT PLANT	Ammonia Treatment Facility	\$2,277,932	\$637,821	\$3,316,040	\$928,491	\$2,387,549
265001	TREATMENT PLANT	Back-Pulse Tanks	\$301,638	\$193,048	\$476,053	\$304,674	\$171,379
265002	TREATMENT PLANT	Fish Screens	\$645,396	\$104,306	\$1,018,581	\$164,619	\$853,962
265003	TREATMENT PLANT	Fencing	\$23,297	\$14,910	\$36,768	\$23,531	\$13,236
265004	TREATMENT PLANT	Trains-Rplc/Coat	\$234,942	\$93,977	\$370,792	\$148,317	\$222,475
255001	TREATMENT PLANT	Emerg Generation Sys	\$248,261	\$168,818	\$403,494	\$274,376	\$129,118
255002	TREATMENT PLANT	Aeration System	\$63,708	\$43,322	\$103,544	\$70,410	\$33,134
255003	TREATMENT PLANT	Flow Control Fac #8	\$759,916	\$516,743	\$1,235,075	\$839,851	\$395,224
255004	TREATMENT PLANT	Flow Control Fac #8	\$759,916	\$258,371	\$1,235,075	\$419,926	\$815,150
255005	TREATMENT PLANT	Flow Control Fac #8	\$759,916	\$172,248	\$1,235,075	\$279,950	\$955,125
245006	TREATMENT PLANT	Circuit Breakers Vfd	\$84,424	\$50,655	\$139,008	\$83,405	\$55,603
245007	TREATMENT PLANT	Gravity Settler	\$105,099	\$63,060	\$173,050	\$103,830	\$69,220
245008	TREATMENT PLANT	Wtp Elec Supply	\$100,000	\$36,000	\$164,654	\$59,275	\$105,378
245009	TREATMENT PLANT	Equalization Tank	\$73,769	\$66,392	\$121,463	\$109,317	\$12,146
245010	TREATMENT PLANT	Equalization Tank	\$73,769	\$33,196	\$121,463	\$54,658	\$66,805
245012	TREATMENT PLANT	Wtp Trains 9 & 10	\$166,660	\$74,997	\$274,412	\$123,485	\$150,926
245014	TREATMENT PLANT	9.0 Mgd Expansion	\$1,349,191	\$693,870	\$2,221,491	\$1,142,481	\$1,079,010
245015	TREATMENT PLANT	9.0 Mgd Expansion	\$1,892,689	\$681,368	\$3,116,380	\$1,121,897	\$1,994,483
238109	TREATMENT PLANT	Wtp - Building	\$917,570	\$697,353	\$1,643,276	\$1,248,890	\$394,386
238110	TREATMENT PLANT	Wtp - Building	\$1,143,714	\$620,873	\$2,048,278	\$1,111,923	\$936,356
238111	TREATMENT PLANT	Wtp - Building	\$22,357,212	\$8,495,741	\$40,039,541	\$15,215,025	\$24,824,515
238204	TREATMENT PLANT	Cyclic Aeration	\$694,558	\$527,864	\$1,243,885	\$945,353	\$298,532
238207	TREATMENT PLANT	Centrifuge	\$324,073	\$175,925	\$580,382	\$315,064	\$265,317
238211	TREATMENT PLANT	Membranes	\$437,194	\$415,335	\$782,971	\$743,823	\$39,149
238212	TREATMENT PLANT	Membranes	\$975,125	\$529,354	\$1,746,352	\$948,020	\$798,332
238213	TREATMENT PLANT	Membranes	\$975,125	\$370,548	\$1,746,352	\$663,614	\$1,082,738
400009	TREATMENT PLANT	Wtp Capitalized Int	\$3,829,010	\$1,455,024	\$6,857,375	\$2,605,803	\$4,251,573
			\$ 212,356,039	\$ 81,940,193	\$ 340,513,246	\$ 142,965,675	\$ 197,547,571

APPENDIX C:

Water Pipeline Assets Valuation

Appendix C: Water Pipeline Assets Valuation

Olivenhain Municipal Water District - 2022 Water Capacity Study

Transmission & Distribution Pipeline Costs	Zone A	Zone B	Zone C	Zone D	Zone E	Unknown - Allocated Proportionally	Total
Costs Per Zone	\$484,407,634	\$697,432,677	\$90,643,447	\$327,004,818	\$175,099,681	\$40,072,728	\$1,814,660,985
Percentage of Zone Costs	27%	39%	5%	18%	10%		
Allocated Distributed Pipe Costs - Total	\$495,346,248	\$713,181,699	\$92,690,305	\$334,389,052	\$179,053,681		\$1,814,660,985
Allocated Distributed Pipe Costs - Adj. to RCLD	\$259,778,380	\$374,019,562	\$48,610,315	\$175,366,315	\$93,902,549		\$951,677,120

Calculated of Contributed Assets Percentages	Zone A	Zone B	Zone C	Zone D	Zone E	Total
Non-Contributed	\$31,535,643	\$27,263,377	\$134,916	\$9,735,805	\$4,379,670	
Contributed Assets	\$24,900,476	\$14,240,068	\$8,065,046	\$21,092,562	\$32,615,409	
Total Assets	\$56,436,119	\$41,503,445	\$8,199,962	\$30,828,367	\$36,995,079	
% - Non-Contributed	56%	66%	2%	32%	12%	
% - Contributed Assets	44%	34%	98%	68%	88%	

Pipeline Replacement Costs Less Depreciation, net CIAC	\$145,160,199	\$245,691,321	\$799,798	\$55,381,856	\$11,116,673	\$458,149,848
--	---------------	---------------	-----------	--------------	--------------	---------------

Summary Pipeline Assets

RCLD -RC Ratio 52%

Asset Class	Inflate?	Fund	Original Cost	Replacement Cost	Original Cost Less Depreciation	Replacement Cost Less Depreciation	Selection: Replacement Cost Less Depreciation
CNT PIPELINES	Yes	100	\$107,607,281	\$190,008,862	\$63,203,477	\$97,551,798	\$97,551,798
CNT PIPELN EXT	Yes	100	\$12,153,089	\$27,781,606	\$4,812,515	\$8,566,636	\$8,566,636
PIPELINES	Yes	100	\$94,975,690	\$165,212,590	\$64,523,187	\$86,010,210	\$86,010,210
PIPELINES-REC	Yes	120	\$16,682,796	\$21,176,151	\$13,581,262	\$17,084,856	\$17,084,856
CNT PIPELNS-REC	Yes	120	\$13,404,696	\$19,290,543	\$8,993,377	\$12,870,117	\$12,870,117
Total			\$244,823,552	\$423,469,752	\$155,113,818	\$222,083,616	\$222,083,616
			TRUE	TRUE	TRUE	TRUE	

Fund	Original Cost	Replacement Cost	Original Cost Less Depreciation	Replacement Cost Less Depreciation	Selection
100 Water	\$214,736,060	\$383,003,058	\$132,539,179	\$192,128,643	\$192,128,643
120 Recycled Water	\$30,087,492	\$40,466,694	\$22,574,639	\$29,954,974	\$29,954,974
Total	\$244,823,552	\$423,469,752	\$155,113,818	\$222,083,616	\$222,083,616
	TRUE	TRUE	TRUE	TRUE	TRUE

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
	212235 CNT PIPELINES	MIRA COSTA COLLEGE B200 FDC INSTALL	20,762	\$519	\$21,494	\$537	\$20,957
	212236 CNT PIPELINES	1509 ENC BLVD FDC & WS INSTALL	36,257	\$906	\$37,536	\$938	\$36,598
	212239 CNT PIPELINES	MIRA COSTA COLLEGE BLDG B100 FDC INSTALL	20,762	\$519	\$21,494	\$537	\$20,957
	212240 CNT PIPELINES	THE BEACON - FDC INSTALL	68,583	\$1,715	\$71,002	\$1,775	\$69,227
	212241 CNT PIPELINES	MAIN EXT 145B - CALLE PONTE BELLA	97,055	\$2,426	\$100,479	\$2,512	\$97,967
	212237 CNT PIPELINES	3281 POPPY HILLS LANE FH INSTALL	13,615	\$340	\$14,095	\$352	\$13,743
	212238 CNT PIPELINES	EXT 246 - DESERT ROSE WAY	108,380	\$2,710	\$112,203	\$2,805	\$109,398
	212234 CNT PIPELINES	16020 VIA DICHA WS INSTALL	11,998	\$300	\$12,421	\$311	\$12,111
	202125 CNT PIPELINES	121 AVENIDA ESPERANZA WS INSTALL	11,840	\$592	\$13,247	\$662	\$12,585
	202126 CNT PIPELINES	504 WHISPERWIND DR WS INSTALL	11,840	\$592	\$13,247	\$662	\$12,585
	202128 CNT PIPELINES	ENCINITAS VILLAGE WS INSTAL	12,008	\$600	\$13,435	\$672	\$12,764
	202129 CNT PIPELINES	THE BEACON FH & WS RELOCATION PJT	12,118	\$606	\$13,558	\$678	\$12,880
	202133 CNT PIPELINES	WESTMONT ENCINITAS FDC & WS (2) INSTALL	46,353	\$2,318	\$51,863	\$2,593	\$49,270
	202123 CNT PIPELINES	6804 CALLE PORTONE 4" FS INSTALL	22,601	\$1,130	\$25,287	\$1,264	\$24,023
	202124 CNT PIPELINES	PARCEL 4 COPPER CREST RD WS INSTALL	12,008	\$600	\$13,435	\$672	\$12,764
	202130 CNT PIPELINES	ELFIN VISTA LN WS RELOCATION	11,840	\$592	\$13,247	\$662	\$12,585
	202131 CNT PIPELINES	1170 VIA DI FELICITA RD WS INSTALL	11,840	\$592	\$13,247	\$662	\$12,585
	202132 CNT PIPELINES	ELFIN VISTA LN FDC & WS INSTALL	33,841	\$1,692	\$37,863	\$1,893	\$35,970
	202134 CNT PIPELINES	2902 & 2920 LONE JACK RD FH & WS INSTALL	37,116	\$1,856	\$41,528	\$2,076	\$39,451
	202127 CNT PIPELINES	8960 MT ISRAEL RD WS INSTALL	12,008	\$600	\$13,435	\$672	\$12,764
	202121 CNT PIPELINES	16591 RIO VISTA WATER SERVICE INSTALL	12,008	\$600	\$13,435	\$672	\$12,764
	202122 CNT PIPELINES	16627 RIO VISTA ROAD FDC & WS INSTALL	34,513	\$1,726	\$38,615	\$1,931	\$36,685
	297930 CNT PIPELINES	FDC DIEGUENO MIDDLE SCHOOL	20,253	\$1,519	\$22,553	\$1,691	\$20,861
	297926 CNT PIPELINES	WS 3800 CANYON DE ORO	11,703	\$878	\$13,032	\$977	\$12,055
	297928 CNT PIPELINES	FH 18490 LAGO VISTA (LOT 23)	13,280	\$996	\$14,788	\$1,109	\$13,679
	297933 CNT PIPELINES	FS 2" 18568 CALLE FLORES	12,533	\$940	\$13,956	\$1,047	\$12,909
	297934 CNT PIPELINES	FDC 6847 VIA DEL CHARRO	20,253	\$1,519	\$22,553	\$1,691	\$20,861
	297936 CNT PIPELINES	WS 3456 BUMANN ROAD	11,703	\$878	\$13,032	\$977	\$12,055
	297937 CNT PIPELINES	WS 4180 CANYON DE ORO	11,703	\$878	\$13,032	\$977	\$12,055
	297938 CNT PIPELINES	FH 19828 FORTUNA DEL ESTE	13,280	\$996	\$14,788	\$1,109	\$13,679
	297939 CNT PIPELINES	FH 7499 VISTA RANCHO CT	13,280	\$996	\$14,788	\$1,109	\$13,679
	297900 CNT PIPELINES	WS 9530 MT ISRAEL RD	11,703	\$878	\$13,032	\$977	\$12,055
	297935 CNT PIPELINES	WS (NEW) UPSIZE TO 1" 9433 MT ISRAEL	11,869	\$890	\$13,217	\$991	\$12,226
	297940 CNT PIPELINES	WS REPAIR 2" RANCHO VALENCIA VISTA	5,644	\$423	\$6,285	\$471	\$5,814
	297925 CNT PIPELINES	WS & FDC 16510 ARTESIAN HILLS	31,956	\$2,397	\$35,585	\$2,669	\$32,916
	297927 CNT PIPELINES	FDC HELEN WOODWARD ANIMAL CENTER	21,581	\$1,619	\$24,032	\$1,802	\$22,229
	297929 CNT PIPELINES	WS 16147 VIA DE SANTA FE	11,703	\$878	\$13,032	\$977	\$12,055
	297931 CNT PIPELINES	WS 7533 DEL DIOS HWY	24,984	\$1,874	\$27,821	\$2,087	\$25,734
	297932 CNT PIPELINES	WS & FDC 16413 RIO VISTA RD	34,114	\$2,559	\$37,988	\$2,849	\$35,139
	760234 CNT PIPELINES	WTR SVC (2) ENC VILL SQ PHASE 2	11,732	\$1,173	\$13,253	\$1,325	\$11,928
	760238 CNT PIPELINES	WATER SERVICE - 3111 CADENCIA STREEET	8,861	\$886	\$10,010	\$1,001	\$9,009
	760235 CNT PIPELINES	WATER SERVICE - 3453 BUMANN RD	11,732	\$1,173	\$13,253	\$1,325	\$11,928
	760237 CNT PIPELINES	WATER SERVICE - 9545 MT ISRAEL ROAD	11,568	\$1,157	\$13,068	\$1,307	\$11,761
	760236 CNT PIPELINES	WATER SERVICE - BIANCAMANO PARCEL	11,568	\$1,157	\$13,068	\$1,307	\$11,761
	760231 CNT PIPELINES	BERRYMAN CANYON ENCLAVE PHASE 1	255,101	\$31,888	\$295,705	\$36,963	\$258,742
	760232 CNT PIPELINES	BERRYMAN CANYON ENCLAVE PHASE 2	50,679	\$6,335	\$58,745	\$7,343	\$51,402

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
760233	CNT PIPELINES	BERRYMAN CANYON ENCLAVE PHASE 3	51,957	\$6,495	\$60,227	\$7,528	\$52,699
760229	CNT PIPELINES	FAIR OAKS VALLEY	809,147	\$101,143	\$937,938	\$117,242	\$820,695
760230	CNT PIPELINES	RANCHO SANTA FE FARMS RD REALIGNMENT	147,470	\$18,434	\$170,943	\$21,368	\$149,575
760228	CNT PIPELINES	FIRE HYDRANT - 9021 DETWILER RD	11,812	\$1,772	\$14,292	\$2,144	\$12,148
760227	CNT PIPELINES	RANCHO SANTA FE LAKES UNIT 3	1,602,160	\$240,324	\$1,938,503	\$290,775	\$1,647,728
760212	CNT PIPELINES	LA COSTA TOWN SQUARE COMMERCIAL	121,326	\$14,559	\$146,796	\$17,616	\$129,181
760214	CNT PIPELINES	669 RSF RD 1.5" LATERAL	8,420	\$1,010	\$10,188	\$1,223	\$8,965
760215	CNT PIPELINES	GRAUER SCHOOL FDC & WS	23,640	\$2,837	\$28,603	\$3,432	\$25,170
760224	CNT PIPELINES	SDUHS DISTRICT WS & FDC	29,551	\$3,546	\$35,755	\$4,291	\$31,464
760221	CNT PIPELINES	LA COSTA TOWN SQUARE - TAYLOR MORRISON	239,285	\$28,714	\$289,518	\$34,742	\$254,776
760213	CNT PIPELINES	9519 MT ISRAEL RD FH & FS INSTALL	19,750	\$2,370	\$23,896	\$2,868	\$21,029
760217	CNT PIPELINES	7604 TOP O THE MORNING WS RELOCATION	8,421	\$1,011	\$10,189	\$1,223	\$8,966
760216	CNT PIPELINES	CROSBY ENCLAVE	110,413	\$13,250	\$133,592	\$16,031	\$117,561
760218	CNT PIPELINES	16593 FRANZEN FARM RD WS INSTALL	8,421	\$1,011	\$10,189	\$1,223	\$8,966
760219	CNT PIPELINES	LOT 106 CERRO DEL SOL WS RELOCATION	8,421	\$1,011	\$10,189	\$1,223	\$8,966
760220	CNT PIPELINES	RSF LAKES UNIT 4 - PROVINCE COURT	124,521	\$14,943	\$150,662	\$18,079	\$132,582
760223	CNT PIPELINES	6716 POCO LAGO FDC & WS INSTALL	35,935	\$4,312	\$43,479	\$5,217	\$38,261
760226	CNT PIPELINES	RANCHO PASEANA FDC INSTALL	13,295	\$1,595	\$16,086	\$1,930	\$14,156
297670	CNT PIPELINES	204 N El Camino Real FDC	9,000	\$1,260	\$11,055	\$1,548	\$9,508
297672	CNT PIPELINES	La Costa Town Square @ La Costa Ave	583,600	\$81,704	\$716,871	\$100,362	\$616,509
297671	CNT PIPELINES	Rancho Cielo Parcel "M"	493,300	\$69,062	\$605,950	\$84,833	\$521,117
297673	CNT PIPELINES	8948 Mt Israel Rd FDC & WS	21,000	\$2,940	\$25,796	\$3,611	\$22,184
297674	CNT PIPELINES	6415 Rancho Santa Fe Farms Rd Fire Svc	8,200	\$1,148	\$10,073	\$1,410	\$8,662
297675	CNT PIPELINES	4S Ranch Carls JR Wtr Svc Install	10,900	\$1,526	\$13,389	\$1,874	\$11,515
297660	CNT PIPELINES	Westridge - Aryana Drive	181,000	\$28,960	\$227,335	\$36,374	\$190,961
297664	CNT PIPELINES	Lux Institue 4" FDC & 6" Gate Valve	9,000	\$1,440	\$11,304	\$1,809	\$9,495
297669	CNT PIPELINES	Manchester Ave 2 Way Hydrant	10,000	\$1,600	\$12,560	\$2,010	\$10,550
297659	CNT PIPELINES	Rancho Pacifica TM 5148	115,000	\$18,400	\$144,439	\$23,110	\$121,329
297661	CNT PIPELINES	La Costa Town Square 18" PL Relocation	129,000	\$20,640	\$162,023	\$25,924	\$136,099
297667	CNT PIPELINES	Via Roswitha,RSF,TDC,G V & 2 Way Hydrant	18,000	\$2,880	\$22,608	\$3,617	\$18,991
297666	CNT PIPELINES	Rancho Cielo Parcel M	603,000	\$96,480	\$757,364	\$121,178	\$636,186
297658	CNT PIPELINES	Crosby Estates, Emerald Cover, TM 5393-1	226,000	\$36,160	\$283,854	\$45,417	\$238,438
297662	CNT PIPELINES	Rancho Santa Fe Lakes Unit 2, TM 5069	1,139,000	\$182,240	\$1,430,576	\$228,892	\$1,201,684
297665	CNT PIPELINES	Vintage at The Crosby, TM 5073-A	461,000	\$73,760	\$579,013	\$92,642	\$486,371
297668	CNT PIPELINES	7761 Artesian Rd FDC & WS Install	12,000	\$1,920	\$15,072	\$2,412	\$12,660
297663	CNT PIPELINES	Cymer 1" Water Lateral	8,000	\$1,280	\$10,048	\$1,608	\$8,440
297655	CNT PIPELINES	Mission Estancia Fdc Install	70,400	\$12,672	\$92,152	\$16,587	\$75,565
297656	CNT PIPELINES	Unit Aa Pipeline	13,000,000	\$2,340,000	\$17,016,778	\$3,063,020	\$13,953,758
297657	CNT PIPELINES	Olivenhain 9 & 10 Svc Connect	500,000	\$90,000	\$654,491	\$117,808	\$536,683
297648	CNT PIPELINES	Rsf Lakes - Old Course Rd	292,750	\$52,695	\$383,205	\$68,977	\$314,228
297649	CNT PIPELINES	Rsf Lakes - Unit 1	376,350	\$67,743	\$492,636	\$88,674	\$403,961
297651	CNT PIPELINES	Elfin Forest Fire Hydrant	10,250	\$1,845	\$13,417	\$2,415	\$11,002
297650	CNT PIPELINES	Mission Ranch	281,550	\$50,679	\$368,544	\$66,338	\$302,206
297652	CNT PIPELINES	4Sr Med Office Fdc/Conversions	30,700	\$5,526	\$40,186	\$7,233	\$32,952
297647	CNT PIPELINES	Fy12 Contributed Mains	191,952	\$38,390	\$251,387	\$50,277	\$201,110
297644	CNT PIPELINES	Rancho Cielo Parcel 3	316,111	\$63,222	\$413,990	\$82,798	\$331,192

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
	297645 CNT PIPELINES	Fairbanks Ranch Fs #3	60,204	\$12,041	\$78,845	\$15,769	\$63,076
	297646 CNT PIPELINES	Horizon School 10" Main/G.V.	74,458	\$14,892	\$97,513	\$19,503	\$78,010
	297643 CNT PIPELINES	4S Nbhd #3 - Units 3 & 4	2,450,837	\$490,167	\$3,209,702	\$641,940	\$2,567,761
	297641 CNT PIPELINES	Villas De La Costa	150,985	\$33,217	\$202,619	\$44,576	\$158,043
	297639 CNT PIPELINES	Greater Centurion	56,335	\$12,394	\$75,600	\$16,632	\$58,968
	297640 CNT PIPELINES	Crosby Golf Villas	97,482	\$21,446	\$130,819	\$28,780	\$102,039
	297642 CNT PIPELINES	4S Village Phase 2 P/L Relo	152,500	\$33,550	\$204,652	\$45,023	\$159,629
	297636 CNT PIPELINES	Olivenhain Guest Home	19,457	\$4,670	\$26,344	\$6,323	\$20,022
	297633 CNT PIPELINES	Brookside Lane - Bouchard	7,114	\$1,707	\$9,632	\$2,312	\$7,321
	297623 CNT PIPELINES	Avenida Apice & Berk Access Rd	809,667	\$194,320	\$1,096,276	\$263,106	\$833,170
	297628 CNT PIPELINES	Cielo Village	40,160	\$9,638	\$54,376	\$13,050	\$41,326
	297627 CNT PIPELINES	Ben Bond Residence PI Relo	46,959	\$11,270	\$63,582	\$15,260	\$48,322
	297635 CNT PIPELINES	Morgan Run Resort & Club	19,731	\$4,735	\$26,715	\$6,412	\$20,304
	297637 CNT PIPELINES	Crosby Swim & Tennis Villas	440,993	\$105,838	\$597,098	\$143,303	\$453,794
	297638 CNT PIPELINES	Ext 244 - Rio Vista Rd	49,625	\$11,910	\$67,191	\$16,126	\$51,066
	297622 CNT PIPELINES	4S Pa 40 - Gianni	346,282	\$83,108	\$468,860	\$112,527	\$356,334
	297624 CNT PIPELINES	4S Ranch Nbhd 3 Unit 2	1,339,825	\$321,558	\$1,814,102	\$435,385	\$1,378,718
	297625 CNT PIPELINES	4S Commons	1,822,158	\$437,318	\$2,467,174	\$592,122	\$1,875,052
	297626 CNT PIPELINES	Del Norte High School	58,429	\$14,023	\$79,112	\$18,987	\$60,125
	297629 CNT PIPELINES	Monterey Ridge Elementary Sch	25,228	\$6,055	\$34,158	\$8,198	\$25,960
	297630 CNT PIPELINES	Oak Valley Middle School	31,881	\$7,651	\$43,166	\$10,360	\$32,806
	297631 CNT PIPELINES	Stone Ranch Elementary School	31,527	\$7,566	\$42,687	\$10,245	\$32,442
	297632 CNT PIPELINES	Souplantation	9,580	\$2,299	\$12,971	\$3,113	\$9,858
	297634 CNT PIPELINES	7808 Cmno Sin Puente Fh Instl	4,165	\$1,000	\$5,639	\$1,353	\$4,286
	297610 CNT PIPELINES	Rosebay Condominiums	37,308	\$9,700	\$51,470	\$13,382	\$38,088
	297614 CNT PIPELINES	Horseman'S Valley South	76,500	\$19,890	\$105,540	\$27,440	\$78,099
	297616 CNT PIPELINES	Belmont Village	100,269	\$26,070	\$138,332	\$35,966	\$102,365
	297617 CNT PIPELINES	El Camino Promenade	131,600	\$34,216	\$181,556	\$47,205	\$134,351
	297618 CNT PIPELINES	La Costa Glen Phase 1	362,845	\$94,340	\$500,582	\$130,151	\$370,431
	297619 CNT PIPELINES	La Costa Glen Phase 2	703,955	\$183,028	\$971,179	\$252,507	\$718,673
	297620 CNT PIPELINES	Rite Aid - Manchester Ave	28,382	\$7,379	\$39,156	\$10,181	\$28,975
	297605 CNT PIPELINES	Unit N Pipeline Relocation	323,796	\$84,187	\$446,710	\$116,145	\$330,566
	297606 CNT PIPELINES	Carlsbad Fire Station No. 6	93,415	\$24,288	\$128,876	\$33,508	\$95,368
	297607 CNT PIPELINES	La Costa Ave 18" P/L Relo	200,000	\$52,000	\$275,921	\$71,739	\$204,181
	297608 CNT PIPELINES	Oaks South Nbhd 3.9	217,000	\$56,420	\$299,374	\$77,837	\$221,537
	297602 CNT PIPELINES	Rancho Cielo Parcel "A"	849,383	\$220,840	\$1,171,812	\$304,671	\$867,141
	297611 CNT PIPELINES	Rancho Cielo Parcel "C"	185,591	\$48,254	\$256,042	\$66,571	\$189,471
	297612 CNT PIPELINES	Rancho Cielo Parcel "D"	281,072	\$73,079	\$387,768	\$100,820	\$286,948
	297601 CNT PIPELINES	4S Planning Area 35	29,274	\$7,611	\$40,387	\$10,500	\$29,886
	297603 CNT PIPELINES	4S Ranch 27" Pipeline	758,643	\$197,247	\$1,046,627	\$272,123	\$774,504
	297604 CNT PIPELINES	Quest Medical Office Building	12,000	\$3,120	\$16,555	\$4,304	\$12,251
	297609 CNT PIPELINES	4S Planning Area 38	540,317	\$140,482	\$745,423	\$193,810	\$551,613
	297613 CNT PIPELINES	Dove Canyon Apartments	15,351	\$3,991	\$21,178	\$5,506	\$15,672
	297615 CNT PIPELINES	4S Ranch Nbhd 3 Unit 1	2,755,181	\$716,347	\$3,801,059	\$988,275	\$2,812,783
	287607 CNT PIPELINES	Oaks South Nbhd 3.10/3.11	347,002	\$97,161	\$505,139	\$141,439	\$363,700
	287611 CNT PIPELINES	La Costa Oaks Nbhd 3.08	212,000	\$59,360	\$308,613	\$86,412	\$222,202

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
	287610 CNT PIPELINES	Ranch Cielo Parcel F Swr/Water	963,649	\$269,822	\$1,402,807	\$392,786	\$1,010,021
	287612 CNT PIPELINES	Rancho Cielo Parcel G	907,500	\$254,100	\$1,321,069	\$369,899	\$951,170
	287616 CNT PIPELINES	Unit S-3	1,557,508	\$436,102	\$2,267,302	\$634,844	\$1,632,457
	287602 CNT PIPELINES	El Apajo Estates (River Run)	103,649	\$29,022	\$150,884	\$42,248	\$108,637
	287608 CNT PIPELINES	Crosby Estates 5073-7	302,000	\$84,560	\$439,629	\$123,096	\$316,533
	287601 CNT PIPELINES	North Coast Health Center	64,995	\$18,199	\$94,615	\$26,492	\$68,123
	287603 CNT PIPELINES	Coastline Community Church	29,000	\$8,120	\$42,216	\$11,820	\$30,396
	287604 CNT PIPELINES	4S Ranch Pa 37	212,563	\$59,518	\$309,433	\$86,641	\$222,792
	287605 CNT PIPELINES	The Forum	336,500	\$94,220	\$489,851	\$137,158	\$352,693
	287606 CNT PIPELINES	4S Ranch Pa 41	323,063	\$90,458	\$470,291	\$131,681	\$338,609
	287609 CNT PIPELINES	4S Ranch Nbhd 2 Unit 3	1,222,896	\$342,411	\$1,780,199	\$498,456	\$1,281,743
	287613 CNT PIPELINES	4S Ranch La Fitness	75,000	\$21,000	\$109,179	\$30,570	\$78,609
	287614 CNT PIPELINES	4S Pipeline North Phase I	1,381,000	\$386,680	\$2,010,355	\$562,899	\$1,447,455
	287615 CNT PIPELINES	4S Pipeline North Phase II	1,729,000	\$484,120	\$2,516,947	\$704,745	\$1,812,202
	277608 CNT PIPELINES	Encinitas Country Day School	78,431	\$29,412	\$119,476	\$44,803	\$74,672
	277609 CNT PIPELINES	Encinitas Ranch Phase Iii	59,484	\$22,307	\$90,613	\$33,980	\$56,633
	277610 CNT PIPELINES	Gardenview Office Building	9,857	\$3,696	\$15,015	\$5,631	\$9,385
	277611 CNT PIPELINES	La Costa Oaks S Cmno Junipero	192,797	\$72,299	\$293,692	\$110,134	\$183,557
	277612 CNT PIPELINES	La Costa Oaks S Nbhd 3.12/3.13	423,728	\$158,898	\$645,473	\$242,053	\$403,421
	277613 CNT PIPELINES	La Costa Oaks S Nbhd 3.14	253,099	\$94,912	\$385,551	\$144,582	\$240,969
	277614 CNT PIPELINES	La Costa Oaks S Nbh	420,000	\$157,500	\$639,794	\$239,923	\$399,872
	277615 CNT PIPELINES	La Costa Oaks S Nbhd	291,000	\$109,125	\$443,286	\$166,232	\$277,054
	277616 CNT PIPELINES	La Costa Oaks South	240,000	\$90,000	\$365,597	\$137,099	\$228,498
	277617 CNT PIPELINES	North Park @ La Cost	56,551	\$21,207	\$86,145	\$32,304	\$53,841
	277622 CNT PIPELINES	Shelley Unit 1 (Centex)	78,800	\$29,550	\$120,038	\$45,014	\$75,024
	277623 CNT PIPELINES	Unit "M" P/L Relocation & Fcf	567,108	\$212,666	\$863,887	\$323,958	\$539,929
	277624 CNT PIPELINES	Unit "M" Relocation - Dove Trl	211,888	\$79,458	\$322,773	\$121,040	\$201,733
	277620 CNT PIPELINES	Rancho Pacifica	92,000	\$34,500	\$140,145	\$52,555	\$87,591
	277619 CNT PIPELINES	Rancho Cielo B Tm 42	473,500	\$177,563	\$721,292	\$270,485	\$450,808
	277602 CNT PIPELINES	Crosby @ Rsf Tm 5073-1	329,000	\$123,375	\$501,172	\$187,940	\$313,233
	277603 CNT PIPELINES	Crosby Golf Clubhouse Ext	76,827	\$28,810	\$117,032	\$43,887	\$73,145
	277604 CNT PIPELINES	Crosby Tm 5073-2	859,000	\$322,125	\$1,308,532	\$490,700	\$817,833
	277605 CNT PIPELINES	Crosby Tm 5073-4	390,600	\$146,475	\$595,009	\$223,128	\$371,881
	277606 CNT PIPELINES	Crosby Tm 5073-8	41,263	\$15,474	\$62,857	\$23,571	\$39,285
	277607 CNT PIPELINES	Crosby Unit 3 Tm 5073-3	284,500	\$106,688	\$433,385	\$162,519	\$270,865
	277618 CNT PIPELINES	Old Course Road Enca	427,000	\$160,125	\$650,458	\$243,922	\$406,536
	277621 CNT PIPELINES	Santa Luz Affordable Housing	371,000	\$139,125	\$565,152	\$211,932	\$353,220
	277626 CNT PIPELINES	Unit Rc-2 Pipeline - Sfv	299,490	\$89,847	\$456,219	\$136,866	\$319,353
	277600 CNT PIPELINES	4S Ranch Nbhd 1 Backbone	1,564,488	\$586,683	\$2,383,216	\$893,706	\$1,489,510
	277601 CNT PIPELINES	4S Ranch Community Park	136,050	\$51,019	\$207,248	\$77,718	\$129,530
	267606 CNT PIPELINES	Enc Ranch N Mesa	96,000	\$38,400	\$151,510	\$60,604	\$90,906
	267615 CNT PIPELINES	Temple Solel	93,475	\$37,390	\$147,525	\$59,010	\$88,515
	267617 CNT PIPELINES	Raw Water Pipeline	107,281	\$34,330	\$169,313	\$54,180	\$115,133
	267604 CNT PIPELINES	Santa Fe Creek #1	242,000	\$96,800	\$381,931	\$152,772	\$229,158
	267605 CNT PIPELINES	Santa Fe Creek #2	65,000	\$26,000	\$102,585	\$41,034	\$61,551
	267607 CNT PIPELINES	Bridges Units 1 & 2	57,000	\$22,800	\$89,959	\$35,984	\$53,975

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
267608	CNT PIPELINES	Bridges @ Rsf Unit 3	189,500	\$75,800	\$299,074	\$119,629	\$179,444
267609	CNT PIPELINES	Bridges @ Rsf Unit 4	464,000	\$185,600	\$732,297	\$292,919	\$439,378
267610	CNT PIPELINES	Bridges @ Rsf Unit 6	23,000	\$9,200	\$36,299	\$14,520	\$21,780
267616	CNT PIPELINES	Bridges Unit 5	117,000	\$46,800	\$184,652	\$73,861	\$110,791
267601	CNT PIPELINES	Units V3 & V4 P/L	1,063,252	\$340,241	\$1,678,051	\$536,976	\$1,141,075
267602	CNT PIPELINES	Unit S-1 Valve	66,709	\$21,347	\$105,283	\$33,690	\$71,592
267603	CNT PIPELINES	Unit P-2B P/L Relo	68,000	\$27,200	\$107,319	\$42,928	\$64,392
727601	CNT PIPELINES	Ext 153 Capacity	269,003	\$153,716	\$424,547	\$242,598	\$181,949
267611	CNT PIPELINES	4S Ranch Unit 8	189,000	\$75,600	\$298,285	\$119,314	\$178,971
267612	CNT PIPELINES	4S Ranch Unit 3	301,000	\$120,400	\$475,046	\$190,018	\$285,027
267613	CNT PIPELINES	4S Ranch Nbhd 2 #1	1,039,798	\$415,919	\$1,641,035	\$656,414	\$984,621
267614	CNT PIPELINES	4S Ranch Nbhd 2 #2	1,200,592	\$480,237	\$1,894,805	\$757,922	\$1,136,883
257602	CNT PIPELINES	Enc Ranch Mesa Lower	97,500	\$41,438	\$158,465	\$67,348	\$91,117
257603	CNT PIPELINES	Quail Hollow	255,000	\$108,375	\$414,446	\$176,140	\$238,307
257607	CNT PIPELINES	Shelley Unit 2	162,800	\$69,190	\$264,596	\$112,453	\$152,142
257608	CNT PIPELINES	Shelley Unit 3	281,000	\$119,425	\$456,704	\$194,099	\$262,605
257609	CNT PIPELINES	Shelley Unit 4	209,000	\$88,825	\$339,683	\$144,365	\$195,318
257601	CNT PIPELINES	4S Planning Area 27	197,000	\$83,725	\$320,180	\$136,077	\$184,104
257604	CNT PIPELINES	4S Planning Area 26	188,400	\$80,070	\$306,203	\$130,136	\$176,067
257605	CNT PIPELINES	4S Planning Area 19	400,000	\$170,000	\$650,112	\$276,298	\$373,814
257606	CNT PIPELINES	4S Planning Area 25	626,300	\$266,178	\$1,017,913	\$432,613	\$585,300
257610	CNT PIPELINES	4S Planning Area 16	409,500	\$174,038	\$665,552	\$282,860	\$382,692
257611	CNT PIPELINES	4S Planning Area 29	171,000	\$27,675	\$277,923	\$118,117	\$159,806
257612	CNT PIPELINES	Bernardo Point #4	79,454	\$33,768	\$129,135	\$54,882	\$74,253
257613	CNT PIPELINES	4S Planning Area 15	383,500	\$162,988	\$623,295	\$264,900	\$358,394
257614	CNT PIPELINES	4S Planning Area 28	63,000	\$26,775	\$102,393	\$43,517	\$58,876
257615	CNT PIPELINES	4S Planning Area 12	323,000	\$137,275	\$524,965	\$223,110	\$301,855
257616	CNT PIPELINES	Unit Z P/L -Artesian	2,833,396	\$1,204,193	\$4,605,060	\$1,957,151	\$2,647,910
247601	CNT PIPELINES	Arroyo La Costa #3	70,000	\$31,500	\$115,257	\$51,866	\$63,392
247603	CNT PIPELINES	Rancho La Costa Vlg	25,840	\$11,628	\$42,546	\$19,146	\$23,401
247604	CNT PIPELINES	Rncho La Costa-Rcycl	42,160	\$18,972	\$69,418	\$31,238	\$38,180
247605	CNT PIPELINES	Salviati	458,350	\$206,258	\$754,690	\$339,610	\$415,079
247606	CNT PIPELINES	W-2 Extension	155,209	\$69,844	\$255,557	\$115,001	\$140,556
247602	CNT PIPELINES	4S Rnch Vlg Comm Dev	181,850	\$81,833	\$299,422	\$134,740	\$164,682
237622	CNT PIPELINES	Concordia 28 Llc	124,000	\$58,900	\$222,072	\$105,484	\$116,588
237624	CNT PIPELINES	Arroyo La Costa (F)	75,000	\$35,625	\$134,318	\$63,801	\$70,517
237625	CNT PIPELINES	Arroyo La Costa (K)	173,000	\$82,175	\$309,826	\$147,167	\$162,659
237627	CNT PIPELINES	Arroyo La Costa (D)	189,000	\$89,775	\$338,480	\$160,778	\$177,702
237628	CNT PIPELINES	Arroyo La Costa (M)	126,000	\$59,850	\$225,653	\$107,185	\$118,468
237629	CNT PIPELINES	Arroyo La Costa (N)	201,000	\$95,475	\$359,971	\$170,986	\$188,985
237630	CNT PIPELINES	Arroyo La Costa (O)	127,000	\$60,325	\$227,444	\$108,036	\$119,408
237631	CNT PIPELINES	Arroyo La Costa (B)	294,000	\$139,650	\$526,525	\$250,099	\$276,425
237632	CNT PIPELINES	Ctrh, Llc	25,000	\$11,875	\$44,773	\$21,267	\$23,506
237633	CNT PIPELINES	Unit W-1 Pipeline	749,173	\$355,857	\$1,341,694	\$637,305	\$704,389
237634	CNT PIPELINES	Unit W-2 Pipeline	1,007,144	\$478,393	\$1,803,695	\$856,755	\$946,940
237623	CNT PIPELINES	4S Lots 37 & 38	20,125	\$9,559	\$36,042	\$17,120	\$18,922

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
	237626 CNT PIPELINES	4S Lots 14 - 17	20,000	\$9,500	\$35,818	\$17,014	\$18,804
	227620 CNT PIPELINES	Arroyo La Costa - E	204,200	\$102,100	\$372,076	\$186,038	\$186,038
	227621 CNT PIPELINES	Sandalwood - Ps	417,000	\$208,500	\$759,821	\$379,911	\$379,911
	227619 CNT PIPELINES	Groves li	78,000	\$39,000	\$142,125	\$71,062	\$71,062
	217602 CNT PIPELINES	Arroyo La Costa #3	463,000	\$243,075	\$864,164	\$453,686	\$410,478
	217604 CNT PIPELINES	Arroyo La Costa I	376,000	\$197,400	\$701,783	\$368,436	\$333,347
	217606 CNT PIPELINES	Leucadia Highlands	93,000	\$48,825	\$173,579	\$91,129	\$82,450
	217612 CNT PIPELINES	Sage Canyon	97,000	\$50,925	\$181,045	\$95,049	\$85,996
	217616 CNT PIPELINES	Arroyo La Costa #C	118,000	\$61,950	\$220,241	\$115,626	\$104,614
	217603 CNT PIPELINES	Lone Jack Rd Imprvmt	9,000	\$4,725	\$16,798	\$8,819	\$7,979
	217607 CNT PIPELINES	Kinghtsbridge	344,500	\$180,863	\$642,990	\$337,570	\$305,420
	217611 CNT PIPELINES	Crestview	92,000	\$48,300	\$171,713	\$90,149	\$81,564
	217613 CNT PIPELINES	Stratford Knolls	67,500	\$35,438	\$125,985	\$66,142	\$59,843
	217615 CNT PIPELINES	Rancho Verde Unit #2	345,887	\$181,591	\$645,579	\$338,929	\$306,650
	217617 CNT PIPELINES	Rancho Verde Unit #4	124,000	\$65,100	\$231,439	\$121,506	\$109,934
	217605 CNT PIPELINES	Bernardo Lks Unit V1	283,588	\$148,884	\$529,302	\$277,884	\$251,419
	217608 CNT PIPELINES	Christopherhill #1	267,000	\$140,175	\$498,341	\$261,629	\$236,712
	217609 CNT PIPELINES	Christopherhill #2	176,000	\$92,400	\$328,494	\$172,460	\$156,035
	217610 CNT PIPELINES	Christopherhill #3	165,000	\$86,625	\$307,963	\$161,681	\$146,283
	217614 CNT PIPELINES	Christopherhill Bkbn	532,500	\$279,563	\$993,882	\$521,788	\$472,094
	207601 CNT PIPELINES	Mains 99/00 Add'S	3,351,454	\$1,843,300	\$6,395,916	\$3,517,754	\$2,878,162
	760197 CNT PIPELINES	Ext 180 Carlsbad Hs	250,000	\$143,750	\$494,020	\$284,061	\$209,958
	760199 CNT PIPELINES	Arroyo La Costa #2	355,000	\$204,125	\$701,508	\$403,367	\$298,141
	760200 CNT PIPELINES	Calle Barcelona	509,000	\$292,675	\$1,005,824	\$578,349	\$427,475
	760198 CNT PIPELINES	Rancho Lakes Estates	487,455	\$280,287	\$963,249	\$553,868	\$409,381
	760195 CNT PIPELINES	Home Depot	500,000	\$312,500	\$1,012,122	\$632,576	\$379,546
	760192 CNT PIPELINES	Vista Santa Fe Areab	170,666	\$106,666	\$345,470	\$215,918	\$129,551
	760193 CNT PIPELINES	Ranch View Estates	56,500	\$35,313	\$114,370	\$71,481	\$42,889
	760196 CNT PIPELINES	Mains 97/98 Addition	458,135	\$286,334	\$927,377	\$579,611	\$347,766
	760194 CNT PIPELINES	Rancho Lakes	500,000	\$312,500	\$1,012,122	\$632,576	\$379,546
	760189 CNT PIPELINES	Sonata (Tierra S.F.)	183,333	\$119,167	\$377,059	\$245,088	\$131,971
	760190 CNT PIPELINES	Hdden Valley Subdivs	114,200	\$74,230	\$234,874	\$152,668	\$82,206
	760191 CNT PIPELINES	Intertie - Fairbanks	151,634	\$98,562	\$311,863	\$202,711	\$109,152
	760186 CNT PIPELINES	Tierra Santa Fe 9'95	73,333	\$49,500	\$151,568	\$102,308	\$49,259
	760188 CNT PIPELINES	Sonata 1&2 '95	73,333	\$49,500	\$151,568	\$102,308	\$49,259
	760184 CNT PIPELINES	Rancho Farms Ests'95	75,000	\$50,625	\$155,013	\$104,634	\$50,379
	760185 CNT PIPELINES	Vista Santa Fe B1'95	341,334	\$230,400	\$705,483	\$476,201	\$229,282
	760181 CNT PIPELINES	Rosemont Estates	78,500	\$54,950	\$162,080	\$113,456	\$48,624
	760179 CNT PIPELINES	Heritage Raw H2O P/L	1,051,712	\$736,198	\$2,171,481	\$1,520,037	\$651,444
	760182 CNT PIPELINES	Stratford Estates	33,000	\$23,100	\$68,135	\$47,695	\$20,441
	760183 CNT PIPELINES	Wildflower Estate #1	169,500	\$118,650	\$349,968	\$244,978	\$104,991
	760180 CNT PIPELINES	Heritage Hills C.C.	588,000	\$411,600	\$1,214,050	\$849,835	\$364,215
	760178 CNT PIPELINES	Leucadia Homes	51,500	\$37,338	\$107,237	\$77,747	\$29,490
	760177 CNT PIPELINES	Rancho Pacifica Apts	156,500	\$117,375	\$332,513	\$249,385	\$83,128
	760173 CNT PIPELINES	Forrest Bluff Estate	65,000	\$50,375	\$143,965	\$111,573	\$32,392
	760172 CNT PIPELINES	Brookside Sub	93,500	\$72,463	\$207,088	\$160,493	\$46,595

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
760174	CNT PIPELINES	Pearce Project	55,500	\$43,013	\$122,924	\$95,266	\$27,658
760176	CNT PIPELINES	Ranch Farms Ests #2	115,000	\$89,125	\$254,707	\$197,398	\$57,309
760175	CNT PIPELINES	Alva Rd Improvements	148,000	\$114,700	\$327,797	\$254,042	\$73,754
760164	CNT PIPELINES	Encinitas Tract 4574	347,500	\$278,000	\$781,928	\$625,542	\$156,386
760168	CNT PIPELINES	Scenna Canyon Subdiv	91,250	\$73,000	\$205,326	\$164,261	\$41,065
760163	CNT PIPELINES	New Horizon Group	17,131	\$13,705	\$38,548	\$30,838	\$7,710
760165	CNT PIPELINES	Rancho S.F.Highlands	213,500	\$170,800	\$480,407	\$384,326	\$96,081
760166	CNT PIPELINES	La Jolla Valencia	341,000	\$272,800	\$767,302	\$613,842	\$153,460
760167	CNT PIPELINES	Rancho S.F. Farms	940,922	\$752,738	\$2,117,218	\$1,693,774	\$423,444
760169	CNT PIPELINES	Unit R P/L 4-S Partn	639,388	\$511,510	\$1,438,720	\$1,150,976	\$287,744
760171	CNT PIPELINES	Water Facilities 4-S	457,750	\$366,200	\$1,030,007	\$824,006	\$206,001
760150	CNT PIPELINES	Mira Costa College S	143,341	\$118,256	\$333,947	\$275,506	\$58,441
760151	CNT PIPELINES	Scotts Valley #1	142,000	\$117,150	\$330,823	\$272,929	\$57,894
760152	CNT PIPELINES	Scotts Valley	204,200	\$168,465	\$475,733	\$392,479	\$83,253
760153	CNT PIPELINES	Monarch Villas	84,000	\$69,300	\$195,698	\$161,451	\$34,247
760156	CNT PIPELINES	Vista Santa Fe #3	138,000	\$113,850	\$321,504	\$265,241	\$56,263
760157	CNT PIPELINES	Vista Santa Fe #4	105,000	\$86,625	\$244,623	\$201,814	\$42,809
760158	CNT PIPELINES	Vista Santa Fe #5	81,500	\$67,238	\$189,874	\$156,646	\$33,228
760159	CNT PIPELINES	Vista Santa Fe #6	90,000	\$74,250	\$209,676	\$172,983	\$36,693
760160	CNT PIPELINES	Beland Project	40,500	\$33,413	\$94,354	\$77,842	\$16,512
760161	CNT PIPELINES	Country Rose #1	208,350	\$171,889	\$485,401	\$400,456	\$84,945
760162	CNT PIPELINES	Country Rose #2	138,900	\$114,593	\$323,601	\$266,971	\$56,630
760154	CNT PIPELINES	Fairbanks Cc #4	83,000	\$68,475	\$193,368	\$159,529	\$33,839
760155	CNT PIPELINES	Fairbankd Cc #6	85,000	\$70,125	\$198,028	\$163,373	\$34,655
760141	CNT PIPELINES	Santa Fe Knolls	544,600	\$462,910	\$1,272,938	\$1,081,997	\$190,941
760142	CNT PIPELINES	Olive Crest	150,000	\$127,500	\$350,607	\$298,016	\$52,591
760144	CNT PIPELINES	Rsf Road Improvement	18,000	\$15,300	\$42,073	\$35,762	\$6,311
760146	CNT PIPELINES	Olivenhain Venture	105,500	\$89,675	\$246,594	\$209,605	\$36,989
760148	CNT PIPELINES	La Costa Condos Ph 3	60,500	\$51,425	\$141,412	\$120,200	\$21,212
760149	CNT PIPELINES	Sea Point Village	180,500	\$153,425	\$421,897	\$358,613	\$63,285
760147	CNT PIPELINES	Windsor Country Ests	364,000	\$309,400	\$850,807	\$723,186	\$127,621
760143	CNT PIPELINES	Rancho Del Rayo- Sub	604,000	\$513,400	\$1,411,778	\$1,200,011	\$211,767
760145	CNT PIPELINES	Fairbanks Polo Club	110,500	\$93,925	\$258,281	\$219,538	\$38,742
760135	CNT PIPELINES	Encinitas Estates #4	105,500	\$92,313	\$259,959	\$227,464	\$32,495
760137	CNT PIPELINES	La Costa Condos 1&2	373,800	\$327,075	\$921,068	\$805,935	\$115,134
760139	CNT PIPELINES	De La Plaza, Encntas	145,000	\$126,875	\$357,290	\$312,629	\$44,661
760140	CNT PIPELINES	Del Rayo Heights Sub	74,500	\$65,188	\$183,573	\$160,626	\$22,947
760136	CNT PIPELINES	Whispering Palms V-I	201,500	\$176,313	\$496,510	\$434,446	\$62,064
760138	CNT PIPELINES	Fairbanks C.C. #3	233,000	\$203,875	\$574,128	\$502,362	\$71,766
760124	CNT PIPELINES	Northview # 6	60,600	\$54,540	\$149,923	\$134,931	\$14,992
760125	CNT PIPELINES	Northview #5	119,900	\$107,910	\$296,631	\$266,968	\$29,663
760126	CNT PIPELINES	Quail Gardens #4.	288,500	\$259,650	\$713,744	\$642,370	\$71,374
760127	CNT PIPELINES	La Costa Trans Main.	192,000	\$172,800	\$475,005	\$427,504	\$47,500
760128	CNT PIPELINES	Santa Fe Ridge #2.	189,000	\$170,100	\$467,583	\$420,825	\$46,758
760129	CNT PIPELINES	Lagoon View.	84,500	\$76,050	\$209,052	\$188,146	\$20,905
760130	CNT PIPELINES	Mission Ridge.	117,000	\$105,300	\$289,456	\$260,510	\$28,946

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
760131	CNT PIPELINES	Northview #7.	57,200	\$51,480	\$141,512	\$127,361	\$14,151
760132	CNT PIPELINES	Northview #8.	81,000	\$72,900	\$200,393	\$180,353	\$20,039
760133	CNT PIPELINES	Northview #9.	61,300	\$55,170	\$151,655	\$136,490	\$15,166
760134	CNT PIPELINES	Stonebridge	169,500	\$152,550	\$419,340	\$377,406	\$41,934
760109	CNT PIPELINES	Vista Santa Fe #2	75,000	\$69,375	\$185,736	\$171,806	\$13,930
760110	CNT PIPELINES	Seagate Village	288,500	\$266,863	\$714,466	\$660,881	\$53,585
760114	CNT PIPELINES	Encinitas Villg Apts	47,000	\$43,475	\$116,395	\$107,665	\$8,730
760115	CNT PIPELINES	Villg Park Villas #5	5,900	\$5,458	\$14,611	\$13,515	\$1,096
760116	CNT PIPELINES	La Costa Trans Main.	479,292	\$443,345	\$1,186,960	\$1,097,938	\$89,022
760117	CNT PIPELINES	Pac Ranch-Tennis Clb	328,200	\$303,585	\$812,783	\$751,824	\$60,959
760120	CNT PIPELINES	Olivenhain Bluffs	26,000	\$24,050	\$64,389	\$59,559	\$4,829
760121	CNT PIPELINES	Camino Creek #2	201,000	\$185,925	\$497,774	\$460,441	\$37,333
760122	CNT PIPELINES	Santa Fe Ridge #1	160,000	\$148,000	\$396,238	\$366,520	\$29,718
760123	CNT PIPELINES	Summerhill- Tm4421-1	290,452	\$268,668	\$719,300	\$665,353	\$53,948
760107	CNT PIPELINES	Vista Del Rio	148,500	\$137,363	\$367,758	\$340,176	\$27,582
760108	CNT PIPELINES	Vista Santa Fe #1	108,500	\$100,363	\$268,699	\$248,546	\$20,152
760113	CNT PIPELINES	Galeria	87,750	\$81,169	\$217,312	\$201,013	\$16,298
760118	CNT PIPELINES	Aliso Canyon Road	166,400	\$153,920	\$412,087	\$381,181	\$30,907
760106	CNT PIPELINES	Fairbanks Cntry Club	200,000	\$185,000	\$495,297	\$458,150	\$37,147
760111	CNT PIPELINES	Fairbanks Cntry Club	197,000	\$182,225	\$487,868	\$451,278	\$36,590
760112	CNT PIPELINES	Fairbanks Cntry Club	111,000	\$102,675	\$274,890	\$254,273	\$20,617
760119	CNT PIPELINES	Fairbanks Ranch #4	524,000	\$484,700	\$1,297,679	\$1,200,353	\$97,326
760095	CNT PIPELINES	Village Park Nrtvw 2	12,478	\$11,854	\$31,999	\$30,399	\$1,600
760096	CNT PIPELINES	Camino Creek #3	34,873	\$33,129	\$89,429	\$84,957	\$4,471
760097	CNT PIPELINES	Hollyridge	16,000	\$15,200	\$41,031	\$38,979	\$2,052
760098	CNT PIPELINES	Sakal Project	44,330	\$42,114	\$113,681	\$107,997	\$5,684
760100	CNT PIPELINES	Village Park Nthvw 3	48,500	\$46,075	\$124,374	\$118,155	\$6,219
760101	CNT PIPELINES	Village Park Nthvw 4	60,620	\$57,589	\$155,455	\$147,682	\$7,773
760102	CNT PIPELINES	Heritage Park	154,275	\$146,561	\$395,625	\$375,844	\$19,781
760103	CNT PIPELINES	Jantsch Project	26,000	\$24,700	\$66,675	\$63,341	\$3,334
760104	CNT PIPELINES	Morning Sun West li	254,000	\$241,300	\$651,362	\$618,794	\$32,568
760105	CNT PIPELINES	Encinitas Racquet C.	108,000	\$102,600	\$276,957	\$263,109	\$13,848
760099	CNT PIPELINES	Vista Del Rio 1&2	175,500	\$166,725	\$450,055	\$427,552	\$22,503
760094	CNT PIPELINES	Santa Fe Highlands	289,500	\$282,263	\$771,139	\$751,861	\$19,278
760090	CNT PIPELINES	Whspring Plms Grn #3	76,200	\$74,295	\$202,973	\$197,899	\$5,074
760091	CNT PIPELINES	Vida Pacifica Ph I	288,500	\$281,288	\$768,476	\$749,264	\$19,212
760092	CNT PIPELINES	Rancho La Zanja #1	166,380	\$162,221	\$443,185	\$432,106	\$11,080
760093	CNT PIPELINES	Rancho Del Lago	308,000	\$300,300	\$820,418	\$799,907	\$20,510
760075	CNT PIPELINES	Serena Vista	47,634	\$26,675	\$156,621	\$87,708	\$68,913
760076	CNT PIPELINES	South Pointe Farms	190,200	\$106,512	\$625,380	\$350,213	\$275,167
760077	CNT PIPELINES	Whspring Plms Vil #2	101,200	\$56,672	\$332,747	\$186,338	\$146,409
760065	CNT PIPELINES	Mccoy Med.	15,900	\$9,116	\$58,939	\$33,792	\$25,148
760067	CNT PIPELINES	Canon Pk I-II-III	54,300	\$31,132	\$201,284	\$115,403	\$85,881
760068	CNT PIPELINES	Canon Pk I-II-III	71,000	\$40,707	\$263,189	\$150,895	\$112,294
760069	CNT PIPELINES	Canon Pk I-II-III	28,799	\$16,511	\$106,755	\$61,206	\$45,549
760070	CNT PIPELINES	Shady Hollow	82,110	\$47,076	\$304,372	\$174,507	\$129,866

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
760071	CNT PIPELINES	Ponderosa #5	53,662	\$30,766	\$198,919	\$114,047	\$84,872
760072	CNT PIPELINES	Vllge Pk,N County #2	71,263	\$40,857	\$264,164	\$151,454	\$112,710
760073	CNT PIPELINES	Wandering Rd Schl St	25,725	\$14,749	\$95,360	\$54,673	\$40,687
760059	CNT PIPELINES	La Costa #3	187,003	\$109,708	\$737,280	\$432,537	\$304,742
760060	CNT PIPELINES	La Costa #4	70,700	\$41,477	\$278,742	\$163,529	\$115,214
760061	CNT PIPELINES	Rancho Pond #4	78,200	\$45,877	\$308,312	\$180,876	\$127,436
760049	CNT PIPELINES	Green Valley Knolls	233,003	\$139,802	\$1,220,068	\$732,041	\$488,027
760050	CNT PIPELINES	Summerfield #9	43,430	\$26,058	\$227,412	\$136,447	\$90,965
760051	CNT PIPELINES	Summerfield #8	77,452	\$46,471	\$405,560	\$243,336	\$162,224
760053	CNT PIPELINES	Village Pk #15	29,283	\$17,570	\$153,334	\$92,000	\$61,334
760054	CNT PIPELINES	Encinitas Est #3	46,724	\$28,034	\$244,660	\$146,796	\$97,864
760055	CNT PIPELINES	Rancho Del Pond #1	70,000	\$42,000	\$366,539	\$219,924	\$146,616
760056	CNT PIPELINES	Rancho Del Pond #2	65,850	\$39,510	\$344,809	\$206,885	\$137,924
760057	CNT PIPELINES	Rancho Del Dios	304,420	\$182,652	\$1,594,027	\$956,416	\$637,611
760058	CNT PIPELINES	Adj Per Aje/6-30-77	38,751	\$23,251	\$202,911	\$121,747	\$81,164
760045	CNT PIPELINES	Summerfield #6	15,405	\$9,448	\$86,544	\$53,080	\$33,464
760046	CNT PIPELINES	Summerfield #7	29,239	\$17,933	\$164,263	\$100,748	\$63,515
760047	CNT PIPELINES	Santa Fe Glens	62,681	\$38,445	\$352,139	\$215,979	\$136,161
760048	CNT PIPELINES	S D Shore-Wanket Tnk	211,928	\$129,983	\$1,190,597	\$730,233	\$460,364
760010	CNT PIPELINES	Vllge Pk #10	52,900	\$33,151	\$322,581	\$202,151	\$120,430
760011	CNT PIPELINES	Vllge Pk #11	21,100	\$13,223	\$128,667	\$80,631	\$48,036
760012	CNT PIPELINES	Vllge Pk #12	54,493	\$34,149	\$332,295	\$208,238	\$124,057
760033	CNT PIPELINES	San Elijo Hills	142,592	\$89,358	\$869,518	\$544,898	\$324,620
760014	CNT PIPELINES	Vllg Pk Villas #1	63,753	\$40,802	\$425,714	\$272,457	\$153,257
760016	CNT PIPELINES	Vllg Pk Villas #3	41,700	\$26,688	\$278,454	\$178,210	\$100,243
760017	CNT PIPELINES	Vllg Pk Villas #17	20,300	\$12,992	\$135,554	\$86,755	\$48,800
760006	CNT PIPELINES	Vllge Pk #6	25,471	\$16,641	\$181,303	\$118,451	\$62,852
760035	CNT PIPELINES	Villanitas #1	25,519	\$16,672	\$181,643	\$118,673	\$62,970
760038	CNT PIPELINES	Emerald Classics #2	25,200	\$16,464	\$179,374	\$117,191	\$62,183
760037	CNT PIPELINES	Emerald Classics #1	15,410	\$10,273	\$118,574	\$79,049	\$39,525
760044	CNT PIPELINES	Whspring Plms Grn #2	29,899	\$19,933	\$230,059	\$153,373	\$76,686
760002	CNT PIPELINES	Village Park #2	11,641	\$7,916	\$99,318	\$67,536	\$31,782
760022	CNT PIPELINES	Pacific Sereno #4	25,830	\$17,564	\$220,374	\$149,855	\$70,520
760027	CNT PIPELINES	La Costa South #6	11,557	\$7,859	\$98,599	\$67,047	\$31,552
760030	CNT PIPELINES	La Costa Vale #2	38,336	\$26,068	\$327,068	\$222,406	\$104,662
760039	CNT PIPELINES	Emerald Classics #3	14,155	\$9,625	\$120,767	\$82,121	\$38,645
760040	CNT PIPELINES	Emerald Classics #4	15,728	\$10,695	\$134,187	\$91,247	\$42,940
760041	CNT PIPELINES	Whsprng Plms Grn #1	52,420	\$35,646	\$447,233	\$304,118	\$143,114
760042	CNT PIPELINES	Palms Golf	24,080	\$16,374	\$205,444	\$139,702	\$65,742
760019	CNT PIPELINES	Pacific Sereno #1	42,375	\$29,380	\$413,890	\$286,963	\$126,926
760020	CNT PIPELINES	Pacific Sereno #2	21,435	\$14,862	\$209,362	\$145,158	\$64,204
760021	CNT PIPELINES	Pacific Sereno #3	26,300	\$18,235	\$256,880	\$178,104	\$78,777
760024	CNT PIPELINES	La Costa South #1	80,086	\$55,526	\$782,224	\$542,342	\$239,882
760018	CNT PIPELINES	Lake Val Sereno #2	27,948	\$19,377	\$272,977	\$189,264	\$83,713
202138	CNT PIPELN EXT	MAIN EXT 256 - SANTA FE HEIGHTS	141,048	\$7,052	\$157,813	\$7,891	\$149,923
297518	CNT PIPELN EXT	EXT 235 - PALMA DE LA REINA	379,561	\$37,956	\$428,782	\$42,878	\$385,904

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
	297517 CNT PIPELN EXT	EXT 68A - ELFIN VISTA LANE	48,149	\$6,019	\$55,813	\$6,977	\$48,836
	297515 CNT PIPELN EXT	Ext 248-Citymark Olivenhain Primrose Ln	58,000	\$8,120	\$71,245	\$9,974	\$61,271
	297516 CNT PIPELN EXT	Ext 253 - Cole Ranch Rd	21,000	\$2,940	\$25,796	\$3,611	\$22,184
	297512 CNT PIPELN EXT	Extension 166 - Minks	233,000	\$37,280	\$292,646	\$46,823	\$245,823
	297513 CNT PIPELN EXT	Extension 9B - Levie	41,000	\$6,560	\$51,496	\$8,239	\$43,256
	297514 CNT PIPELN EXT	Extension 247 - Vista Hills	52,000	\$8,320	\$65,312	\$10,450	\$54,862
	297510 CNT PIPELN EXT	Ext 174A - Calzada Del Bosque	100,440	\$25,110	\$131,540	\$32,885	\$98,655
	297511 CNT PIPELN EXT	Ext 245 - Crosby Looped	67,707	\$16,927	\$88,671	\$22,168	\$66,504
	297508 CNT PIPELN EXT	Ext 238A - Pacifica Ranch	36,945	\$10,160	\$49,579	\$13,634	\$35,945
	297509 CNT PIPELN EXT	Ext 191A - Via De La Nola	24,330	\$6,691	\$32,650	\$8,979	\$23,672
	297504 CNT PIPELN EXT	Main Ext 242 - Rimmer	66,274	\$19,882	\$89,734	\$26,920	\$62,814
	297505 CNT PIPELN EXT	Ext 233 - Bella Vista Drive	84,620	\$25,386	\$114,574	\$34,372	\$80,202
	297506 CNT PIPELN EXT	Ext 151A - Church Of Nativity	7,476	\$2,243	\$10,122	\$3,037	\$7,086
	297507 CNT PIPELN EXT	Main Ext 231 - Artesian Rd	81,293	\$24,388	\$110,069	\$33,021	\$77,049
	297501 CNT PIPELN EXT	Ext 234 - Bella Collina	21,152	\$6,874	\$29,181	\$9,484	\$19,697
	297503 CNT PIPELN EXT	Ext 169 - Los Coches Village	161,778	\$52,578	\$223,190	\$72,537	\$150,653
	297502 CNT PIPELN EXT	Ext 230 - Rancho Valencia	104,351	\$33,914	\$143,963	\$46,788	\$97,175
	287501 CNT PIPELN EXT	El Apajo Estates (River Run)	12,476	\$3,493	\$18,162	\$5,085	\$13,076
	287502 CNT PIPELN EXT	Christopher Hill Duplexes	125,000	\$35,000	\$181,965	\$50,950	\$131,015
	287503 CNT PIPELN EXT	Christopher Hill Triplexes	169,500	\$47,460	\$246,745	\$69,089	\$177,657
	277500 CNT PIPELN EXT	Main Ext 186-Narcissus Summit	55,565	\$20,837	\$84,643	\$31,741	\$52,902
	277501 CNT PIPELN EXT	Main Ext 145B Fh & Water Svcs	27,013	\$10,130	\$41,149	\$15,431	\$25,718
	277503 CNT PIPELN EXT	Main Ext 239 Passo Fiore	58,762	\$22,036	\$89,513	\$33,568	\$55,946
	277502 CNT PIPELN EXT	Main Ext 196C Poco Log/Roxbury	67,500	\$25,313	\$102,824	\$38,559	\$64,265
	267505 CNT PIPELN EXT	Main Ext 229-Lux Art	62,199	\$24,880	\$98,164	\$39,266	\$58,898
	267501 CNT PIPELN EXT	Main Extension 186A	50,000	\$20,000	\$78,911	\$31,565	\$47,347
	267502 CNT PIPELN EXT	Main Extension 186B	45,800	\$18,320	\$72,283	\$28,913	\$43,370
	267503 CNT PIPELN EXT	Main Extension 186C	48,300	\$19,320	\$76,228	\$30,491	\$45,737
	267504 CNT PIPELN EXT	Main Extension 186D	28,500	\$11,400	\$44,979	\$17,992	\$26,988
	267506 CNT PIPELN EXT	Main Extension 214	44,000	\$17,600	\$69,442	\$27,777	\$41,665
	267507 CNT PIPELN EXT	Bridges Main Ext 145	285,241	\$114,096	\$450,175	\$180,070	\$270,105
	257501 CNT PIPELN EXT	Main Ext 201-Dixon	152,000	\$64,600	\$247,042	\$104,993	\$142,049
	247505 CNT PIPELN EXT	Extension 222	31,000	\$13,950	\$51,043	\$22,969	\$28,073
	247501 CNT PIPELN EXT	Main Ext 149C	73,000	\$32,850	\$120,197	\$54,089	\$66,108
	247502 CNT PIPELN EXT	Main Ext 220	25,800	\$11,610	\$42,481	\$19,116	\$23,364
	247503 CNT PIPELN EXT	Main Ext 224	48,000	\$21,600	\$79,034	\$35,565	\$43,469
	247504 CNT PIPELN EXT	Extension 227	39,000	\$17,550	\$64,215	\$28,897	\$35,318
	247506 CNT PIPELN EXT	Ext 219 - Rio Vista	51,100	\$22,995	\$84,138	\$37,862	\$46,276
	237506 CNT PIPELN EXT	Extension 212	21,000	\$9,975	\$37,609	\$17,864	\$19,745
	227505 CNT PIPELN EXT	Main Ext 207	64,000	\$32,000	\$116,615	\$58,308	\$58,308
	217504 CNT PIPELN EXT	Main Ext 205	57,000	\$29,925	\$106,387	\$55,853	\$50,534
	217502 CNT PIPELN EXT	Main Ext 195	26,000	\$13,650	\$48,528	\$25,477	\$23,051
	217503 CNT PIPELN EXT	Main Ext 211	81,200	\$42,630	\$151,555	\$79,567	\$71,989
	207501 CNT PIPELN EXT	Pipeline 99/00 Adds	454,300	\$249,865	\$866,986	\$476,842	\$390,144
	750164 CNT PIPELN EXT	Extension 149D	20,000	\$11,500	\$39,522	\$22,725	\$16,797
	750165 CNT PIPELN EXT	Extension 149B	71,000	\$40,825	\$140,302	\$80,673	\$59,628

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
750162	CNT PIPELN EXT	Pipeline 97/98 Adds	233,585	\$145,991	\$472,833	\$295,521	\$177,312
750163	CNT PIPELN EXT	Unit S Pipeline	469,415	\$293,384	\$950,210	\$593,882	\$356,329
750161	CNT PIPELN EXT	Rancho Cielo 27"	250,000	\$156,250	\$506,061	\$316,288	\$189,773
750160	CNT PIPELN EXT	P/L Ext #134A	96,500	\$62,725	\$198,470	\$129,006	\$69,465
750159	CNT PIPELN EXT	P/L Ext #193	28,000	\$18,200	\$57,587	\$37,432	\$20,156
750158	CNT PIPELN EXT	Ext #191	42,000	\$27,300	\$86,381	\$56,148	\$30,233
750156	CNT PIPELN EXT	P/L Ext# 192 '95	81,000	\$54,675	\$167,414	\$113,004	\$54,410
750155	CNT PIPELN EXT	P/L Ext# 142 '95	590,000	\$398,250	\$1,219,435	\$823,119	\$396,316
750157	CNT PIPELN EXT	P/L Ext# 149A '95	49,000	\$33,075	\$101,275	\$68,361	\$32,914
750154	CNT PIPELN EXT	P/L Ext# 194 '95	40,000	\$27,000	\$82,674	\$55,805	\$26,869
750151	CNT PIPELN EXT	P/L Ext 177	29,000	\$20,300	\$59,877	\$41,914	\$17,963
750153	CNT PIPELN EXT	P/L Ext 146	25,000	\$17,500	\$51,618	\$36,132	\$15,485
750152	CNT PIPELN EXT	P/L Ext 149	35,500	\$24,850	\$73,297	\$51,308	\$21,989
750145	CNT PIPELN EXT	P/L Ext # 184	15,500	\$11,238	\$32,275	\$23,400	\$8,876
750150	CNT PIPELN EXT	P/L Ext # 187	22,500	\$16,313	\$46,851	\$33,967	\$12,884
750146	CNT PIPELN EXT	P/L Ext # 172	59,000	\$42,775	\$122,854	\$89,069	\$33,785
750147	CNT PIPELN EXT	P/L Ext # 99A	36,000	\$26,100	\$74,962	\$54,347	\$20,615
750148	CNT PIPELN EXT	P/L Ext # 174	68,000	\$49,300	\$141,595	\$102,656	\$38,939
750149	CNT PIPELN EXT	P/L Ext # 178	41,000	\$29,725	\$85,373	\$61,896	\$23,478
750142	CNT PIPELN EXT	P/L Ext.#181	36,000	\$27,000	\$76,489	\$57,366	\$19,122
750140	CNT PIPELN EXT	P/L Ext.#157	37,500	\$28,125	\$79,676	\$59,757	\$19,919
750141	CNT PIPELN EXT	P/L Ext.#162	42,000	\$31,500	\$89,237	\$66,927	\$22,309
750143	CNT PIPELN EXT	P/L Ext.#157	21,000	\$15,750	\$44,618	\$33,464	\$11,155
750144	CNT PIPELN EXT	P/L Ext.#188	16,500	\$12,375	\$35,057	\$26,293	\$8,764
750135	CNT PIPELN EXT	P/L Ext #176	114,000	\$88,350	\$252,492	\$195,681	\$56,811
750137	CNT PIPELN EXT	P/L Ext #170	15,000	\$11,625	\$33,223	\$25,748	\$7,475
750132	CNT PIPELN EXT	P/L Ext #161	87,750	\$68,006	\$194,352	\$150,623	\$43,729
750134	CNT PIPELN EXT	P/L Ext #160	16,500	\$12,788	\$36,545	\$28,322	\$8,223
750138	CNT PIPELN EXT	P/L Ext #168	30,500	\$23,638	\$67,553	\$52,353	\$15,199
750136	CNT PIPELN EXT	P/L Ext #173	72,500	\$56,188	\$160,576	\$124,446	\$36,130
750139	CNT PIPELN EXT	P/L Ext #154	110,000	\$85,250	\$243,633	\$188,815	\$54,817
750130	CNT PIPELN EXT	P/L Ext. 101	152,000	\$121,600	\$342,023	\$273,619	\$68,405
750131	CNT PIPELN EXT	P/L Ext. 158	35,500	\$28,400	\$79,880	\$63,904	\$15,976
750125	CNT PIPELN EXT	P/L Ext. 88A	19,000	\$15,200	\$42,753	\$34,202	\$8,551
750126	CNT PIPELN EXT	P/L Ext. 151	87,000	\$69,600	\$195,763	\$156,611	\$39,153
750127	CNT PIPELN EXT	P/L Ext. 140	949,500	\$759,600	\$2,136,520	\$1,709,216	\$427,304
750128	CNT PIPELN EXT	P/L Ext. 104	75,000	\$60,000	\$168,761	\$135,009	\$33,752
750129	CNT PIPELN EXT	P/L Ext 155	42,500	\$34,000	\$95,631	\$76,505	\$19,126
750121	CNT PIPELN EXT	P/L Ext. 147	19,000	\$15,675	\$44,265	\$36,519	\$7,746
750122	CNT PIPELN EXT	P/L Ext 120	195,000	\$160,875	\$454,299	\$374,797	\$79,502
750123	CNT PIPELN EXT	P/L Ext 109A	50,500	\$41,663	\$117,652	\$97,063	\$20,589
750124	CNT PIPELN EXT	P/L Ext. 82	13,000	\$10,725	\$30,287	\$24,986	\$5,300
750117	CNT PIPELN EXT	P/L Extension #133	145,700	\$123,845	\$340,556	\$289,473	\$51,083
750118	CNT PIPELN EXT	P/L Extension #135	36,500	\$31,025	\$85,314	\$72,517	\$12,797
750120	CNT PIPELN EXT	P/L Extension #115A	442,000	\$375,700	\$1,033,122	\$878,154	\$154,968
750119	CNT PIPELN EXT	P/L Extension #129	20,000	\$17,000	\$46,748	\$39,735	\$7,012

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
	750112 CNT PIPELN EXT	P/L Extension # 138	61,500	\$53,813	\$151,540	\$132,598	\$18,943
	750114 CNT PIPELN EXT	P/L Extension # 134	81,500	\$71,313	\$200,821	\$175,719	\$25,103
	750115 CNT PIPELN EXT	P/L Extension # 119	17,500	\$15,313	\$43,121	\$37,731	\$5,390
	750111 CNT PIPELN EXT	P/L Extension # 132	26,000	\$22,750	\$64,066	\$56,058	\$8,008
	750113 CNT PIPELN EXT	P/L Extension #136	23,500	\$20,563	\$57,906	\$50,667	\$7,238
	750116 CNT PIPELN EXT	P/L Extension # 139	15,000	\$13,125	\$36,961	\$32,341	\$4,620
	750106 CNT PIPELN EXT	P/L Extension # 92	25,728	\$23,155	\$63,651	\$57,286	\$6,365
	750107 CNT PIPELN EXT	P/L Extension # 113	22,500	\$20,250	\$55,665	\$50,098	\$5,566
	750109 CNT PIPELN EXT	P/L Extension # 72	64,500	\$58,050	\$159,572	\$143,615	\$15,957
	750110 CNT PIPELN EXT	P/L Extension # 112	44,640	\$40,176	\$110,439	\$99,395	\$11,044
	750104 CNT PIPELN EXT	P/L Extension # 127	185,000	\$166,500	\$457,687	\$411,918	\$45,769
	750103 CNT PIPELN EXT	Extension 116	50,000	\$46,250	\$123,824	\$114,537	\$9,287
	750105 CNT PIPELN EXT	P/L Extension # 111	105,000	\$97,125	\$260,031	\$240,529	\$19,502
	750099 CNT PIPELN EXT	Extension 123	157,000	\$145,225	\$388,808	\$359,648	\$29,161
	750100 CNT PIPELN EXT	Extension 124	12,800	\$11,840	\$31,699	\$29,322	\$2,377
	750101 CNT PIPELN EXT	Extension 125	164,000	\$151,700	\$406,144	\$375,683	\$30,461
	750102 CNT PIPELN EXT	Extension 128	107,500	\$99,438	\$266,222	\$246,256	\$19,967
	750097 CNT PIPELN EXT	Extension 96	23,500	\$22,325	\$60,264	\$57,251	\$3,013
	750098 CNT PIPELN EXT	Extension 122	41,500	\$39,425	\$106,423	\$101,102	\$5,321
	750096 CNT PIPELN EXT	Extension 128	107,500	\$102,125	\$275,675	\$261,891	\$13,784
	750092 CNT PIPELN EXT	Ext 108	151,400	\$147,615	\$403,283	\$393,201	\$10,082
	750094 CNT PIPELN EXT	Ext 118	45,000	\$43,875	\$119,866	\$116,870	\$2,997
	750095 CNT PIPELN EXT	Ext 118 Off-Site	56,500	\$55,088	\$150,499	\$146,736	\$3,762
	750091 CNT PIPELN EXT	Ext 105	20,000	\$19,500	\$53,274	\$51,942	\$1,332
	750093 CNT PIPELN EXT	Ext 115	45,000	\$43,875	\$119,866	\$116,870	\$2,997
	750069 CNT PIPELN EXT	Extension #52	24,650	\$13,804	\$81,050	\$45,388	\$35,662
	750070 CNT PIPELN EXT	Extension #74	11,400	\$6,384	\$37,483	\$20,991	\$16,493
	750071 CNT PIPELN EXT	Extension #73	18,600	\$10,416	\$61,157	\$34,248	\$26,909
	750072 CNT PIPELN EXT	Extension #75	10,400	\$5,824	\$34,195	\$19,149	\$15,046
	750073 CNT PIPELN EXT	Extension #79	13,500	\$7,560	\$44,388	\$24,857	\$19,531
	750074 CNT PIPELN EXT	Extension #86	34,000	\$19,040	\$111,792	\$62,604	\$49,189
	750076 CNT PIPELN EXT	Ext 29 Supplement	3,145	\$1,761	\$10,341	\$5,791	\$4,550
	750075 CNT PIPELN EXT	Extension #84	53,000	\$29,680	\$174,265	\$97,588	\$76,676
	750059 CNT PIPELN EXT	Extension #50	41,151	\$23,593	\$152,542	\$87,457	\$65,085
	750064 CNT PIPELN EXT	Extension #75	10,400	\$5,963	\$38,552	\$22,103	\$16,449
	750065 CNT PIPELN EXT	Extension #76	16,000	\$9,173	\$59,310	\$34,004	\$25,306
	750060 CNT PIPELN EXT	Extension #56	14,912	\$8,550	\$55,277	\$31,692	\$23,585
	750062 CNT PIPELN EXT	Extension #68	34,400	\$19,723	\$127,517	\$73,110	\$54,407
	750063 CNT PIPELN EXT	Extension #69	11,430	\$6,553	\$42,370	\$24,292	\$18,078
	750066 CNT PIPELN EXT	Extension #77	24,207	\$13,879	\$89,733	\$51,447	\$38,286
	750067 CNT PIPELN EXT	Extension #78	13,400	\$7,683	\$49,672	\$28,479	\$21,193
	750061 CNT PIPELN EXT	Extension #60	32,600	\$18,691	\$120,844	\$69,284	\$51,560
	750053 CNT PIPELN EXT	Extension #71	20,800	\$12,203	\$82,006	\$48,110	\$33,896
	750055 CNT PIPELN EXT	Extension #63	7,800	\$4,576	\$30,752	\$18,041	\$12,711
	750057 CNT PIPELN EXT	Extension #57	16,000	\$9,387	\$63,082	\$37,008	\$26,074
	750054 CNT PIPELN EXT	Extension #65	11,200	\$6,571	\$44,157	\$25,906	\$18,252

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
	750056 CNT PIPELN EXT	Snypes & Salerno	20,950	\$12,291	\$82,598	\$48,457	\$34,140
	750058 CNT PIPELN EXT	Extension #67	7,300	\$4,283	\$28,781	\$16,885	\$11,896
	750042 CNT PIPELN EXT	Extension #41	37,271	\$22,860	\$209,387	\$128,424	\$80,963
	750045 CNT PIPELN EXT	Extension #44	12,015	\$7,369	\$67,501	\$41,400	\$26,100
	750046 CNT PIPELN EXT	Extension #45	16,380	\$10,046	\$92,022	\$56,440	\$35,582
	750038 CNT PIPELN EXT	Extension #37	5,200	\$3,189	\$29,213	\$17,917	\$11,296
	750039 CNT PIPELN EXT	Extension #38	16,022	\$9,827	\$90,008	\$55,205	\$34,803
	750040 CNT PIPELN EXT	Extension #39	22,643	\$13,888	\$127,206	\$78,020	\$49,186
	750041 CNT PIPELN EXT	Extension #40	22,701	\$13,923	\$127,533	\$78,220	\$49,313
	750044 CNT PIPELN EXT	Extension #43	5,248	\$3,219	\$29,480	\$18,081	\$11,399
	750047 CNT PIPELN EXT	Extension #47	10,148	\$6,224	\$57,011	\$34,966	\$22,044
	750048 CNT PIPELN EXT	Extension #48	9,558	\$5,862	\$53,695	\$32,933	\$20,762
	750051 CNT PIPELN EXT	Extension #53	10,401	\$6,379	\$58,434	\$35,839	\$22,594
	750043 CNT PIPELN EXT	Extension #42	4,000	\$2,453	\$22,472	\$13,783	\$8,689
	750049 CNT PIPELN EXT	Extension #49	7,467	\$4,580	\$41,949	\$25,729	\$16,220
	750036 CNT PIPELN EXT	Extension #35	12,642	\$7,922	\$77,091	\$48,310	\$28,781
	750037 CNT PIPELN EXT	Extension #36	5,316	\$3,403	\$35,501	\$22,720	\$12,780
	750031 CNT PIPELN EXT	Extension #30	9,757	\$6,374	\$69,448	\$45,373	\$24,075
	750033 CNT PIPELN EXT	Extension #32	1,069	\$698	\$7,609	\$4,971	\$2,638
	750032 CNT PIPELN EXT	Extension #31	3,761	\$2,508	\$28,943	\$19,295	\$9,648
	750034 CNT PIPELN EXT	Extension #33	6,043	\$4,029	\$46,497	\$30,998	\$15,499
	750030 CNT PIPELN EXT	Extension #29	12,307	\$8,205	\$94,700	\$63,133	\$31,567
	750035 CNT PIPELN EXT	Extension #34	10,274	\$6,849	\$79,053	\$52,702	\$26,351
	750028 CNT PIPELN EXT	Extension #27	2,326	\$1,581	\$19,842	\$13,493	\$6,350
	750029 CNT PIPELN EXT	Extension #28	2,217	\$1,508	\$18,917	\$12,863	\$6,053
	750020 CNT PIPELN EXT	Extension #19	10,759	\$7,603	\$114,356	\$80,812	\$33,544
	750027 CNT PIPELN EXT	Extension #26	3,075	\$2,173	\$32,685	\$23,098	\$9,588
	750022 CNT PIPELN EXT	Extension #21	1,350	\$954	\$14,350	\$10,140	\$4,209
	750026 CNT PIPELN EXT	Extension #25	4,437	\$3,135	\$47,162	\$33,328	\$13,834
	750025 CNT PIPELN EXT	Extension #24	31,000	\$21,907	\$329,510	\$232,854	\$96,656
	750021 CNT PIPELN EXT	Extension #20	1,000	\$720	\$11,678	\$8,409	\$3,270
	750023 CNT PIPELN EXT	Extension #22	11,155	\$8,032	\$130,273	\$93,797	\$36,477
	750024 CNT PIPELN EXT	Extension #23	22,033	\$15,864	\$257,312	\$185,265	\$72,047
	750018 CNT PIPELN EXT	Extension #18	3,681	\$2,700	\$46,234	\$33,905	\$12,329
	750017 CNT PIPELN EXT	Extension #17	15,100	\$11,073	\$189,645	\$139,073	\$50,572
	750015 CNT PIPELN EXT	Extension #15	1,200	\$896	\$15,885	\$11,860	\$4,024
	750011 CNT PIPELN EXT	Extension #11	1,250	\$966	\$18,008	\$13,926	\$4,082
	750013 CNT PIPELN EXT	Extension #13	2,000	\$1,547	\$28,822	\$22,289	\$6,533
	294704 CNT PIPELNS-REC	RANCHO LAKES UNIT 3	167,141	\$25,071	\$202,229	\$30,334	\$171,895
	294403 CNT PIPELNS-REC	SDUHS DISTRICT WS & FDC INSTALL	16,612	\$1,993	\$20,099	\$2,412	\$17,687
	294402 CNT PIPELNS-REC	RSF FARMS RECYCLED RETROFIT PROJECT	18,710	\$2,245	\$22,638	\$2,717	\$19,921
	727631 CNT PIPELNS-REC	Rancho Santa Fe Lakes Unit 2, TM 5069	35,000	\$5,600	\$43,960	\$7,034	\$36,926
	727629 CNT PIPELNS-REC	Rsf Lakes - Old Course Rd	803,650	\$144,657	\$1,051,964	\$189,354	\$862,611
	727630 CNT PIPELNS-REC	Mission Ranch	100,550	\$18,099	\$131,618	\$23,691	\$107,927
	294406 CNT PIPELNS-REC	4S Nbhd #3, Units 3 & 4	336,513	\$84,128	\$440,709	\$110,177	\$330,532
	294405 CNT PIPELNS-REC	Fbrcc - Upsize Recycled Wtrline	377,892	\$113,368	\$511,660	\$153,498	\$358,162

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
727627	CNT PIPELNS-REC	4S Ranch Nbhd 3 Unit 2	62,081	\$14,899	\$84,057	\$20,174	\$63,883
727628	CNT PIPELNS-REC	Del Norte High School	7,854	\$1,885	\$10,634	\$2,552	\$8,082
294401	CNT PIPELNS-REC	Nw Quadrant (Initial Const)	5,168,500	\$1,679,762	\$7,130,483	\$2,317,407	\$4,813,076
294404	CNT PIPELNS-REC	La Costa Glen Phase 1	352,644	\$114,609	\$486,509	\$158,115	\$328,394
727624	CNT PIPELNS-REC	Dove Canyon Apartments	6,545	\$2,127	\$9,030	\$2,935	\$6,095
727625	CNT PIPELNS-REC	4S Ranch Nbhd 3 Unit 1	451,824	\$146,843	\$623,338	\$202,585	\$420,753
727626	CNT PIPELNS-REC	4S Ranch Recycled Prs #2	86,479	\$22,485	\$119,307	\$31,020	\$88,287
284401	CNT PIPELNS-REC	Crosby Estates 5073-7	74,000	\$20,720	\$107,724	\$30,163	\$77,561
284402	CNT PIPELNS-REC	4S Ranch Nbhd 2 Unit 3	353,375	\$98,945	\$514,416	\$144,037	\$370,380
274400	CNT PIPELNS-REC	La Costa Oaks S Cmno Junipero	114,519	\$42,945	\$174,449	\$65,418	\$109,031
274401	CNT PIPELNS-REC	La Costa Oaks Nbhd 3.10-3.15	125,000	\$46,875	\$190,415	\$71,406	\$119,009
274402	CNT PIPELNS-REC	Crosby @ Rsf Tm 5073-1	119,000	\$44,625	\$181,275	\$67,978	\$113,297
274403	CNT PIPELNS-REC	Crosby Tm 5073-2	508,600	\$190,725	\$774,761	\$290,535	\$484,225
274404	CNT PIPELNS-REC	Crosby Unit 3 Tm 5073-3	32,000	\$12,000	\$48,746	\$18,280	\$30,466
274405	CNT PIPELNS-REC	Crosby Tm 5073-4	69,400	\$26,025	\$105,718	\$39,644	\$66,074
274406	CNT PIPELNS-REC	Unit Rb-1 Pipeline - Sfv	278,803	\$83,641	\$424,706	\$127,412	\$297,294
274407	CNT PIPELNS-REC	Unit Ra-2 Pipeline - Sfv	59,245	\$17,773	\$90,248	\$27,075	\$63,174
727622	CNT PIPELNS-REC	4S Ranch Community Park	13,357	\$5,009	\$20,347	\$7,630	\$12,717
727623	CNT PIPELNS-REC	4S Ranch Nbhd 1 Backbone	1,384,736	\$519,276	\$2,109,396	\$791,024	\$1,318,373
440601	CNT PIPELNS-REC	Unit Ra - 1	250,587	\$100,235	\$395,482	\$158,193	\$237,289
727602	CNT PIPELNS-REC	Unit Ra-Bernardo Lks	60,189	\$19,261	\$94,992	\$30,398	\$64,595
727603	CNT PIPELNS-REC	Alav Rd 12" Rclmd Pl	152,412	\$48,772	\$240,540	\$76,973	\$163,567
727604	CNT PIPELNS-REC	Alva Rd 12" Rclmd Pl	49,924	\$15,976	\$78,792	\$25,213	\$53,578
727619	CNT PIPELNS-REC	4S Ranch Unit 8	47,000	\$18,800	\$74,177	\$29,671	\$44,506
727620	CNT PIPELNS-REC	4S Ranch Nbhd 2 #1	189,699	\$75,880	\$299,388	\$119,755	\$179,633
727621	CNT PIPELNS-REC	4S Ranch Nbhd 2 #2	289,408	\$115,763	\$456,751	\$182,700	\$274,051
430502	CNT PIPELNS-REC	Unit Rb-2	193,533	\$82,252	\$314,546	\$133,682	\$180,864
440501	CNT PIPELNS-REC	Unit Rb-2 Pipeline	380,535	\$161,727	\$618,476	\$262,852	\$355,624
440502	CNT PIPELNS-REC	Unit Rc-1 P/L	515,879	\$219,249	\$838,448	\$356,340	\$482,107
727615	CNT PIPELNS-REC	4S Planning Area 26	1,600	\$680	\$2,600	\$1,105	\$1,495
727616	CNT PIPELNS-REC	4S Planning Area 25	3,900	\$1,658	\$6,339	\$2,694	\$3,645
727617	CNT PIPELNS-REC	4S Planning Area 15	22,000	\$9,350	\$35,756	\$15,196	\$20,560
727618	CNT PIPELNS-REC	4S Planning Area 12	16,500	\$7,013	\$26,817	\$11,397	\$15,420
727614	CNT PIPELNS-REC	Christopher Hill	107,500	\$48,375	\$177,003	\$79,651	\$97,351
212204	PIPELINES	EL CAMINO REAL PIPELINE REPLACEMENT	5,076,152	\$126,904	\$5,255,218	\$131,380	\$5,123,837
212205	PIPELINES	MANCHESTER PIPELINE	3,476,154	\$86,904	\$3,598,778	\$89,969	\$3,508,809
212207	PIPELINES	STRATFORD HOA PIPELINE	94,493	\$2,362	\$97,826	\$2,446	\$95,381
212209	PIPELINES	VILLAGE VIEW RD PIPELINE REPAIR	56,870	\$1,422	\$58,876	\$1,472	\$57,404
212210	PIPELINES	GARDENVIEW CT PIPELINE REPAIR	38,402	\$960	\$39,757	\$994	\$38,763
212201	PIPELINES	STEEL MAINS PROTECTION	83,378	\$2,084	\$86,319	\$2,158	\$84,161
212202	PIPELINES	METER ANODES	8,913	\$223	\$9,228	\$231	\$8,997
212203	PIPELINES	VALVE REPLACEMENT FY2122	721,971	\$18,049	\$747,439	\$18,686	\$728,754
212206	PIPELINES	PIPELINE REPLACEMENTS FY2122	76,605	\$1,915	\$79,307	\$1,983	\$77,324
212208	PIPELINES	CIRCO DIEGUENO CT	38,777	\$969	\$40,145	\$1,004	\$39,142
202145	PIPELINES	MORNING SUN PRS	568,902	\$28,445	\$636,523	\$31,826	\$604,697
202141	PIPELINES	FY 20/21 VALVE REPLACEMENTS	1,298,166	\$64,908	\$1,452,470	\$72,623	\$1,379,846

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
	202142 PIPELINES	STEEL MAINS PROTECTION	86,915	\$4,346	\$97,246	\$4,862	\$92,384
	202144 PIPELINES	METER ANODES - FY 20/21	37,675	\$1,884	\$42,153	\$2,108	\$40,045
	202143 PIPELINES	LUSARDI CANYON CORROSION PROTECTION	300,457	\$15,023	\$336,170	\$16,809	\$319,362
	297851 PIPELINES	RANCHO SANTA FE RD VALVE REPLACEMENT	76,643	\$5,748	\$85,346	\$6,401	\$78,945
	297853 PIPELINES	INDIAN HEAD CYN PL ADD'L PROTECTION WORK	47,495	\$14,248	\$52,888	\$15,866	\$37,022
	297850 PIPELINES	FY 2020 VALVE REPLACEMENTS	649,284	\$48,696	\$723,012	\$54,226	\$668,786
	297852 PIPELINES	UNIT AA PIPELINE ADD'L PROTECTION WORK	150,898	\$22,635	\$168,033	\$25,205	\$142,828
	297854 PIPELINES	STEEL MAINS PROTECTION	69,117	\$5,184	\$76,965	\$5,772	\$71,193
	297855 PIPELINES	METER ANODES	28,149	\$2,111	\$31,346	\$2,351	\$28,995
	297822 PIPELINES	OLIVENHAIN RD MAIN/VALVE RPLCMNT - EMERG	62,215	\$6,222	\$70,283	\$7,028	\$63,255
	297823 PIPELINES	CADENCIA VALVE REPLACEMENT	43,351	\$4,335	\$48,973	\$4,897	\$44,076
	297824 PIPELINES	MAIN EXT 235A - PHASE 2	215,925	\$21,592	\$243,926	\$24,393	\$219,533
	297826 PIPELINES	MANCHESTER 14" CATHODIC PROTECTION	29,887	\$2,989	\$33,763	\$3,376	\$30,386
	297821 PIPELINES	FY 2019 VALVE REPLACEMENTS	1,284,986	\$128,499	\$1,451,622	\$145,162	\$1,306,460
	297825 PIPELINES	STEEL MAINS PROTECTION	40,410	\$4,041	\$45,650	\$4,565	\$41,085
	297827 PIPELINES	METER ANODES REPLACEMENT	17,520	\$1,752	\$19,792	\$1,979	\$17,813
	707221 PIPELINES	EXT 235A PHASE I	113,705	\$14,213	\$131,804	\$16,475	\$115,328
	297812 PIPELINES	FY 2018 VALVE REPLACEMENTS	1,748,504	\$218,563	\$2,026,810	\$253,351	\$1,773,459
	297803 PIPELINES	FY 2017 VALVE REPLACEMENTS	1,190,492	\$178,574	\$1,440,413	\$216,062	\$1,224,351
	297804 PIPELINES	FY 2017 STEEL MAINS PROTECTION	36,161	\$5,424	\$43,752	\$6,563	\$37,189
	297802 PIPELINES	PALMS RESERVOIR PIPELINE	386,711	\$58,007	\$467,893	\$70,184	\$397,709
	297287 PIPELINES	HYDRANT - DORADO PLACE	20,377	\$4,890	\$24,655	\$5,917	\$18,738
	297288 PIPELINES	HYDRANT - ESFERA & CORNER PIRAGUA	25,245	\$6,059	\$30,545	\$7,331	\$23,214
	297289 PIPELINES	HYDRANT - ESFERA & CORNER CABO WAY	20,568	\$4,936	\$24,886	\$5,973	\$18,913
	297290 PIPELINES	HYDRANT - CARVALLO CT & CADENCIA ST	25,547	\$6,131	\$30,910	\$7,418	\$23,492
	297291 PIPELINES	HYDRANT - 7940 DIXIE LANE	30,238	\$7,257	\$36,586	\$8,781	\$27,805
	297292 PIPELINES	HYDRANT (3) AVENIDA LA POSTA	37,210	\$8,930	\$45,022	\$10,805	\$34,216
	297293 PIPELINES	HYDRANT - VILLAGE RUN EAST & EASTWOOD LN	24,305	\$5,833	\$29,407	\$7,058	\$22,350
	297294 PIPELINES	HYDRANT-4" BRANCH @ VILLAGE RUN E	44,172	\$10,601	\$53,445	\$12,827	\$40,618
	297295 PIPELINES	HYDRANT (4) SHANAS LANE	50,761	\$12,183	\$61,417	\$14,740	\$46,677
	297296 PIPELINES	HYDRANT (3) VANESSA CIRCLE	46,445	\$11,147	\$56,195	\$13,487	\$42,708
	297297 PIPELINES	HYDRANT - 1509 LINDA SUE LANE	32,071	\$7,697	\$38,804	\$9,313	\$29,491
	297298 PIPELINES	HYDRANT (2) - HONEYCOMB CT - ENCINITAS	24,216	\$5,812	\$29,300	\$7,032	\$22,268
	297299 PIPELINES	HYDRANT (3) COUNTRYHAVEN RD	37,970	\$9,113	\$45,941	\$11,026	\$34,915
	297300 PIPELINES	HYDRANT (2) - SPRINGDALE LANE	30,660	\$7,358	\$37,096	\$8,903	\$28,193
	297500 PIPELINES	HYDRANT (2) MISTY CIRCLE	46,622	\$11,189	\$56,409	\$13,538	\$42,871
	297600 PIPELINES	HYDRANT - 1851 AUTUM PLACE	21,209	\$5,090	\$25,661	\$6,159	\$19,503
	297700 PIPELINES	HYDRANT/INLINE - 2104 VALLEYDALE LANE	28,578	\$6,859	\$34,577	\$8,299	\$26,279
	297800 PIPELINES	HYDRANT/BRANCH - 2144 VALLEYDALE LN	23,431	\$5,623	\$28,350	\$6,804	\$21,546
	297285 PIPELINES	FY 2016 CATHODIC TEST STATIONS	5,707	\$2,283	\$6,905	\$2,762	\$4,143
	297286 PIPELINES	DEEP WELL ANODES - UNIT G SPUR	61,433	\$14,744	\$74,330	\$17,839	\$56,491
	297801 PIPELINES	FY 2016 VALVES (60) - LESS THAN \$20K EA	852,603	\$204,625	\$1,031,591	\$247,582	\$784,009
	297274 PIPELINES	Thornton Pump Station Pipeline Relo	164,676	\$28,818	\$202,282	\$35,399	\$166,883
	297279 PIPELINES	Valve 409 Village Center WSV9168	29,077	\$8,142	\$35,717	\$10,001	\$25,716
	297280 PIPELINES	Valve 20169 Colina Encantada WSVN5121	24,939	\$6,983	\$30,634	\$8,578	\$22,057
	297281 PIPELINES	Valve 2107 Mt Vista WSVF9103	21,637	\$6,058	\$26,578	\$7,442	\$19,136

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
	297283 PIPELINES	Valve 218 Sierra Ridge WSVF10163	20,672	\$5,788	\$25,393	\$7,110	\$18,283
	297276 PIPELINES	Deep Well Anode Unit K (EAM #WMLK51019)	10,950	\$3,066	\$13,450	\$3,766	\$9,684
	297277 PIPELINES	FY 2015 Cathodic Protection	18,860	\$8,801	\$23,167	\$10,811	\$12,356
	297278 PIPELINES	FY 2015 Meter Anode Replacements	60,114	\$28,053	\$73,842	\$34,460	\$39,382
	297284 PIPELINES	FY 2015 Valve Replacements	1,244,177	\$348,369	\$1,528,297	\$427,923	\$1,100,374
	297273 PIPELINES	20" P/L Rplc (218lf) @ RSF Lakes Unit 3	43,435	\$7,601	\$53,353	\$9,337	\$44,017
	297275 PIPELINES	14" P/L Rplc (104lf) @ 520 Vault Unit 3	285,943	\$50,040	\$351,241	\$61,467	\$289,774
	297282 PIPELINES	24" Butterfly Valve Unit Z PS WSVQ15103	22,916	\$6,416	\$28,149	\$7,882	\$20,267
	297269 PIPELINES	10" Inline Valve 322 Sierra Ridge	21,250	\$6,800	\$26,690	\$8,541	\$18,149
	297271 PIPELINES	Encinitas Village Center - 13 Hydrants	162,000	\$51,840	\$203,471	\$65,111	\$138,360
	297266 PIPELINES	FY 2014 Cathodic Replacements	52,177	\$10,435	\$65,534	\$13,107	\$52,427
	297267 PIPELINES	FY 2014 Meter Anode Replacements	76,459	\$15,292	\$96,031	\$19,206	\$76,825
	297268 PIPELINES	FY 2014 Deep Well Anode Replacements	96,237	\$19,247	\$120,873	\$24,175	\$96,698
	297272 PIPELINES	FY 2014 Valve Replacements	1,008,953	\$322,865	\$1,267,238	\$405,516	\$861,722
	297270 PIPELINES	18" Valve Replacement La Costa Town Cntr	68,000	\$21,760	\$85,408	\$27,330	\$58,077
	297264 PIPELINES	Golem Reservoir Pipeline Replacement	73,554	\$14,711	\$92,383	\$18,477	\$73,906
	297248 PIPELINES	San Elijo Jpa Connection	115,454	\$25,977	\$151,128	\$34,004	\$117,124
	297254 PIPELINES	8" Vlve Rplc-Overland/Pheasant	21,130	\$4,754	\$27,659	\$6,223	\$21,436
	297246 PIPELINES	Olivenhain 9 & 10 Svc Connect	400,480	\$90,108	\$524,222	\$117,950	\$406,272
	297253 PIPELINES	12" Branch Valve @ Gaty	25,100	\$5,648	\$32,855	\$7,392	\$25,463
	297256 PIPELINES	Valve Replacements Fy 2013	651,021	\$146,480	\$852,175	\$191,739	\$660,436
	297257 PIPELINES	Unit Aa Valves	141,131	\$31,754	\$184,738	\$41,566	\$143,172
	297258 PIPELINES	Unit Aa Pipeline	8,559,556	\$1,925,900	\$11,204,313	\$2,520,970	\$8,683,342
	297259 PIPELINES	Unit Aa PI Capital Interest	2,051,234	\$461,528	\$2,685,030	\$604,132	\$2,080,898
	297261 PIPELINES	Deep Well Anodes	13,600	\$3,060	\$17,803	\$4,006	\$13,797
	297262 PIPELINES	Cathodic Test Stations Fy 2013	33,634	\$7,568	\$44,027	\$9,906	\$34,121
	297263 PIPELINES	Meter Anodes Fy 2013	28,491	\$6,411	\$37,295	\$8,391	\$28,903
	297245 PIPELINES	Elfin Forest 12" Looped P/L	566,941	\$127,562	\$742,115	\$166,976	\$575,140
	297247 PIPELINES	Interconnect W/San Dieguito	183,499	\$41,287	\$240,197	\$54,044	\$186,153
	297249 PIPELINES	Elfin Forest 12" P/L Rplcmnt	354,427	\$79,746	\$463,939	\$104,386	\$359,553
	297250 PIPELINES	Harmony Grv-Via Ambiente P/L	638,141	\$143,582	\$835,315	\$187,946	\$647,369
	297251 PIPELINES	Valve/Inline Valve Replacement	71,965	\$16,192	\$94,201	\$21,195	\$73,006
	297255 PIPELINES	Valve Rplc-Esmt E Stonebridge	25,660	\$5,774	\$33,589	\$7,557	\$26,031
	297252 PIPELINES	6611 Lago Corte Valve Rplcmnt	20,470	\$4,606	\$26,795	\$6,029	\$20,766
	297260 PIPELINES	Unit Z Vfd Repairs	23,386	\$5,262	\$30,612	\$6,888	\$23,724
	297235 PIPELINES	Hydrant Valve @ 3315 Cabo Ct	20,013	\$5,003	\$26,209	\$6,552	\$19,657
	297240 PIPELINES	Hydrant Valve-Romeria/Garbosa	39,002	\$9,750	\$51,078	\$12,770	\$38,309
	297241 PIPELINES	Hydrant Valve @ 3304 Azahar	33,851	\$8,463	\$44,333	\$11,083	\$33,250
	297242 PIPELINES	Hydrant Valve @ 7708 Morada	28,376	\$7,094	\$37,163	\$9,291	\$27,872
	297227 PIPELINES	Fy12 Cathodic Test Stations	102,201	\$25,550	\$133,846	\$33,461	\$100,384
	297228 PIPELINES	Fy12 Meter Anodes	102,764	\$25,691	\$134,584	\$33,646	\$100,938
	297244 PIPELINES	Fy12 Valve Replacements	513,394	\$128,349	\$672,359	\$168,090	\$504,269
	297229 PIPELINES	Rectifier #9 Deep Well Anode	16,790	\$4,197	\$21,988	\$5,497	\$16,491
	297230 PIPELINES	Mt Israel Deep Well Anode	17,662	\$4,416	\$23,131	\$5,783	\$17,348
	297231 PIPELINES	Rectifier #1 Deep Well Anode	81,547	\$20,387	\$106,796	\$26,699	\$80,097
	297232 PIPELINES	Rectifier #29 Deep Well Anode	56,916	\$14,229	\$74,539	\$18,635	\$55,904

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
	297233 PIPELINES	Fy12 Deep Well Anodes	21,581	\$5,395	\$28,263	\$7,066	\$21,197
	297234 PIPELINES	Mt Israel Pipeline	599,953	\$149,988	\$785,719	\$196,430	\$589,290
	297243 PIPELINES	10" Valve-Paint Mtn Air N Vac	20,928	\$5,232	\$27,407	\$6,852	\$20,556
	297236 PIPELINES	Hydrant Valve @ Brava Del Rey	34,446	\$8,611	\$45,111	\$11,278	\$33,833
	297237 PIPELINES	Hydrant Valve @ Calle Major	40,641	\$10,160	\$53,225	\$13,306	\$39,918
	297238 PIPELINES	14" Inline Gate Valve-CI Major	68,376	\$17,094	\$89,548	\$22,387	\$67,161
	297239 PIPELINES	Rw Valve @ Dove Cyn/Lone Quail	21,536	\$5,384	\$28,204	\$7,051	\$21,153
	297213 PIPELINES	Blue Heron Pipeline Rplcmnt	166,588	\$45,812	\$223,558	\$61,478	\$162,079
	297211 PIPELINES	Meter Anode Replacement	86,228	\$23,713	\$115,716	\$31,822	\$83,894
	297212 PIPELINES	Bldg J Potable Line	87,265	\$23,998	\$117,108	\$32,205	\$84,903
	297226 PIPELINES	Fy10/11 Valve Replacements	310,809	\$85,472	\$417,099	\$114,702	\$302,397
	297210 PIPELINES	Deep Well Anodes	30,115	\$8,282	\$40,414	\$11,114	\$29,300
	297214 PIPELINES	Borrelli'S Center P/L Rplcmnt	54,506	\$14,989	\$73,146	\$20,115	\$53,031
	297215 PIPELINES	Hydrant Valve - Saragosa	17,392	\$4,783	\$23,340	\$6,418	\$16,921
	297216 PIPELINES	Valve - 3503 Cmnto Sierra	16,297	\$4,482	\$21,870	\$6,014	\$15,856
	297217 PIPELINES	Branch Valve & 8"X6" Tee	28,182	\$7,750	\$37,820	\$10,400	\$27,419
	297218 PIPELINES	Hydrant Valve - Linda Sue Lane	80,850	\$22,234	\$108,499	\$29,837	\$78,662
	297219 PIPELINES	In-Line Valve	14,892	\$4,095	\$19,985	\$5,496	\$14,489
	297220 PIPELINES	10" Branch Valve-Cerro/Taegon	20,383	\$5,605	\$27,354	\$7,522	\$19,831
	297221 PIPELINES	Takeoff Valve	17,392	\$4,783	\$23,340	\$6,418	\$16,921
	297222 PIPELINES	Hydrant Valve - 408 Cerro	20,146	\$5,540	\$27,036	\$7,435	\$19,601
	297223 PIPELINES	Detector Check Valve	20,539	\$5,648	\$27,563	\$7,580	\$19,983
	297224 PIPELINES	Hydrant Valve - 172 N El Cmno	18,668	\$5,134	\$25,052	\$6,889	\$18,163
	297225 PIPELINES	8" Occlude Valve	60,320	\$16,588	\$80,948	\$22,261	\$58,687
	297209 PIPELINES	Valve Replacements	190,426	\$57,128	\$257,834	\$77,350	\$180,484
	297208 PIPELINES	Rectifier #24 Harris Rnch Rplc	40,847	\$12,254	\$55,306	\$16,592	\$38,714
	297207 PIPELINES	4S-1 Reservoir Inlet Pipeline	2,819,199	\$676,608	\$3,817,151	\$916,116	\$2,901,035
	297203 PIPELINES	Valve Replacements	290,542	\$94,426	\$400,832	\$130,271	\$270,562
	297201 PIPELINES	Main 24-Fortuna Ranch Rd Rplc	2,712,511	\$881,566	\$3,742,191	\$1,216,212	\$2,525,979
	297204 PIPELINES	Rectifier 8 Anode Replacement	16,081	\$8,362	\$22,185	\$11,536	\$10,649
	297205 PIPELINES	Rectifier 21 Anode Replacement	16,142	\$8,394	\$22,269	\$11,580	\$10,689
	297206 PIPELINES	Lady'S Secret Anode Rplcmnt	17,905	\$9,310	\$24,701	\$12,845	\$11,857
	297202 PIPELINES	Rancho Cielo 24" Ball Valve	144,879	\$47,086	\$199,876	\$64,960	\$134,916
	287201 PIPELINES	Valve Replacements	127,601	\$44,660	\$185,752	\$65,013	\$120,739
	287202 PIPELINES	Cathodic/Corrosion Rplcmnt Pgm	41,546	\$14,541	\$60,480	\$21,168	\$39,312
	277204 PIPELINES	Manchester Rd P/L Replacement	1,163,946	\$349,184	\$1,773,063	\$531,919	\$1,241,144
	277205 PIPELINES	Agua Dulce P/L Replacement	244,233	\$73,270	\$372,045	\$111,613	\$260,431
	277202 PIPELINES	Valve Replacement Program	175,062	\$65,648	\$266,675	\$100,003	\$166,672
	277203 PIPELINES	Cathodic Test Station Rpr/Rplc	12,525	\$4,697	\$19,080	\$7,155	\$11,925
	277201 PIPELINES	Unit V2 Pipeline	161,884	\$48,565	\$246,602	\$73,981	\$172,621
	267201 PIPELINES	Shelley Project	210,931	\$67,498	\$332,897	\$106,527	\$226,370
	267204 PIPELINES	Rsf Pipeline Relo	528,499	\$169,120	\$834,090	\$266,909	\$567,181
	267208 PIPELINES	Cathodic Test Stat	17,858	\$7,143	\$28,184	\$11,274	\$16,910
	267203 PIPELINES	Unit G-1 Pipeline	4,316,728	\$1,381,353	\$6,812,770	\$2,180,086	\$4,632,684
	267207 PIPELINES	Valve Rplcmnt Pgm	168,159	\$67,263	\$265,392	\$106,157	\$159,235
	267211 PIPELINES	Raw Water Pipeline	70,028	\$22,409	\$110,520	\$35,366	\$75,154

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
	267202 PIPELINES	Denk Inflow Pipeline	2,351,304	\$752,417	\$3,710,887	\$1,187,484	\$2,523,403
	267205 PIPELINES	Denk Outflow P/L	643,643	\$205,966	\$1,015,813	\$325,060	\$690,753
	267209 PIPELINES	Unit S-1 Valve	66,709	\$26,684	\$105,283	\$42,113	\$63,170
	267206 PIPELINES	Unit V3 & V4 P/L	598,079	\$191,385	\$943,904	\$302,049	\$641,855
	267210 PIPELINES	Unit W-2 Pipeline	23,990	\$7,677	\$37,861	\$12,116	\$25,746
	267212 PIPELINES	Unit X P/L Construct	1,654,350	\$529,392	\$2,610,937	\$835,500	\$1,775,437
	727201 PIPELINES	Ext 153 Capacity	820,040	\$468,594	\$1,294,208	\$739,547	\$554,661
	247202 PIPELINES	Vons Center P/L Rplc	33,584	\$15,113	\$55,296	\$24,883	\$30,413
	247203 PIPELINES	Looped P/L Off Heers	78,029	\$35,113	\$128,477	\$57,815	\$70,663
	247204 PIPELINES	48 P/L East Inspect	22,202	\$11,418	\$36,557	\$18,801	\$17,756
	247205 PIPELINES	W-2 Extension	155,209	\$69,844	\$255,557	\$115,001	\$140,556
	247201 PIPELINES	San Dieguito Rd P/L	278,598	\$125,369	\$458,722	\$206,425	\$252,297
	237205 PIPELINES	Woodwind P/L Rplcmnt	267,163	\$126,902	\$478,462	\$227,270	\$251,193
	237206 PIPELINES	Gaty Intertie & P/L	151,268	\$71,852	\$270,905	\$128,680	\$142,225
	237209 PIPELINES	Pipelines East	3,548,517	\$1,926,338	\$6,355,041	\$3,449,879	\$2,905,162
	237210 PIPELINES	Pipelines East	3,559,452	\$1,352,592	\$6,374,623	\$2,422,357	\$3,952,266
	237212 PIPELINES	Pipelines West	4,221,696	\$2,291,778	\$7,560,637	\$4,104,346	\$3,456,291
	237213 PIPELINES	Pipelines West	4,221,696	\$1,604,244	\$7,560,637	\$2,873,042	\$4,687,595
	237207 PIPELINES	Unit W-1 Pipeline	994,681	\$472,474	\$1,781,375	\$846,153	\$935,222
	237214 PIPELINES	Unit W-2 Pipeline	813,231	\$386,285	\$1,456,416	\$691,797	\$764,618
	237215 PIPELINES	Unit V-5 Pipeline	198,716	\$94,390	\$355,881	\$169,043	\$186,837
	227204 PIPELINES	Manchester P/L Rplc	124,055	\$62,027	\$226,041	\$113,021	\$113,021
	217202 PIPELINES	Rsf Rd Widening	56,020	\$29,411	\$104,559	\$54,894	\$49,666
	217203 PIPELINES	Rsf P/L Phase I	371,288	\$194,926	\$692,988	\$363,819	\$329,169
	217201 PIPELINES	Camino Del Norte P/L	82,681	\$43,407	\$154,319	\$81,017	\$73,301
	217618 PIPELINES	V-1 Pipeline	166,412	\$87,366	\$310,598	\$163,064	\$147,534
	720153 PIPELINES	Unit S Pipeline	1,321,525	\$825,953	\$2,675,089	\$1,671,930	\$1,003,158
	720141 PIPELINES	Pacific P/L - Valves	12,213	\$7,938	\$25,118	\$16,327	\$8,791
	720140 PIPELINES	Manchester Road '95	18,937	\$12,783	\$39,141	\$26,420	\$12,721
	720134 PIPELINES	#7A 24" Main	1,662,910	\$1,164,037	\$3,433,427	\$2,403,399	\$1,030,028
	720136 PIPELINES	#8/9 Main Ext 17/30	382,499	\$267,750	\$789,751	\$552,825	\$236,925
	720135 PIPELINES	93/94 Mains	75,248	\$52,674	\$155,366	\$108,756	\$46,610
	720131 PIPELINES	Stratford Estates	52,942	\$38,383	\$110,239	\$79,923	\$30,316
	720132 PIPELINES	Fortuna Stratford	1,438,498	\$1,042,911	\$2,995,349	\$2,171,628	\$823,721
	720133 PIPELINES	Mains (92-93)	17,107	\$12,403	\$35,622	\$25,826	\$9,796
	720128 PIPELINES	Elfin Forest Rd #6	4,720	\$3,540	\$10,030	\$7,522	\$2,507
	720130 PIPELINES	Mains 92	31,769	\$23,827	\$67,498	\$50,624	\$16,875
	720121 PIPELINES	Mains-Rsf Road	64,217	\$49,768	\$142,231	\$110,229	\$32,002
	720122 PIPELINES	Mains-Olivenhn Road	26,896	\$20,844	\$59,570	\$46,167	\$13,403
	720126 PIPELINES	Rsf Rd P/L-Resurface	51,969	\$40,276	\$115,104	\$89,205	\$25,898
	720123 PIPELINES	Main-Elfin Forest Rd	406,679	\$315,177	\$900,730	\$698,066	\$202,664
	720124 PIPELINES	Mains-Omwd Ext. 101A	73,842	\$57,228	\$163,548	\$126,750	\$36,798
	720125 PIPELINES	Mains (91)	24,284	\$18,820	\$53,785	\$41,684	\$12,102
	720127 PIPELINES	Del Dios Hwy Crossng	54,221	\$42,022	\$120,092	\$93,071	\$27,021
	720103 PIPELINES	#4 Rncho S.F. Road	683,590	\$546,872	\$1,538,182	\$1,230,546	\$307,636
	720105 PIPELINES	#14A Manchester Road	15,544	\$12,435	\$34,976	\$27,981	\$6,995

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
	720109 PIPELINES	#7C 24" Main	10,142	\$8,113	\$22,820	\$18,256	\$4,564
	720114 PIPELINES	#4 Rsf Rd P/L Over-	273,061	\$218,449	\$614,430	\$491,544	\$122,886
	720120 PIPELINES	#5A Olivenhain Road	122,992	\$98,393	\$276,750	\$221,400	\$55,350
	720104 PIPELINES	#6 Elfin Forest Road	249,476	\$199,581	\$561,360	\$449,088	\$112,272
	720110 PIPELINES	Unit R Pipeline	158,867	\$127,093	\$357,474	\$285,979	\$71,495
	720112 PIPELINES	89-90 Mains- General	20,183	\$16,147	\$45,415	\$36,332	\$9,083
	720116 PIPELINES	Unit Q P/L Ext.111	86,199	\$68,959	\$193,960	\$155,168	\$38,792
	720118 PIPELINES	Unit S Pipeline	25,883	\$20,706	\$58,240	\$46,592	\$11,648
	720115 PIPELINES	Unit P - P/L	11,476	\$9,180	\$25,822	\$20,657	\$5,164
	720117 PIPELINES	Del Dios Hiway Cross	145,701	\$116,561	\$327,850	\$262,280	\$65,570
	720098 PIPELINES	Bumann P/L Sta.	81,223	\$67,009	\$189,227	\$156,112	\$33,115
	720096 PIPELINES	Conn #3 Construction	152,000	\$125,400	\$354,120	\$292,149	\$61,971
	720097 PIPELINES	Unit R P/L	1,366,642	\$1,127,480	\$3,183,918	\$2,626,733	\$557,186
	720099 PIPELINES	Unit P P/L	146,391	\$120,772	\$341,052	\$281,368	\$59,684
	720092 PIPELINES	Repl Anode Bed 30"PI	66,221	\$56,287	\$154,783	\$131,565	\$23,217
	720094 PIPELINES	Part Ext. 115A	23,836	\$20,261	\$55,715	\$47,357	\$8,357
	720095 PIPELINES	Mains 1987-88	12,424	\$10,560	\$29,039	\$24,684	\$4,356
	720091 PIPELINES	Pressure Reducing St	37,014	\$32,387	\$91,205	\$79,805	\$11,401
	720086 PIPELINES	Major P/L Replace/Ad	66,466	\$59,819	\$164,435	\$147,991	\$16,443
	720088 PIPELINES	Mains / 1985/86	18,339	\$16,505	\$45,371	\$40,834	\$4,537
	720084 PIPELINES	Major P/L Additions	221,475	\$204,864	\$548,479	\$507,343	\$41,136
	720085 PIPELINES	Major P/L Additions	246,775	\$228,267	\$611,134	\$565,299	\$45,835
	720083 PIPELINES	Pressure Reducing St	34,362	\$31,785	\$85,097	\$78,715	\$6,382
	720078 PIPELINES	S D River X-Ing	120,342	\$117,333	\$320,554	\$312,540	\$8,014
	720013 PIPELINES	Unit "H"	310,287	\$194,447	\$1,892,112	\$1,185,724	\$706,389
	720002 PIPELINES	Unit "J"	85,352	\$54,626	\$569,945	\$364,765	\$205,180
	720003 PIPELINES	Harmony Grove	40,867	\$26,155	\$272,891	\$174,651	\$98,241
	720001 PIPELINES	Unit "G"	960,243	\$842,319	\$7,388,697	\$6,481,313	\$907,384
	720010 PIPELINES	Trans Main To N Area	55,618	\$37,820	\$474,517	\$322,672	\$151,846
	720009 PIPELINES	La Costa Off Site	58,206	\$40,356	\$568,516	\$394,171	\$174,345
	297856 PIPELINES-REC	LUSARDI CREEK EXT 153	333,537	\$25,015	\$371,412	\$27,856	\$343,556
	297857 PIPELINES-REC	EXT 153A - SURF CUP	737,362	\$55,302	\$821,091	\$61,582	\$759,510
	707220 PIPELINES-REC	WANDERING ROAD RECYCLED EXTENSION	213,720	\$26,715	\$247,738	\$30,967	\$216,771
	707222 PIPELINES-REC	AVENIDA LA POSTA	88,432	\$11,054	\$102,507	\$12,813	\$89,694
	707208 PIPELINES-REC	VP PL SECTION B - WIEGAND RESERVOIR	354,348	\$53,152	\$428,737	\$64,310	\$364,426
	707209 PIPELINES-REC	VP PIPELINE SECTION D - EASEMENT	1,362,153	\$204,323	\$1,648,111	\$247,217	\$1,400,895
	707210 PIPELINES-REC	VP PL SECTION E - MOUNTAIN VISTA	2,306,054	\$345,908	\$2,790,166	\$418,525	\$2,371,641
	707211 PIPELINES-REC	VP PL SECTION F - FLORA VISTA ELEMENTARY	914,842	\$137,226	\$1,106,896	\$166,034	\$940,861
	707212 PIPELINES-REC	VP PL SECTION G-VILLAGE PKWY/GLEN ARBOR	1,506,511	\$225,977	\$1,822,774	\$273,416	\$1,549,358
	707213 PIPELINES-REC	VP PL SECTION H - EAST MOUNTAIN VISTA	789,283	\$118,392	\$954,978	\$143,247	\$811,731
	707214 PIPELINES-REC	VP PL SECTION I - PARKDALE ELEMETARY	1,015,385	\$152,308	\$1,228,546	\$184,282	\$1,044,264
	707215 PIPELINES-REC	VP PL SECTION K - COUNTRYHAVEN	1,289,753	\$193,463	\$1,560,512	\$234,077	\$1,326,435
	707216 PIPELINES-REC	VP PL SECTION L - GOLF COURSE	845,749	\$126,862	\$1,023,298	\$153,495	\$869,803
	707217 PIPELINES-REC	VP PL SECTION M - SHADY TREE	132,196	\$19,829	\$159,948	\$23,992	\$135,956
	707218 PIPELINES-REC	RSF FARMS HOA RECYCLED EXTENSION	22,800	\$3,420	\$27,586	\$4,138	\$23,448
	727207 PIPELINES-REC	Ext 252 Mission Estancia	191,166	\$38,233	\$240,104	\$48,021	\$192,083

Appendix C: Water Pipeline Assets Valuation

Asset ID	Asset Class ID	Asset Description	Original Cost	Calculated LTD OC Depreciation	Replacement Cost	Calculated LTD RC Depreciation	Replacement Cost Less Depreciation
284304	PIPELINES-REC	Dist Office Irrig Lateral	65,992	\$18,148	\$88,560	\$24,354	\$64,206
727206	PIPELINES-REC	Campania Ave P/L Replacement	270,795	\$74,469	\$363,402	\$99,935	\$263,466
294303	PIPELINES-REC	Sd Recycled Connection #2	1,168,585	\$280,460	\$1,582,245	\$379,739	\$1,202,506
294301	PIPELINES-REC	Rancho Santa Fe Rd Rcyld P/L	463,370	\$120,476	\$639,267	\$166,209	\$473,057
294302	PIPELINES-REC	Nw Quadrant (Initial Const)	757,088	\$246,054	\$1,044,481	\$339,456	\$705,025
274301	PIPELINES-REC	Unit Rb-1 Pipeline - Sfv	79,954	\$23,986	\$121,796	\$36,539	\$85,257
274302	PIPELINES-REC	Unit Ra-2 Pipeline - Sfv	265,562	\$79,669	\$404,536	\$121,361	\$283,175
727202	PIPELINES-REC	Unit Ra-Bernardo Lks	183,484	\$58,715	\$289,579	\$92,665	\$196,913
727203	PIPELINES-REC	Unit Ra - 4S Ranch	341,383	\$109,243	\$538,779	\$172,409	\$366,370
727204	PIPELINES-REC	Alva Rd - 12" Rclmd	464,619	\$148,678	\$733,274	\$234,648	\$498,626
727205	PIPELINES-REC	Alva Rd 12" Rclmd PI	152,192	\$48,701	\$240,193	\$76,862	\$163,331
430501	PIPELINES-REC	Unit Ra-1	366,482	\$155,755	\$595,636	\$253,145	\$342,490
			244,823,552	89,709,734	423,469,752	201,386,136	222,083,616

APPENDIX D:
Engineering News-Record's Los Angeles -
City Construction Cost Index

Engineering News-Record City Cost Index (CCI), Los Angeles Area

Year	Construction Cost Average	CCI	Year	Construction Cost Average	CCI	Year	Construction Cost Average	CCI
1908	97	139.06	1946	346	38.9845	1984	5259.93	2.56442
1909	91	148.23	1947	413	32.6602	1985	5446.69	2.47649
1910	96	140.51	1948	461	29.2595	1986	5452.2	2.47398
1911	93	145.04	1949	477	28.2781	1987	5474.14	2.46407
1912	91	148.23	1950	510	26.4483	1988	5770.84	2.33738
1913	100	134.89	1951	543	24.841	1989	5789.77	2.32974
1914	89	151.56	1952	569	23.7059	1990	5994.55	2.25015
1915	93	145.04	1953	600	22.4811	1991	6090.12	2.21484
1916	130	103.76	1954	628	21.4787	1992	6348.55	2.12468
1917	181	74.52	1955	660	20.4373	1993	6477.84	2.08228
1918	189	71.37	1956	692	19.4923	1994	6532.95	2.06471
1919	198	68.12	1957	724	18.6307	1995	6526.22	2.06684
1920	251	53.74	1958	759	17.7716	1996	6558.44	2.05669
1921	202	66.78	1959	797	16.9243	1997	6663.55	2.02424
1922	174	77.52	1960	824	16.3697	1998	6851.95	1.96859
1923	214	63.03	1961	847	15.9252	1999	6825.97	1.97608
1924	215	62.74	1962	872	15.4686	2000	7068.04	1.9084
1925	207	65.16	1963	901	14.9708	2001	7226.92	1.86645
1926	208	64.85	1964	936	14.411	2002	7402.75	1.82211
1927	206	65.48	1965	971	13.8915	2003	7531.77	1.7909
1928	207	65.16	1966	1019	13.2371	2004	8192.14	1.64654
1929	207	65.16	1967	1074	12.5593	2005	8299.28	1.62528
1930	203	66.45	1968	1155	11.6785	2006	8546.72	1.57823
1931	181	74.52	1969	1269	10.6294	2007	8854.77	1.52332
1932	157	85.91	1970	1381	9.76731	2008	9265.94	1.45572
1933	170	79.35	1971	1581	8.53172	2009	9777.19	1.3796
1934	198	68.12	1972	1753	7.69461	2010	9962.19	1.35398
1935	196	68.82	1973	1895	7.11802	2011	10051.3	1.34198
1936	206	65.48	1974	2020	6.67755	2012	10299.55	1.30963
1937	235	57.40	1975	2212	6.09794	2013	10304.68	1.30898
1938	236	57.16	1976	2401	5.61793	2014	10739.43	1.25599
1939	236	57.16	1977	2576	5.23628	2015	10981.02	1.22836
1940	242	55.74	1978	3421.25	3.94261	2016	11148.28	1.20993
1941	258	52.28	1979	3638.81	3.70688	2017	11636.49	1.15917
1942	276	48.87	1980	4102.37	3.28801	2018	11940.25	1.12968
1943	290	46.51	1981	4530.96	2.977	2019	12113.16	1.11355
1944	299	45.11	1982	4934.14	2.73374	2020	12055.68	1.11886
1945	308	43.79	1983	5063.89	2.66369	2021	13029.04	1.03528
						2022	13488.65	1

Memo

A

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS
PRESIDENT

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

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

August 14, 2024

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

The following are brief highlights of the District's departmental operations for the month of
July 2024:

Operations & Maintenance	July 2024	June 2024
David C. McCollom Water Treatment Plant (DCMWTP) Total Production	712.3 million gallons	550.6 million gallons
DCMWTP Average Daily Production	23.0 million gallons	18.4 million gallons
DCMWTP Peak Day Production	27.9 millions gallons	26.2 million gallons
Source Water Blend (% State Project Water)	24%	17%
Total Deliveries to Vallecitos Water District	332.81 acre feet 108.45 million gallons	271.16 acre feet 88.36 million gallons
4S and Rancho Cielo Sewer Systems Total Inflow	41.6 million gallons	36.33 million gallons
4S and Rancho Cielo Sewer Systems Average Daily Inflow	1,342,198 gallons	1,211,268 gallons
4S and Rancho Cielo Sewer Systems Peak Day Inflow	1,706,174 gallons	1,280,288 gallons
4S and Rancho Cielo Sewer Systems Low Day Inflow	1,172,225 gallons	1,161,038 gallons
4S Water Reclamation Facility (4SWRF) Average Daily Production	1,126,921 gallons	1,042,518 gallons
4SWRF Peak Day Production	1,467,997 gallons	2,494,690 gallons
4SWRF Total to Recycled Water Distribution System	34.9 million gallons	31.28 million gallons
4S Recycled Water Storage Pond Volume	14 acre feet	98 acre feet
Repaired Potable Water Main Leak(s)	0	0
Repaired Potable Water Service Lateral Assembly Leak(s)	1	1
Repaired Recycled Water Main Leak(s)	0	0
Repaired Recycled Water Service Lateral Leak(s)	0	0
Repaired Hit Fire Hydrant Lateral Assembly Leak(s)	1	1
Replaced Valve(s) Monthly Total	6	4
Replaced Valve(s) Calendar Year to Date	16	10
Recycled Water Use Site Inspections & Visits	21	9
Recycled Water Use Site Cross Connection Tests	4	1
Cross Connection Site Surveys	2	5
Backflow Inspections & Testing (New)	10	4
IT Help Requests	17	22
Customer Services	July 2024	June 2024
Customer Calls and Inquiries	2,073	1,752
Total Monthly Bills Issued	23,001	22,968
Service Orders	720	492
New Potable Meters	3	1
New Fire Meters	0	0
New Recycled Water Meters	0	1

Advanced Metering Infrastructure (AMI) Troubleshooting Investigations	53	83
Customer Services - Continued	July 2024	June 2024
Automated Meter Reading (AMR) Troubleshooting	36	29
Stopped/Underperforming Meters Replaced	107	74
Meter Transceiver Units (MXU) Upgraded to AMI	101	0
Meter Accuracy Tests Performed	0	0
Water Use Evaluations	15	10
Water Use Violation Reports	2	1
Workshops, Events, and Tours	2	0
High-Efficiency Clothes Washer Rebate Applications	4	8
Weather-Based Irrigation Controller Rebate Applications	4	9
Hose Irrigation Controller Rebate Applications	0	0
High-Efficiency Rotating Nozzle Rebate Applications	3	1
High-Efficiency Toilet Rebate Applications	0	0
Rain Barrel Rebate Applications	1	1
Flow Monitor Device Rebate Applications	2	3
Turf Removal Project Rebate Applications	3	2
Social Media Posts	21	25
News Releases/Media Advisories	4	3
EFRR	July 2024	June 2024
Special Use/Event Permits	0	2
Parking Notices	66	75
Incident Reports	6	9
Vehicle Count	3,580	4,018
Trail Use Count	5,694	7,308
Days Closed Due to Rain/Red Flag	0	0
Days Interpretive Center (IC) Open	18	19
Number of IC Visitors	224	238
Volunteer Trail Patrol Shifts	7	10
Volunteer Docent Hours	99	103
Total Number of Docents	66	65
Finance	July 2024	June 2024
Infosend Payments (ACH and Credit Card)	15,114	12,831
California Bank & Trust Lockbox Payments	2,600	2,673
Over the Counter Payments	486	452
Check-free, Metavante and Chase	4,468	3,739
Finance Calls and Walk-ins	94	69
Service Orders/New Meters Processed	15	8
Service Orders Closed Out	3	2
Purchase Orders	19	15
Inventory Items Received	2,344	939
Invoices Processed	557	505
Payroll Direct Deposits Processed	247	246
Accounts Payable Checks and Electronic Fund Transfers	278	240

ENGINEERING DEPARTMENT

Engineering Manager Lindsey Stephenson Highlights for July 2024:

4S Ranch Neighborhood 1 Sewer Pump Station Replacement Project continued to progress through construction and is working towards completion. The Recycled Water Pipeline Extensions Project continues to progress with pipeline installations underway in Encinitas and Carlsbad. Activities related to the construction of the DCMWTP 4th Stage Plant Improvement Project continue to progress. Unit A Potable Water Pipeline Replacement Project began installation of pipeline on RSF road. Work for the DCMWTP Chlorine Generation Room Floor Repair Project continued construction. Staff continued planning and design efforts on multiple CIP projects, including the Potable and Recycled Water Master Plan Update. Staff also continued to handle developer requests, continued to assist other departments with engineering-related work, and continued to manage OMWD's right of ways and cell sites.

HUMAN RESOURCES DEPARTMENT

Human Resources Manager Jennifer Joslin Highlights for July 2024:

Human Resources staff conducted interviews for the vacant Utility I, II, and III positions. Hosted the annual Bring Your Kids to Work Day event for all employees and their children. Met with Water for People staff to review their volunteer programs. Was awarded \$2,000 in ACWA JPIA wellness grant funding that will be used for on-site yoga classes for staff. Met with Lincoln Financial representatives to discuss 401a plan options for managers and supervisors. Distributed the half year safety awards to staff for achieving the goal of less than 40 hours of lost time due to preventable injuries/accidents. Safety staff met with a communications company to review the current emergency communications capabilities and options for potential future upgrades. Facilitated the on-site boot truck for field staff foot protection selection. Hosted the July Safety Committee meeting.

Requests Received Pursuant to the Public Records Act (July 1-31):

Requestor

Craig Harris – ABC10

Documents Requested

General Manager's salary information, number of customer accounts, and average wait time for a customer to reach a CSR.

OPERATIONS & MAINTENANCE

Operations Manager Jesse Bartlett-May Highlights for July 2024:

DCMWTP staff completed installation of new informational signage for tours at the plant, preparing to collect annual Title-22 water quality samples, and fiber repairs are being performed on several membrane cassettes throughout the plant to increase production capability to full capacity. The Liner Replacement Project for the Del Dios Sewer Pump Station overflow containment was completed. IT staff were all hands-on deck to address the CrowdStrike update and successfully kept OMWD operational, and Instrument Control Technicians continued providing support to the Programmable Logic Controller (PLC) Replacement and SCADA Upgrade projects. Pump & Motor Technician staff spent time troubleshooting and replacing the ERT 124

hydraulic pressure unit at DCMWTP and replaced the Variable Frequency Drive on the second stage membrane train. System Operators performed a repair and replacement at the Camino Sin Puente #1 Pressure Reducing Station after a pipe fitting failed on the pilot system and supported construction with hydrant valve replacements in support of the Valve Replacement Project. Construction assisted Pump & Motor Technician staff removing a pump from Camino Sin Puente Pump Station with crane operation, rebuilt a fire hydrant lateral on Camino De Los Coches in Carlsbad, and replaced stabilizers on Backhoe #8.

CUSTOMER SERVICES DEPARTMENT

Customer Services Manager John Carnegie Highlights for July 2024:

Mailed 376 postcards notifying customers affected by the next AMI Expansion Project phase of upcoming work and the My Water Use dashboard; submitted to SWRCB's Division of Drinking Water the 2024 Consumer Confidence Report certification packet; participated in DWR Water Loss and Leak Detection Webinar to prepare for annual water loss audit; sent e-newsletter on July 11; mailed 1,032 postcards notifying customers affected by Unit A Pipeline Replacement Project; hosted public facilities tour; completed ACWA JPIA re-enrollment process for property, crime, and cybersecurity insurance policies for Fiscal Year 2025; signed on to multi-agency comment letter to SWRCB on the third revision of proposed water use efficiency regulations; submitted to individual Assembly Appropriations Committee members OMWD comment letters in opposition of SB 1255, relating to the establishment of a low-income rate assistance program, and also signed on to two joint-agency SB 1255 comment letters submitted to Assembly Appropriations Committee; teleconferenced with the consultant for Assembly Appropriations Committee regarding opposition to SB 1255; and submitted to Assembly Appropriations Committee a letter of support for SB 366, relating to long-term supply targets.

At EFRR, installed display of photo contest winning images in interpretive center, held training for two new Trail Patrol members, and completed comprehensive survey of all EFRR fencing and identified priority maintenance areas.

FINANCE DEPARTMENT

Finance Manager Rainy Selamat Highlights for July 2024:

Reviewed and commented the 2024 Water Rate Study Report prepared by Raftelis; completed draft of OMWD's Water Rate Hearing Notice; staff completed Title XVI payments and disbursements to partners; reviewed with staff fiscal year 2024 financial audits and Annual Comprehensive Finance Report preparations; completed amendments to Article 6 of District Administrative and Ethics Code; completed and presented 2024 Water Rate Study results to the Board and the proposed 2025 OMWD water charges; sent out capacity hearing notice to Building Industry Association; staff continued training the new Accountant I; updated staff's report on the pre-buying water from SDCWA proposal; staff started working on FY 2024 year-end closing procedures and preparing the auditor's requested schedules; reviewed and completed OMWD's cost allocation plan for 2024; updated OMWD's indirect rates for capitalized expenses; and continued discussion with Lincoln Financial Group, GM Thorner, and HRM Joslin with regard to the proposed amendments to OMWD's 401 (a) plan for GM, managers, and supervisors.

ASSISTANT GENERAL MANAGER:

The Assistant General Manager reports the following for July 2024:

Assistant General Manager Randall attended San Diego North Economic Development Council Board of Directors Meeting. Dedicated significant time to work with Customer Services on Community Project Funding (CPF) Grant and development of RFPs for Operations and Engineering. Personnel matters including recruitment and participation in interviews for vacant Utility position, public records request review, review and preparation of upcoming projects including EV Fleet Migration, NSDWRC coordination and claims management.

GENERAL MANAGER:

The General Manager reports the following for July 2024:

General Manager Thorner reviewed the annual Stormwater Pollution Prevention Plan, hosted a New Hire Facilities Tour, attended the WaterReuse California Special Board Meeting, attended the APWA San Diego Chapter Luncheon, attended the Member Agency Managers meeting, attended the Council of Water Utilities lunch meeting, met with a consultant on Recycled Water Use in the San Dieguito River Valley/SW Quadrant, was interviewed by California Special District Association for OMWD's Outreach program, met with CWA staff and Director Meyers on CWA CIP and rate issues, held a Staff Leadership Meeting, assisted with Water for People Annual Lunch planning and meetings, held a Safety Committee Meeting, met with Senator Blakespear to discuss SB 1255, coordinated with OMWD lobbyist on key legislation, attended the North County Work Group Meeting, and dedicated significant time to reviewing the SDCWA board packet, reviewing proposed Administrative and Ethics Code proposed updates, reviewed proposed legislation, reviewing the Cost of Service Study, Human Resources, and legal matters, including efforts on Jones litigation and Neighborhood 1 with Nossaman. Met with reps from Lincoln on changes to 401(a) plan.

Memo

C

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

CONSULTING ENGINEER

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

Memo

D

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

GENERAL COUNSEL

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: August 14, 2024

RE: Attorney Report: Supreme Court Limits Federal Rulemaking Authority
150152-0005

I. INTRODUCTION.

This attorney report provides an update on a recent United States Supreme Court decision limiting the rulemaking authority of federal regulatory agencies. In *Ohio v. Environmental Protection Agency*, the United States Supreme Court clarified the requirements for regulatory agencies to respond to public comments on proposed rulemakings.

In a split 5-4 decision, the Supreme Court held that if a federal agency, such as the United States Environmental Protection Agency (“EPA”), fails to provide a reasoned response to comments raised during the rulemaking process, a court may consider the final rule unlawful.

The decision provides local agencies and other parties regulated by the federal government with the ability to not only challenge, but to render new rules void and unlawful, if the regulatory agency did not provide a “reasoned response” to public comments.

II. BACKGROUND.

When a federal agency engages in rulemaking, the Administrative Procedure Act (“APA”) requires the agency to publish a proposed rule announcing and explaining the action. The publication of a proposed rule triggers an opportunity for public comment, after which, the agency decides whether to continue, modify, or withdraw its proposed rule. The final rule must consider the comments and offer a satisfactory explanation for its action. The agency may not ignore problems raised during the public comment period.

III. COURT’S ANALYSIS.

Ohio v. Environmental Protection Agency dealt with the EPA’s rulemaking under the Clean Air Act (“CAA”). Under the CAA, EPA sets air pollutant standards and requires states to adopt corresponding state implementation plans (“SIP”), which are

state regulations and documents used to comply with the CAA's mandates. If EPA determines a state's SIP fails to meet the CAA's requirements, then EPA may impose its own plan on the state, known as a federal implementation plan ("FIP"). The imposition of a FIP requires publication of a proposed plan and opportunity for public comment.

In 2015, EPA revised its air-quality standards and required states to adopt revised SIPs. Upon submission, EPA determined 23 states were noncompliant with the new standards, and in response, EPA published a proposed FIP imposing a blanket plan on all 23 non-compliant states.

The FIP imposed emissions reduction measures on all 23 non-complaint states in order to achieve a specified desired ozone level based on the assumption that *all* 23 non-compliant states would participate in the FIP. During the public comment period on the proposed FIP, commenters expressed concern that the FIP would not obtain the same emissions-control measures if fewer than all 23 states participated in the plan. If less than 100% participation occurred, commenters argued EPA would need to conduct a new assessment and modeling for the plan.

In response to the comments, in its final FIP, EPA adopted a broad severability provision stating that "should any state drop out, the FIP would continue to be implemented as to any remaining jurisdictions." In response to EPA's adoption of the final FIP, a number of states and private parties (collectively "Petitioners") filed suit, challenging the FIP as arbitrary and capricious because it was not reasonably explained.

Petitioners requested the lower court to stay the enforcement of the FIP during the pendency of the action. The D.C. Circuit Court of Appeals denied the stay request, and the Petitioners' request for a stay was appealed to the Supreme Court.

In considering whether to stay an agency action pending a final judicial determination, the Court considers four factors:

- (1) whether the applicant is likely to succeed on the merits;
- (2) whether the applicant will suffer irreparable harm;
- (3) whether a stay will result in substantial injury to the other party; and
- (4) where the public interest lies.

In this case, the Supreme Court's determination turned primarily on the merits, and who was likely to prevail on whether the FIP was "reasonable and reasonably explained." The Supreme Court held Petitioners were likely to succeed on the merits because the FIP was not "reasonably explained" and EPA sidestepped commenters'

concerns regarding the impact of less than 100% participation in the FIP. The Supreme Court's majority opinion stated that "[a]lthough commenters posed this concern to the EPA during the notice and comment period, EPA offered no reasoned response."

The Supreme Court further noted that the severability provision was the agency's only response to the comments, and "in doing so, EPA did not address whether or why the same emissions-control measures it mandated would continue to further the FIP's stated purpose of maximizing cost-effective air-quality improvement if fewer states remained in the plan."

In addition, the Supreme Court noted that even if there was an explanation regarding how the number of participants would not impact the success of the FIP, "if there was an explanation, it does not appear in the final rule." As a result, the Supreme Court concluded that "Petitioners are likely to prevail on their argument that EPA's final rule was not reasonably explained."

EPA advanced three arguments as to why Petitioners were unlikely to prevail on the merits of their case. First, EPA stated that the severability provision amounted to a reasoned response to public comment on the subject. However, the majority opinion stated that (1) the severability provision "did not address the Petitioners' concern so much as sidestep it," and (2) awareness of the commenters' concern did not substitute for an explanation addressing the same.

Second, EPA claimed the Petitioners were precluded from challenging the FIP because the disputed issues were not raised with "reasonable specificity" during the public comment period. The majority disagreed and stated that a party is not required to "rehearse the identical argument made before the agency" during the public comment period. Instead, the reasonable specificity requirement is designed to confirm that an agency had notice of the challenge during the public comment period and had a chance to consider the substance of the concern. As the majority concluded, Petitioners sufficiently put EPA on notice.

Third, EPA stated Petitioners should have sought relief by filing a motion with the agency and asked EPA to reconsider the final FIP before seeking judicial relief. Four of the Courts' dissenting justices agreed with EPA on this point. However, the majority opinion stated that "nothing requires commenters to return to EPA to raise again a concern EPA already had a chance to address."

IV. CONCLUSION.

The United States Supreme Court's decision supports a trend by the current Supreme Court to limit the reach of federal regulatory authority. In June of this year, the

United States Supreme Court issued a 6-3 ruling in *Loper Bright Enterprises v. Raimondo*, overruling the Supreme Court's own decision forty years ago in *Chevron v. Natural Resources Defense Council* ("*Chevron*"). *Chevron* deference, which stemmed from a 1984 Supreme Court ruling in *Chevron v. Natural Resources Defense Council*, directed courts to defer to a regulatory agency's reasonable interpretation of a statute that is ambiguous or silent on an issue. This ruling significantly reshapes the regulatory landscape by removing the deference formerly afforded regulatory agencies when their rules or enforcement proceedings are challenged.

The decision in *Ohio v. EPA* similarly limits the authority of regulatory agencies. The Supreme Court's majority's holding in *Ohio v. EPA* was limited to a stay of the FIP pending a final decision on the merits by the D.C. Circuit Court of Appeals, and thus, the ruling did not make a final determination on whether the FIP was arbitrary and capricious.

However, the majority opinion's lengthy discussion of Petitioners' likelihood of success on the merits clarifies that when a commenter raises concerns about a regulatory agency's methodology, assumptions, or reasoning of a proposed action, the regulatory agency must provide a reasoned response to those comments, or risk having the rule deemed void or unlawful.

AES

Memo

E

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

SAN DIEGO COUNTY WATER AUTHORITY REPRESENTATIVE

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

Memo

F

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS
LEGISLATIVE REPORT

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



NOSSAMAN^{LLP} | Memorandum

TO: Olivenhain Municipal Water District
FROM: Ashley Walker, Senior Policy Advisor, Nossaman LLP
Jennifer Capitolo, Jennifer M. Capitolo and Associates LLC
DATE: July 30, 2024
RE: August 2024 Public Policy Report

State Legislative Updates:

Status of the Legislature: The legislature was on a one-month summer recess and reconvened on August 5. The legislature will have until August 16 to meet and act on bills that have a fiscal impact on the state. During the last two weeks of August, both the Senate and Assembly will hold floor sessions where they will focus on passing bills over to the governor's office for action. All bills must be in print for 72 hours prior to the legislature being able to take any action, so it is very likely that we will continue to see some new proposals pop up during the final month of session. The last day of the legislative cycle is August 31. The governor has 30 days to take action on bills that are presented to him.

After the November 2024 election, new members will be sworn in, during the month of December in Sacramento. On swearing-in day, members can introduce new bills for the 2025-26 legislative session. The official start of the new legislative cycle will begin in early January.

Climate Bond: SB 867 was passed by the legislature and signed by Acting Governor Mike McGuire on July 3, therefore qualifying for the November 2024 ballot. OMWD staff has developed a comprehensive report for the August board meeting regarding the Climate Resiliency Bond (SB 867) and its alignment with OMWD's climate bond priorities. The bond is a \$10 billion general obligation bond with funding that represents the legislature's priorities for climate-related projects. Nossaman provided input on the staff report given to the board.

Legislation: Nossaman has outlined legislation of interest to OMWD that we have current positions on, below. Nossaman provided testimony for each of the bills below in the policy committee hearings and will do the same for the upcoming appropriation committee hearings. Additionally, we have ensured that the committee members and staff all have our position letters.

Support Positions:

- **AB 1827 (Papan): Local government: fees and charges: water: higher-consumptive water parcels.** This bill would provide that the fees or charges for property-related water service

imposed or increased, as specified, may include the incrementally higher costs of water service due to specified factors, including the higher water usage demand of parcels. The bill would provide that the costs associated with higher water usage demands, the maximum potential water use, or a projected peak water usage demand may be allocated using any method that reasonably assesses the water service provider's cost of serving those parcels that are increasing potential water usage demand, maximum potential water use, or project peak water use demand.

OMWD Position: Support.

ACWA Position: Support.

- **AB 2257 (Wilson): Local government: property-related water and sewer fees and assessments: remedies.** This bill would prohibit, if a local agency complies with specified procedures, a person or entity from bringing a judicial action or proceeding alleging noncompliance with the constitutional provisions of Proposition 218 for any new, increased, or extended fee or assessment, unless that person or entity has timely submitted to the local agency a written objection to that fee or assessment that specifies the grounds for alleging noncompliance.
OMWD Position: Support.
ACWA Position: Sponsor.
- **SB 366 (Caballero): The California Water Plan: long-term supply targets.** This bill would revise and recast certain provisions regarding The California Water Plan to require the department to instead establish a stakeholder advisory committee and to expand the membership of the committee to include tribes, labor, and environmental justice interests. The bill would require the department to coordinate with California Water Commission, State Water Resources Control Board, other state and federal agencies as appropriate, and the stakeholder advisory committee to develop a comprehensive plan for addressing the state's water needs and meeting specified long-term water supply targets established by the bill for purposes of The California Water Plan. The bill would require the plan to provide recommendations and strategies to ensure enough water supply for all designated beneficial uses.
OMWD Position: Support.
ACWA Position: Support.
- **SB 1072 (Padilla): Local government: Proposition 218: remedies.** Provides that, if a court determines that fee or charge for a property related service, including water, sewer, and refuse collections violates Proposition 218, then the local agency must, in the next procedure to impose or increase the fee or charge, credit that amount against the cost of providing the property related service, unless statute explicitly provides a refund remedy. The measure also states it does not apply to claims related to billing errors.
OMWD Position: Support.
ACWA Position: Support.

- SB 1218 (Newman): Water: emergency water supplies.** This bill declares that it is the established policy of the state to encourage, but not mandate, the development of emergency water supplies, and to support their use during times of water shortage.
OMWD Position: Support.
ACWA Position: Support.
- SB 1330 (Archuleta): Urban retail water supplier: Water use.** Current law requires an urban retail water supplier to calculate its urban water use objective no later than January 1, 2024, and by January 1 every year thereafter, and to be composed of the sum of specified data, including aggregate residential water use. Current law requires each urban retail water supplier's water use objective to be composed of the sum of specified aggregate estimates, including efficient outdoor irrigation of landscape areas with dedicated irrigation meters or equivalent technology in connection with water used by commercial water users, industrial water users, institutional water users, and large landscape water users (CII). Current law requires an urban retail water supplier to submit reports to the Department of Water Resources, as provided, by the same dates. This bill would require the department to, no later than January 1, 2035, conduct necessary studies and investigations regarding the efficiency performance of newly constructed residential landscapes and landscape areas with dedicated irrigation meters in connection with CII water use.
OMWD Position: Support.
ACWA Position: Support.

Oppose Position:

- SB 1255 (Durazo): Public water systems: needs analysis: water rate assistance program.** 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 state board to update a needs analysis of the state's public water systems to include an assessment, as specified, of the funds necessary to provide a 20% bill credit for low-income households served by community water systems with fewer than 3,300 service connections and for community water systems with fewer than 3,300 service connections to meet a specified affordability threshold on or before July 1, 2026, and on or before July 1 of every 3 years thereafter. (2) Existing law requires the state board, by January 1, 2018, to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program. Existing law requires the plan to include, among other things, a description of the method for collecting moneys to support and implement the program and a description of the method for determining the amount of moneys that may need to be collected from water ratepayers to fund the program. This bill would require qualified systems, defined as any retail water supplier that serves over 3,300 residential connections, to begin providing water rate assistance to eligible ratepayers, defined to mean

a low-income residential ratepayer with an annual household income that is no greater than 200% of the federal poverty guideline level, on or before April 1, 2027. The bill would require a qualified system to automatically enroll an eligible ratepayer in the water rate assistance program if available information, which includes authorizing a ratepayer to confirm eligibility by self-certification made under penalty of perjury, indicates that they are qualified to receive assistance and provide a water bill credit. The bill would require a qualified system, on or before July 1, 2026, to provide an opportunity for each ratepayer to provide a voluntary contribution as part of the ratepayer's water bill to provide funding for the qualified system's water rate assistance program. The bill would require a qualified system to recommend a voluntary contribution amount on the bill of each ratepayer, other than an eligible ratepayer, at a level that will raise sufficient funding to provide a discount to eligible ratepayers, pay for the qualified system's administrative costs to implement the program, and establish a balancing account if the qualified system chooses to do so. The bill would require a qualified system to notify ratepayers of the voluntary contribution on the water bill and provide each ratepayer with the option and method of opting out of the voluntary contribution, as specified. The bill would also prohibit a qualified system from sanctioning or holding liable a ratepayer in any manner for not paying the voluntary contribution. The bill would authorize a qualified system to use any state or federal funds that are available to support a ratepayer assistance program by offsetting or supplementing the funds collected from voluntary contributions. The bill would authorize the Attorney General to bring an action in state court to restrain the use of any method, act, or practice in violation of these provisions, except as provided.

OMWD Position: Oppose. Nossaman coordinated an advocacy call with California State Assembly, Committee on Appropriations, Consultant Jacqueline Kinney, OMWD, and Padre Dam Municipal Water District. Nossaman is also setting up a meeting with the governor's office to discuss our opposition.

ACWA Position: Oppose unless amended.

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.

- July 22 – Governor Newsom announced that California secured a Fire Management Assistance Grant from FEMA to support resources for the ongoing Hawarden Fire in Riverside County.
- July 18 – Governor Newsom announced the deployment of firefighting personnel and equipment from local fire agencies to Oregon to assist in fighting multiple large wildfires.
- July 15 – Governor Newsom deployed 61 law enforcement officers to Wisconsin through the Emergency Management Assistance Compact in support of local, state, and federal law enforcement partners at the Republican National Convention.
- July 6 - Governor Newsom issued a proclamation declaring July 2024, as "Disability Pride Month."
- July 5 - Governor Newsom announced the deployment of an Incident Support Team to Texas amid Tropical Storm Beryl. As Tropical Storm Beryl made its way toward southern Texas,

Governor Newsom announced the deployment of California firefighters to assist in staffing a Federal Emergency Management Agency Incident Support Team which provided assistance for two FEMA Type 3 Urban Search and Rescue Teams.

- July 5 - Governor Newsom announced that California secured a Fire Management Assistance Grant from the Federal Emergency Management Agency to help ensure the availability of vital resources to suppress the French Fire in Mariposa County. At the time of this announcement, the French Fire had burned approximately 843 acres and forced the evacuation of approximately 1,100 people.
- July 3 – Governor Newsom proclaimed a state of emergency in Butte County to support the response to the Thompson Fire, which burned approximately 4,000 acres and forced the evacuation of thousands of residents.
- July 2 - Moving swiftly to support the state’s response to the Thompson Fire, Governor Newsom announced that California secured a Fire Management Assistance Grant from the Federal Emergency Management Agency to help ensure the availability of vital resources to suppress the fire burning in Butte County.

Regulatory Updates:

Long-term Water Conservation Standards Rulemaking: The State Water Resources Control Board adopted the conservation regulation on July 3. On July 15, SWRCB updated the proposed text of the regulation to correct a scrivener’s error. The proposed changes were evaluated during adoption, with the SWRCB supporting these changes being made under authority delegated to the Executive Director. The changes are to section 969, subdivisions (d)(2)(B) and (d)(2)(C), which previously mistakenly referred to “residential landscapes” instead of “CII landscapes with DIMs.” The changes fix this. The new public comment period closed on July 20, 2024, and SWRCB staff has begun Office of Administrative Law processes.

Drinking Water, ELAP, and Water Quality Fees: The State Water Board is hosting stakeholder meetings on the proposed increases to the fees for Drinking Water, ELAP, and Water Quality. These meetings will take place as a webcast on August 1 and 2.

Drinking Water State Revolving Fund 2024/25 Intended Use Plan: SWRCB staff have prepared the 2024/25 DWSRF IUP and have developed recommendations for this year’s Fundable List. The draft IUP was released in late June and staff held a board workshop on July 16. Staff will bring the IUP to the SWRCB for adoption in August.

Olivenhain Legislative Report 2023-24

Report as of 8/6/2024

Oppose

[SB 1255](#) **(Durazo D) Public water systems: needs analysis: water rate assistance program.**

Last Amend: 6/19/2024

Status: 7/2/2024-From committee: Do pass and re-refer to Com. on APPR. (Ayes 11. Noes 0.) (July 1). Re-referred to Com. on APPR.

Location: 7/1/2024-A. APPR.

Calendar: 8/7/2024 9:30 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, WICKS, BUFFY, Chair

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 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 state board to update a needs analysis of the state's public water systems to include an assessment, as specified, of the funds necessary to provide a 20% bill credit for low-income households served by community water systems with fewer than 3,300 service connections and for community water systems with fewer than 3,300 service connections to meet a specified affordability threshold on or before July 1, 2026, and on or before July 1 of every 3 years thereafter.

Position

Oppose

Notes: Olivenhain oppose letter sent 6.11.24. Testimony provided at committees in opposition (Ashley and Kasha); and additional letters sent 7.2.24 to Appropriations Committee members. Position letter sent to Appropriations Committee on 7/11/24. Coalition letter sent 7/23/24.

Support

[AB 1827](#) **(Papan D) Local government: fees and charges: water: higher consumptive water parcels.**

Last Amend: 4/4/2024

Status: 6/27/2024-Read second time. Ordered to third reading.

Location: 6/27/2024-S. THIRD READING

Calendar: 8/8/2024 #259 SENATE ASSEMBLY BILLS - THIRD READING FILE

Summary: The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency, including requiring that the local agency provide public notice and a majority protest procedure in the case of assessments and submit property-related fees and charges for approval by property owners subject to the fee or charge or the electorate residing in the affected area following a public hearing. Current law, known as the Proposition 218 Omnibus Implementation 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. Current law defines, among other terms, the term "water" for these purposes to mean any system of public improvements intended to provide for the production, storage, supply, treatment, or distribution of water from any source. This bill would provide that the fees or charges for property-related water service imposed or increased, as specified, may include the incrementally higher costs of water service due to specified factors, including the higher water usage demand of parcels.

Position

Support

Notes: ACWA position- support. Olivenhain support letter 5/2/24.

[AB 2257](#) **(Wilson D) Local government: property-related water and sewer fees and assessments: remedies.**

Last Amend: 8/5/2024

Status: 8/5/2024-Read second time and amended. Ordered to third reading.

Location: 8/5/2024-S. THIRD READING

Calendar: 8/8/2024 #326 SENATE ASSEMBLY BILLS - THIRD READING FILE

Summary: The California Constitution specifies various requirements with respect to the levying of

assessments and property-related fees and charges by a local agency, including notice, hearing, and protest procedures, depending on the character of the assessment, fee, or charge. Current law, known as the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with these requirements. This bill would prohibit, if a local agency complies with specified procedures, a person or entity from bringing a judicial action or proceeding alleging noncompliance with the constitutional provisions for any new, increased, or extended fee or assessment, as defined, unless that person or entity has timely submitted to the local agency a written objection to that fee or assessment that specifies the grounds for alleging noncompliance, as specified. This bill would provide that local agency responses to the timely submitted written objections shall go to the weight of the evidence supporting the agency's compliance with the substantive limitations on fees and assessments imposed by the constitutional provisions. The bill would also prohibit an independent cause of action as to the adequacy of the local agency's responses.

Position

Support

Notes: ACWA position- sponsor/ support 3.13.24. Olivenhain & Padre Dam on coalition support letter 4/24/24. Olivenhain on coalition support ASM floor alert 5/13/24. Olivenhain & Padre Dam on coalition support SEN Judiciary letter 6/4/24. Coalition Senate Floor Alert - Support to all Senators- 8/5/24

SB 366

(Caballero D) The California Water Plan: long-term supply targets.

Last Amend: 6/26/2024

Status: 6/26/2024-Read second time and amended. Re-referred to Com. on APPR.

Location: 6/25/2024-A. APPR.

Calendar: 8/7/2024 9:30 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, WICKS, BUFFY, Chair

Summary: Would revise and recast certain provisions regarding The California Water Plan to, among other things, require the Department of Water Resources to instead establish a stakeholder advisory committee and to expand the membership of the committee to include tribes, labor, and environmental justice interests. The bill would require the department to coordinate with the California Water Commission, the State Water Resources Control Board, other state and federal agencies as appropriate, and the stakeholder advisory committee to develop a comprehensive plan for addressing the state's water needs and meeting specified long-term water supply targets established by the bill for purposes of The California Water Plan. The bill would require the plan to provide recommendations and strategies to ensure enough water supply for all designated beneficial uses. The bill would require the plan to include specified components, including a discussion of various strategies that may be pursued in order to meet the water supply targets, a discussion of agricultural water needs, and an analysis of the costs and benefits of achieving the water supply targets. The bill would require the department to submit to the Legislature an annual report between updates to the plan that includes progress made toward meeting the water supply targets once established, as specified. The bill would also require the department to conduct public workshops to give interested parties an opportunity to comment on the plan and to post the preliminary draft of the plan on the department's internet website.

Position

Support

Notes: Coalition support letter 4/17/24. Olivenhain support letter to ASM Water, Parks and Wildlife committee 5/8/24. Support letter to Assembly Appropriations 8/1/24.

SB 1072

(Padilla D) Local government: Proposition 218: remedies.

Last Amend: 6/17/2024

Status: 6/27/2024-Read second time. Ordered to third reading.

Location: 6/27/2024-A. THIRD READING

Calendar: 8/8/2024 #70 ASSEMBLY THIRD READING FILE - SENATE BILLS

Summary: The California Constitution sets forth various requirements for the imposition of local taxes. The California Constitution excludes from classification as a tax assessments and property-related fees imposed in accordance with provisions of the California Constitution that establish requirements for those assessments and property-related fees. Under these requirements, an assessment is prohibited from being imposed on any parcel if it exceeds the reasonable cost of the proportional special benefit conferred on that parcel, and a fee or charge imposed on any parcel or person as an incident of property ownership is prohibited from exceeding the proportional cost of the service attributable to the parcel. The Proposition 218 Omnibus Implementation Act prescribes specific procedures and parameters for local compliance with the requirements of the California Constitution for assessments and property-related fees. This bill would require a local agency, if a court determines that a fee or charge for a property-related service, as specified, violates the above-described provisions of the California Constitution relating to fees and charges, to credit the amount of the fee or charge attributable to the violation against the amount of the revenues required to provide the property-related service, unless a refund is explicitly provided for by statute.

Position

Support

Notes: ACWA position- support 3.13.24. Olivenhain signed on to the CSDA Coalition letter of support for SB 1072 on 5/17/24.

SB 1218 (Newman D) Water: emergency water supplies.

Last Amend: 6/18/2024

Status: 6/25/2024-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. (Ayes 13. Noes 0.) (June 25). Re-referred to Com. on APPR.

Location: 6/25/2024-A. APPR.

Calendar: 8/7/2024 9:30 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, WICKS, BUFFY, Chair

Summary: The Urban Water Management Planning Act requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan. The act requires an urban water management plan to include a water shortage contingency plan, as provided. This bill would declare that it is the established policy of the state to encourage, but not mandate, the development of emergency water supplies, and to support their use during times of drought or unplanned service or supply disruption, as provided.

Position

Support

Notes: Coalition sign on letter 3/11/24. Coalition letter 4/9/24 to committee.

SB 1330 (Archuleta D) Urban retail water supplier: water use.

Last Amend: 6/26/2024

Status: 6/26/2024-Read second time and amended. Re-referred to Com. on APPR.

Location: 6/25/2024-A. APPR.

Calendar: 8/7/2024 9:30 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, WICKS, BUFFY, Chair

Summary: Current law requires an urban retail water supplier to calculate its urban water use objective no later than January 1, 2024, and by January 1 every year thereafter, and to be composed of the sum of specified data, including aggregate residential water use. Current law requires each urban retail water supplier's water use objective to be composed of the sum of specified aggregate estimates, including efficient outdoor irrigation of landscape areas with dedicated irrigation meters or equivalent technology in connection with water used by commercial water users, industrial water users, institutional water users, and large landscape water users (CII). Current law requires an urban retail water supplier to submit reports to the Department of Water Resources, as provided, by the same dates. This bill would require the department to, no later than January 1, 2035, conduct necessary studies and investigations regarding the efficiency performance of newly constructed residential landscapes and landscape areas with dedicated irrigation meters in connection with CII water use, as specified.

Position

Support

Notes: ACWA position: favor 3/22/24. Support letter sent to Assembly Appropriations 8/6/24.

Watch

AB 277 (Rodriguez D) Extreme Weather Forecast and Threat Intelligence Integration Center.

Last Amend: 7/3/2023

Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/21/2023)(May be acted upon Jan 2024)

Location: 9/1/2023-S. 2 YEAR

Summary: Current law establishes the Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program within the department to, upon appropriation of special fund moneys, research climate forecasting and the causes and impacts that climate change has on atmospheric rivers, to operate reservoirs in a manner that improves flood protection in the state, and to reoperate flood control and water storage facilities to capture water generated by atmospheric rivers. This bill would establish the State-Federal Flood Operations Center within the Department of Water Resources and would authorize the department to administer the center in the department's divisions, offices, or programs. The bill would provide that the purpose of the center is to function as the focal point for gathering, analyzing, and disseminating flood and water-related information to stakeholders and would authorize the center to take specified actions for that purpose, including to function during emergency situations to enable the department to centrally coordinate statewide emergency responses.

Position

Watch

[AB 460](#) (Bauer-Kahan D) State Water Resources Control Board: water rights and usage: civil penalties.
Last Amend: 6/12/2024
Status: 8/5/2024-VOTE: Placed on suspense file (PASS)
Location: 8/5/2024-S. APPR. SUSPENSE FILE
Summary: Under current law, the diversion or use of water other than as authorized by specified provisions of law is a trespass, subject to specified civil liability. This bill would require the State Water Resources Control Board to adjust for inflation, by January 1 of each year, beginning in 2025, the amounts of civil and administrative liabilities or penalties imposed by the board in water right actions, as specified.

Position
Watch

[AB 560](#) (Bennett D) Sustainable Groundwater Management Act: groundwater adjudication.
Last Amend: 6/26/2023
Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/14/2023)(May be acted upon Jan 2024)
Location: 9/1/2023-S. 2 YEAR
Summary: Current law prohibits a court from approving entry of judgment in certain adjudication actions for a basin required to have a groundwater sustainability plan under the Sustainable Groundwater Management Act, unless the court finds that the judgment would not substantially impair the ability of a groundwater sustainability agency, the State Water Resources Control Board, or the Department of Water Resources to comply with the act and to achieve sustainable groundwater management. This bill would require the parties to an adjudication action to submit a proposed settlement agreement determining rights to water to the board for a nonbinding advisory determination as to whether the proposed settlement agreement will substantially impair the ability of a groundwater sustainability agency, the board, or the department to achieve sustainable groundwater management before filing the proposed settlement agreement with the court. The bill would require the board to provide its nonbinding advisory determination to the parties no later than 120 days after the proposed settlement agreement was submitted, and would require the parties to include the board's nonbinding advisory determination in the court filing, as provided.

Position
Watch

[AB 754](#) (Papan D) Water management planning: water shortages.
Last Amend: 8/14/2023
Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/21/2023)(May be acted upon Jan 2024)
Location: 9/1/2023-S. 2 YEAR
Summary: Current law requires an urban water management plan to quantify past, current, and projected water use, identifying the uses among water use sectors, including, among others, commercial, agricultural, and industrial. Current law requires every urban water supplier to prepare and adopt a water shortage contingency plan as part of its urban water management plan. Current law requires the water shortage contingency plan to include the procedures used in conducting an annual water supply and demand assessment, including the key data inputs and assessment methodology used to evaluate the urban water supplier's water supply reliability for the current year and one dry year. Current law requires the key data inputs and assessment methodology to include specified information, including, among other things, a description and quantification of each source of water supply. This bill would require a water shortage contingency plan to include, if, based on a description and quantification of each source of water supply, a single reservoir constitutes at least 50% of the total water supply, an identification of the dam and description of existing reservoir management operations, as specified, and if the reservoir is owned and operated by the urban water supplier, a description of operational practices and approaches, as specified.

Position
Watch

[AB 828](#) (Connolly D) Sustainable groundwater management: managed wetlands.
Last Amend: 7/1/2024
Status: 7/31/2024-In committee: Hearing postponed by committee.
Location: 6/25/2024-S. APPR.
Calendar: 8/12/2024 10 a.m. - 1021 O Street, Room 2200 SENATE APPROPRIATIONS, CABALLERO, ANNA, Chair
Summary: The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, except as specified. Existing law defines various terms for purposes of the act. This bill would add various defined terms for purposes of the act, including the terms "managed wetland" and "small community water system."

Position

Watch

Notes: ACWA position: oppose 1/19/24.

AB 830 (Soria D) Lake and streambed alteration agreements: exemptions.

Last Amend: 6/27/2023

Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/21/2023)(May be acted upon Jan 2024)

Location: 9/1/2023-S. 2 YEAR

Summary: Current law prohibits a person, a state or local governmental agency, or a public utility from substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake, unless prescribed requirements are met, including written notification to the Department of Fish and Wildlife regarding the activity. Current law prescribes various requirements for lake and streambed alteration agreements. Current law also establishes various exemptions from these provisions, including exemptions for specified emergency work. This bill would additionally exempt from these provisions the temporary operation of existing infrastructure or temporary pumps being used to divert flood stage flows, as identified by the California Nevada River Forecast Center or the State Water Resources Control Board, or near-flood stage flows, as defined, to groundwater recharge as long as certain conditions are met.

Position

Watch

AB 1024 (Aguilar-Curry D) Water rights: small irrigation use: lake or streambed alteration agreements.

Last Amend: 5/18/2023

Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/21/2023)(May be acted upon Jan 2024)

Location: 9/1/2023-S. 2 YEAR

Summary: The Water Rights Permitting Reform Act of 1988 authorizes a person to obtain a right to appropriate water for a small domestic use, small irrigation use, or livestock stockpond use upon first registering the use, as those uses are defined by the act, with the State Water Resources Control Board and thereafter applying the water to reasonable and beneficial use with due diligence. The act requires the registration of water use to be made upon a form prescribed by the board that requires, among other things, a certification that the registrant has contacted a representative of the Department of Fish and Wildlife and has agreed to comply with conditions set forth by the department. The act requires the board to establish reasonable general conditions to which all appropriations made pursuant to the act are required to be subject, including, among other things, that all conditions lawfully required by the department are conditions upon the appropriations. The act provides that the board is not required to adopt general conditions for small irrigation use until the board determines that funds are available for that purpose, and that a registration for small irrigation use pursuant to the act is not authorized until the board establishes general conditions for small irrigation use to protect instream beneficial uses, as specified. This bill would require the board to give priority to adopting, on or before June 30, 2027, except as provided, general conditions that permit specified registrants to store water for small irrigation use during times of high streamflow in exchange for those registrants reducing diversions during periods of low streamflow, as specified.

Position

Watch

AB 1205 (Bauer-Kahan D) Water rights: sale, transfer, or lease: agricultural lands.

Last Amend: 7/13/2023

Status: 9/14/2023-Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/11/2023)(May be acted upon Jan 2024)

Location: 9/14/2023-S. 2 YEAR

Summary: Current law declares that, because of the conditions prevailing in this state, the general welfare requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of the water is to be exercised with a view to the reasonable and beneficial use of the water in the interest of the people and for the public welfare. This bill would require the State Water Resources Control Board to, on or before January 1, 2027, conduct a study and report to the Legislature and appropriate policy committees on the existence of speculation or profiteering by an investment fund in the sale, transfer, or lease of an interest in any surface water right or groundwater right previously put to beneficial use on agricultural lands, as specified. The bill would repeal this provision on January 1, 2031.

Position

Watch

AB 1573 (Friedman D) Water conservation: landscape design: model ordinance.

Last Amend: 9/1/2023

Status: 9/14/2023-Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/7/2023)(May be acted upon Jan 2024)

Location: 9/14/2023-S. 2 YEAR

Summary: The Water Conservation in Landscaping Act provides for a Model Water Efficient Landscape Ordinance that is adopted and updated at least every 3 years by the Department of Water Resources, unless the department makes a specified finding. Current law requires a local agency to adopt the model ordinance or to adopt a water efficient landscape ordinance that is at least as effective in conserving water as the updated model ordinance, except as specified. Current law specifies the provisions of the updated model ordinance, as provided. Current law includes a related statement of legislative findings and declarations. This bill would require the updated model ordinance to include provisions that require that plants included in a landscape design plan be selected based on their adaptability to climatic, geological, and topographical conditions of the project site, as specified. The bill would also exempt landscaping that is part of a culturally specific project, as defined, ecological restoration projects that do not require a permanent irrigation system, mined-land reclamation projects that do not require a permanent irrigation system, and existing plant collections, as part of botanical gardens and arboretums open to the public, from the model ordinance. The bill would require the updated model ordinance to include provisions that, among other changes, prohibit the use of traditional overhead sprinklers on all new and rehabilitated landscapes and require that new and rehabilitated landscapes use only water efficient irrigation devices.

Position

Watch

Notes: ACWA concerns- AB 1573 instead only defines nonfunctional turf.

AB 1820 (Schiavo D) Housing development projects: applications: fees and exactions.

Last Amend: 6/5/2024

Status: 8/5/2024-From committee: Be ordered to second reading pursuant to Senate Rule 28.8.

Location: 8/5/2024-S. SECOND READING

Calendar: 8/8/2024 #8 SENATE ASSEMBLY BILLS - SECOND READING FILE

Summary: Current law requires a city or county to deem an applicant for a housing development project to have submitted a preliminary application upon providing specified information about the proposed project to the city or county from which approval for the project is being sought. Current law requires a housing development project be subject only to the ordinances, policies, and standards adopted and in effect when the preliminary application was submitted. This bill would authorize a development proponent that submits a preliminary application for a housing development project to request a preliminary fee and exaction estimate, as defined, and would require a city, county, or city and county to provide the estimate within 30 business days of the submission of the preliminary application. For development fees imposed by an agency other than a city, county, or city and county, the bill would require the development proponent to request the fee schedule from the agency that imposes the fee without delay.

Position

Watch

Notes: ACWA position- watch.

AB 1851 (Holden D) Drinking water: schoolsites: lead testing pilot program.

Last Amend: 6/3/2024

Status: 8/5/2024-VOTE: Placed on suspense file (PASS)

Location: 8/5/2024-S. APPR. SUSPENSE FILE

Summary: Would require the Superintendent of Public Instruction to establish a pilot program to test for and remediate lead contamination in drinking water at participating local educational agency facilities with plumbing that was installed before January 1, 2010. The bill would require the Superintendent to select no fewer than 6 and no more than 10 local educational agencies for participation in the pilot program and, if a selected local educational agency consents to participate in the pilot program, the bill would require the Superintendent to provide grants to the participating local educational agencies for testing and remediating drinking water lead levels at eligible facilities. If sampling results show lead levels in excess of 5 parts per billion in water at any potable water system outlet, the bill would require a participating local educational agency to notify the parents and guardians of pupils who attend the school of the elevated lead levels, as provided, to take immediate steps to shut down all potable water use at potable water system outlets where excess lead levels may exist, and to ensure that a lead-free source of drinking water is provided for pupils at each potable water system outlet that has been shut down.

Position

Watch

Notes: ACWA position: watch 2/9/24.

AB 2454 (Lee D) Drinking water: rental property: domestic well testing.

Last Amend: 4/15/2024

Status: 8/5/2024-VOTE: Placed on suspense file (PASS)

Location: 8/5/2024-S. APPR. SUSPENSE FILE

Summary: The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board various duties and responsibilities for the regulation and control of drinking water in the State of California. The act requires the state board to adopt primary drinking water standards for contaminants in drinking water based upon specified criteria. Current law makes certain violations of the act a crime. This bill would require an owner of a domestic well that serves a rental property who is provided written notice of a free domestic well testing program, as defined, to participate in the program and its related requirements, as specified. The bill would require an owner of the rental property to provide testing results to all current residents of the rental property, as specified. The bill would require, if the testing demonstrates a violation of any primary drinking water standards, the domestic well owner to ensure that, within 14 days of receiving test results, tenants of rental properties served solely by that domestic well have access to an adequate supply of safe drinking water. The bill would prohibit an owner of a domestic well from imposing any charge, or increasing any fee, rent, or other charge imposed, on any tenant solely as a result of the requirements of these provisions.

Position

Watch

[AB 3121](#) (Hart D) Urban retail water suppliers: informational order: written notice: conservation order: water use efficiency standards and water use reporting: dates.

Last Amend: 6/12/2024

Status: 6/27/2024-From Consent Calendar. Ordered to third reading.

Location: 6/27/2024-S. THIRD READING

Calendar: 8/8/2024 #240 SENATE ASSEMBLY BILLS - THIRD READING FILE

Summary: Current law authorizes the State Water Resources Control Board, on and after January 1, 2024, to issue informational orders pertaining to water production, water use, and water conservation to an urban retail water supplier that does not meet its urban water use objective. Current law authorizes the board, on and after January 1, 2025, to issue a written notice to an urban retail water supplier that does not meet its urban water use objective. Current law authorizes the board, on and after January 1, 2026, to issue a conservation order to an urban retail water supplier that does not meet its urban water use objective. This bill would instead provide that the date the board is authorized to issue informational orders is on or after January 1, 2026, the date to issue a written notice is on or after January 1, 2027, and the date to issue a conservation order is on or after January 1, 2028, respectively.

Position

Watch

[ACA 2](#) (Alanis R) Water Resiliency Act of 2024.

Last Amend: 3/6/2024

Status: 3/19/2024-In committee: Set, first hearing. Hearing canceled at the request of author.

Location: 4/20/2023-A. W.,P. & W.

Summary: The California Constitution declares that the general welfare requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, and that the right to the use of water does not extend to the waste or unreasonable use, method of use, or method of diversion of water. This measure would require the Treasurer to annually transfer an amount equal to 1.5% of all state revenues from the General Fund to the California Water Resiliency Trust 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 specified water infrastructure projects.

Position

Watch

[SB 231](#) (Hurtado D) Department of Water Resources: water supply forecasting.

Last Amend: 7/12/2023

Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/23/2023)(May be acted upon Jan 2024)

Location: 9/1/2023-A. 2 YEAR

Summary: Would require the Department of Water Resources, on or before December 31, 2025, to establish a formal process for annually evaluating and improving the accuracy of its water supply forecasts, adopt a new water supply forecasting model that better addresses the effects of climate change, and implement a formal policy and procedures for documenting its operational plans for the state's water supply and its rationale for its operating procedures. The bill would require the department, by December 1, 2024, to prepare, and submit to the Legislature, a report on its progress toward meeting these requirements.

Position
Watch

SB 597 (Glazer D) Building standards: rainwater catchment systems.

Last Amend: 6/22/2023

Status: 9/1/2023-September 1 hearing postponed by committee. (Set for hearing on 08/15/2024)

Location: 8/1/2024-A. APPR. SUSPENSE FILE

Calendar: 8/15/2024 Upon adjournment of Session - 1021 O Street, Room 1100

ASSEMBLY APPROPRIATIONS SUSPENSE, WICKS, BUFFY, Chair

Summary: Current law makes the California Building Standards Commission responsible for the publication of an updated edition of the California Building Standards Code every 3 years. This bill would require the department to conduct research and develop recommendations regarding building standards for the installation of rainwater catchment systems in newly constructed residential dwellings and would authorize the department to propose related building standards to the commission for consideration, as specified. The bill would authorize the department to expend moneys from the Building Standards Administration Special Revolving Fund for the above-described purposes, upon appropriation by the Legislature, as specified. The bill would require the department, on or before January 1, 2025, to provide a report to specified committees of the Legislature regarding the outcomes of its research and the recommendations developed.

Position
Watch

SB 937 (Wiener D) Development projects: permits and other entitlements: fees and charges.

Last Amend: 6/27/2024

Status: 6/27/2024-Read second time and amended. Re-referred to Com. on APPR.

Location: 6/26/2024-A. APPR.

Calendar: 8/7/2024 9:30 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, WICKS, BUFFY, Chair

Summary: The Planning and Zoning Law requires each county and each city to adopt a comprehensive, long-term general plan for its physical development, and the development of specified land outside its boundaries, that includes, among other mandatory elements, a housing element. The Permit Streamlining Act, among other things, requires a public agency that is the lead agency for a development project to approve or disapprove that project within specified time periods. Current law extended by 18 months the period for the expiration, effectuation, or utilization of a housing entitlement, as defined, that was issued before, and was in effect on, March 4, 2020, and that would expire before December 31, 2021, except as specified. Current law provides that if the state or a local agency extended the otherwise applicable time for the expiration, effectuation, or utilization of a housing entitlement for not less than 18 months, as specified, that housing entitlement would not be extended an additional 18 months pursuant to these provisions. This bill would extend by 24 months the period for the expiration, effectuation, or utilization of a housing entitlement for a priority designated residential development project, as those terms are defined, that was issued before January 1, 2024, and that will expire before December 31, 2025, except as specified. The bill would toll this 24-month extension during any time that the housing entitlement is the subject of a legal challenge.

Position
Watch

Notes: ACWA position- OUA 3.13.24. Amendments, ACWA analysis suggested a watch/ neutral position 4/11/24, position changed on 4/20/24 per Melody.

SB 1110 (Ashby D) Water reports: urban retail water suppliers: informational order: conservation order.

Last Amend: 6/26/2024

Status: 6/26/2024-Read second time and amended. Re-referred to Com. on APPR.

Location: 6/25/2024-A. APPR.

Calendar: 8/7/2024 9:30 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, WICKS, BUFFY, Chair

Summary: Current law authorizes the State Water Resources Control Board, on and after January 1, 2024, to issue informational orders pertaining to water production, water use, and water conservation to an urban retail water supplier that does not meet its urban water use objective, as provided. Current law authorizes the board, on and after January 1, 2025, to issue a written notice to an urban retail water supplier that does not meet its urban water use objective. Current law authorizes the board, on and after January 1, 2026, to issue a conservation order to an urban retail water supplier that does not meet its urban water use objective. This bill would instead authorize the board to issue the informational orders on and after January 1, 2026, the written notice on and after January 1, 2027, and the conservation order on and after January 1, 2028.

Position
Watch

Notes: ACWA position: favor 3/22/24.

SB 1147 (Portantino D) Drinking water: bottled water: microplastics levels.

Last Amend: 6/19/2024

Status: 6/26/2024-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (June 25). Re-referred to Com. on APPR.

Location: 6/26/2024-A. APPR.

Calendar: 8/7/2024 9:30 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, WICKS, BUFFY, Chair

Summary: The Sherman Food, Drug, and Cosmetic Law, regulates, among other things, the manufacture, production, processing, and packing of any food, drug, device, or cosmetic, and is administered by the State Department of Public Health. The law prescribes various quality and labeling standards for bottled water and vended water, and limits the levels of certain contaminants that may be contained in those water products. Current law makes a violation of the law or regulation adopted pursuant to the law a crime. Existing law requires, as a condition of licensure, a water-bottling plant, as defined, to annually prepare a water-bottling plant report, as specified, and to make the report available to each customer, upon request. This bill would require, in the event that the State Water Resources Control Board adopts a primary drinking water standard for microplastics, and upon adoption of that standard, any water-bottling plant that produces bottled water that is sold in this state to provide the State Department of Public Health's Food and Drug Branch an annual report on the levels of microplastics found in the source water used for bottling and in the final bottled water product that is offered for sale, as provided. The bill would require this report to be included with the annual water-bottling plant report and, upon request, be made available to each consumer. By expanding requirements on water-bottling plants, the violation of which would be a crime, the bill would impose a state-mandated local program.

Position

Watch

Notes: ACWA position: oppose unless amended 3/1/24.

SB 1156 (Hurtado D) Groundwater sustainability agencies: conflicts of interest: financial interest disclosures.

Last Amend: 6/18/2024

Status: 6/26/2024-Coauthors revised. From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 0.) (June 26). Re-referred to Com. on APPR.

Location: 6/26/2024-A. APPR.

Calendar: 8/7/2024 9:30 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, WICKS, BUFFY, Chair

Summary: The Political Reform Act of 1974 prohibits a public official from making, participating in making, or attempting to use their official position to influence a governmental decision in which they know or have reason to know that they have a financial interest, as defined. The act requires specified public officials, including elected state officers, judges and court commissioners, members of certain boards and commissions, other state and local public officials, and candidates for these positions to file statements of economic interests, annually and at other specified times, that disclose their investments, interests in real property, income, and business positions. The Fair Political Practices Commission is the filing officer for such statements filed by statewide elected officers and candidates and other specified public officials. This bill would require members of the board of directors and the executive, as defined, of a groundwater sustainability agency to file statements of economic interests, according to the filing requirements described above, with the Fair Political Practices Commission using the Commission's online system for filing statements of economic interests.

Position

Watch

Notes: ACWA position: watch/amend 3/22/24.

SB 1178 (Padilla D) California Water Quality and Public Health Protection Act.

Last Amend: 6/17/2024

Status: 6/26/2024-From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 2.) (June 25). Re-referred to Com. on APPR.

Location: 6/26/2024-A. APPR.

Calendar: 8/7/2024 9:30 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, WICKS, BUFFY, Chair

Summary: Under current law, 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 federal national pollutant discharge elimination system permit program established by the federal Clean Water Act and the Porter-Cologne Water Quality Control Act. This bill would require the board to, on or before August 1, 2025, establish regulations governing annual reporting by compliance entities, as defined, regarding waste discharges, as provided. The bill would require compliance entities to submit a report to the board by June 1, 2026, and annually thereafter on

waste discharges and their locations, as provided. The bill would require, within 3 months of reporting to the board waste discharges that affect the quality of the water of the state within any region, any nonexempt compliance entity to prominently label any product sold in California whose production resulted in waste discharge contaminating California's water quality with a warning label, as specified. The bill would authorize the board to adopt regulations to seek administrative penalties for nonfiling, late filing, or other failures to meet the requirements of these provisions, and would require these penalties to be deposited into the California Water Quality and Public Health Impact Fund, which the bill would create.

Position

Watch

SB 1210 (Skinner D) New housing construction: electrical, gas, sewer, and water service: service connection information.

Last Amend: 6/24/2024

Status: 6/26/2024-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (June 26). Re-referred to Com. on APPR.

Location: 6/26/2024-A. APPR.

Calendar: 8/7/2024 9:30 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, WICKS, BUFFY, Chair

Summary: Current law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations, gas corporations, sewer system corporations, and water corporations, while local publicly owned utilities, including municipal utility districts, public utility districts, and irrigation districts, are under the direction of their governing boards. This bill would, for new housing construction, require the above-described utilities, on or before January 1, 2026, to publicly post on their internet websites (1) the schedule of estimated fees for typical service connections for each housing development type, including, but not limited to, accessory dwelling unit, mixed-use, multifamily, and single-family developments, except as specified, and (2) the estimated timeframes for completing typical service connections needed for each housing development type, as specified. The bill would exempt from its provisions a utility with fewer than 4,000 service connections that does not establish or maintain an internet website due to a hardship and would authorize the utility to establish that a hardship exists by annually adopting a resolution that includes detailed findings, as provided.

Position

Watch

Notes: ACWA position- oppose 3.13.24. Removed opposition on 4/20/24.

SB 1360 (Alvarado-Gil D) Water quality: state board certification.

Last Amend: 3/18/2024

Status: 3/18/2024-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.

Location: 2/16/2024-S. RLS.

Summary: The Porter-Cologne Water Quality Control Act authorizes the State Water Resources Control Board to certify or provide a statement to a federal agency, as required pursuant to federal law, that there is reasonable assurance that an activity of any person subject to the jurisdiction of the state board will not reduce water quality below applicable standards. The federal act provides that if a state fails or refuses to act on a request for this certification within a reasonable period of time, which shall not exceed one year after receipt of the request, then the state certification requirements are waived with respect to the federal application. Current law authorizes the state board to issue the certificate or statement before completion of the required environmental review if the state board determines that waiting until completion of that environmental review to issue the certificate or statement poses a substantial risk of waiver of the state board's certification authority under the Federal Water Pollution Control Act or any other federal water quality control law, as provided. This bill would require the state board to issue the certificate or statement before completion of the required environmental review if the state board and Governor's Office of Business and Economic Development, in consultation with an applicant, jointly determine that the applicant's project will help the state meet its clean energy goals and increase electric reliability and waiting until completion of that environmental review to issue the certificate or statement poses a risk to the applicant of not being eligible for federal tax credits or incentives, as provided.

Position

Watch

SB 1467 (Rubio D) California Water District Law.

Status: 2/29/2024-Referred to Com. on RLS.

Location: 2/16/2024-S. RLS.

Summary: The California Water District Law (CWDL) provides for the establishment of water districts, and grants a district the power to acquire, plan, construct, maintain, improve, operate, and keep in repair the necessary works for the production, storage, transmission, and distribution of water for

irrigation, domestic, industrial, and municipal purposes. This bill would make a nonsubstantive change to the latter authorization.

Position

Watch

Total Measures: 31

Total Tracking Forms: 31

Memo

G, H

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

TWELVE MONTH CALENDAR / OTHER MEETINGS /

REPORTS / BOARD COMMENTS

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 8/1/24)

Date(s)	Event	Time	Location	Attending Board Member(s)	Additional Information (Speakers' Topic, Cohosts, etc.)
<u>JULY 2024</u>					
19-Jul	Conference Call with the General Manager RE: CWA Board Meeting			Meyers	
23-Jul	Conference Call with the General Manager RE: Prep for Senator			Watt	
24-Jul	Meeting with Senator Blakespear	10:00 AM		Watt	
24-Jul	Safety Committee Meeting	2:30 PM	Boardroom	Hahn, Meyers	
25-Jul	Conference Call with the General Manager RE: Rate Issues			Meyers	
26-Jul	Conference Call with the General Manager RE: OMWD Issues			Watt	
	Conference Call with the General Manager RE: OMWD Issues			Guerin	
29-Jul	CSDA Outreach Interview	9:30 AM		San Antonio	
31-Jul	Kid's Day			Watt	
<u>AUGUST 2024</u>					
1-Aug	Conference Call with the General Manager RE: District Matters			Watt	
7-Aug	Conference Call with the General Manager RE: OMWD Update			Guerin	
12-Aug	Finance Committee Meeting	9:00 AM		Meyers, Watt	
13-Aug	CSDA Webinar - Demystifying LAFcos	10:00 AM - 12:00 PM		San Antonio	
13-Aug	Board Meeting Pre-Briefing			Guerin	

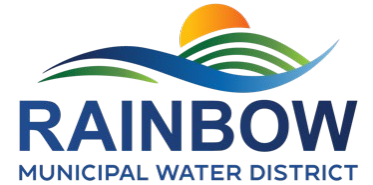
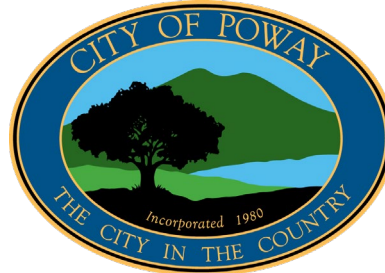
Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

CORRESPONDENCE

Any correspondence is attached.



July 23, 2024

The Honorable Buffy Wicks, Chair
Assembly Appropriations Committee
1021 O Street, Room 8140
Sacramento, CA 95814

Re: Senate Bill 1255 (Durazo) Public water systems: needs analysis: water rate assistance program. – Oppose

Dear Chair Wicks and Members of the Appropriations Committee:

On behalf of the organizations signed on to this letter, we are writing to strongly oppose SB 1255 (Durazo), which would create a Low-Income Rate Assistance (LIRA) program to be implemented and administered by qualifying water purveyors within the State of California. We appreciate the opportunity to provide input on our opposition to SB 1255 as we have serious concerns about this LIRA proposal.

Water Affordability

Water affordability is one of the largest challenges that water systems face as the cost to treat and deliver water continues to rise. We recognize the retail price of water in California has continued to escalate to the point of crisis, leading Governor Newsom to identify in 2022 that safe and affordable drinking water is a top administration priority. For this reason, we support the concept of an efficient, well-designed and centrally administered by the State LIRA program that promotes equity and access to affordable water service. We do not believe that SB 1255 offers such a program. Instead, this bill will saddle the more than 400 public water systems in California with extraordinary new cost burdens, paradoxically exerting upward pressure on the very water rates that the bill intends to address.

Added Costs to Individual Water Agencies

SB 1255 would create a large financial burden on local water agencies to both implement and manage. The proposal caps administrative costs at 10 percent of contributions, which will not be enough to cover the necessary administrative efforts to manage the program. This program will trigger billing system changes, compliance with requirements for reimbursement, heightened customer interaction, and program promotion. Furthermore, water retailers may require additional staff, or existing staff would need to be trained in analyzing and managing income data and adding additional measures to ensure the security of sensitive income data. As proposed, this measure also imposes administrative requirements such as managing contributions, verifying eligibility, and maintaining financial records. The cumulative administrative burden on water agencies will inevitably have a dramatic financial impact thereby potentially disproportionately affecting low-income households and further exacerbating socioeconomic disparities.

Funding Uncertainty through an Opt-Out Approach

This program relies on an opt-out voluntary contribution from ratepayers and assumes a 60 percent participation rate which is both unrealistic and unpredictable, particularly given the number of water purveyors who have low-income populations that exceed this number. Relying on voluntary contributions as a funding mechanism for a water assistance program introduces uncertainties into the program's success. Ratepayers could opt out and seek refunds after being in the fund, which would create funding instability, administrative and budgeting challenges, and a negative public perception of the program. Challenges with funding could lead to impacts across water purveyor operations including inadequate investment in infrastructure maintenance and service reliability for all ratepayers. Lastly, the reliance on voluntary contributions would almost certainly translate to funding levels varying significantly statewide leading to disparities in assistance across the state.

Inconsistent with State Law (Proposition 26 and Proposition 218)

This program requires an Opt-Out automatic enrollment of eligible ratepayers and provisions for “a bill credit of no less than 20 percent of the water charges, and if present on the bill, wastewater charges, for any fixed charge and any water commodity usage charges for consumption rates up to 6 CCF of water use per month” [§116931(b)(2)]. However, if water agencies provide services at discounted rates to certain identified classes of individuals, or at differential rates for certain identified classes, these discounts may trigger other ratepayers' charges to be deemed to be “taxes” under Section 1(e) of Proposition 26. Consequently, offering discounted rates solely based on income could be seen as violating Proposition 26 provisions by not charging all customers the same rate for the same service. As a result, an independent source of administration and funds is necessary to provide the type of relief needed by low-income customers.

Further, under Proposition 218, water agencies cannot collect funds from one customer to subsidize another. Water districts can only charge rates that cover the cost of providing services and can only charge for the services provided.

Water agencies are subject to constraints on their ability to collect rates for rate relief from one customer to another, and the 10 percent cap on reasonable costs further disconnects charges to be levied by water retailers from their actual costs of providing service. The inconsistencies between SB 1255 and existing law will leave water agencies exposed to unnecessary and expensive litigation.

Conflicts with State Water Resources Control Board Recommendations

SB 1255's coauthor, Senator Dodd, also authored AB 401 (2015), which directed the State Water Resources Control Board (SWRCB) to submit recommendations for a statewide Low-Income Water Rate Assistance Program. The SWRCB produced its draft report in 2019, which included an analysis of a variety of revenue collection options as well as benefit delivery methods. Of the five revenue collection options analyzed by the SWRCB, the report **explicitly stated** that it did not recommend pursuing options associated with a fee levied on community water system bill statements.

Of the benefit delivery methods, the SWRCB recommended and focused on the delivery of the benefit through either energy utility programs or Electronic Benefits Transfer cards (via CalFresh or a new program) due to their statewide reach and longstanding operation. The disadvantages of delivering benefits via community water systems were identified as requiring substantial modifications to water billing systems statewide, the introduction of new and significant data privacy concerns for low-income households, and the fact that most low-income households do not pay their water bill directly and would thus be unable to directly accept the benefits. SB 1255 blatantly disregards these findings.

Alternative Options

As an alternative to this California SB 1255 LIRA proposal, we strongly encourage a state or federal funded LIRA model. Our agencies were active participants in the Low-Income Household Water Assistance Program (LIHWAP), which ended in March 2024. Congress previously appropriated more than \$1 billion for this program and served more than 1.4 million households throughout the nation. We strongly support the expansion and continued funding of the successful LIHWAP program, which is more centrally administered and provides the benefit of economies of scale through statewide cooperation. U.S. Senator Alex Padilla has introduced the Low-Income Household Water Assistance Program Establishment Act (S. 3830) which would create a permanent national water assistance program. H.R. 8032 is now a companion bipartisan legislation that would permanently establish low-income water assistance for families struggling to access affordable drinking water and wastewater services. These federal bills continue to make progress and could provide a positive alternative to SB 1255.

The agency signatories on this letter agree that there is a need for a permanent low-income rate assistance program for water customers, but SB 1255 is not the solution. We appreciate your consideration of our strong concerns and ask for your "no" vote when the bill is heard at the Appropriations Committee. If you or your staff would like to further discuss our concerns shared here, please contact Ashley Walker, Senior Policy Advisor at Nossaman LLP, at awalker@nossaman.com.

Regards,



Jack Bebee, General Manager
Fallbrook Public Utilities District



Brian Olney, General Manager
Helix Water District




Brett Sanders, General Manager
Lakeside Water District



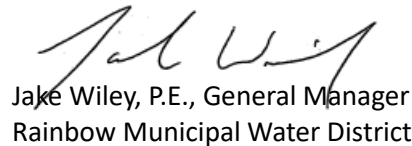
Kimberly A. Thorner, General Manager
Olivenhain Municipal Water District



Jose Martinez, General Manager
Otay Water District



Kyle Swanson, CEO / General Manager
Padre Dam Municipal Water District



Jake Wiley, P.E., General Manager
Rainbow Municipal Water District



Eric Heidemann, Director of Public Works
City of Poway



Erica Wolski, General Manager
Ramona Municipal Water District



Clint R. Baze, General Manager
Rincon del Diablo Municipal Water District



Albert C. Lau, P.E., General Manager
Santa Fe Irrigation District



James Gumpel, General Manager
Vallecitos Water District



Gary Arant, General Manager
Valley Center Municipal Water District



Brett Hodgkiss, General Manager
Vista Irrigation District



Amy Reeh, General Manager
Yuima Municipal Water District

cc: Senator Maria Durazo, Author
Members, Assembly Appropriations Committee
Nikita Koraddi, Principal Consultant, Assembly Appropriations Committee

Association of California Water Agencies
California Special Districts Association
California Association of Sanitation Agencies



July 29, 2024

The Honorable Buffy Wicks
Chair, Assembly Committee on Appropriations
1021 O Street, Suite 8140
Sacramento, CA 95814

RE: SB 1255 (Durazo): Water Rate Assistance Program (June 19 Version)
POSITION: OPPOSE UNLESS AMENDED

Dear Chair Wicks:

The Association of California Water Agencies (ACWA) and the undersigned organizations have an “Oppose-Unless-Amended” position on SB 1255. This bill proposes to require retail water suppliers with more than 3,300 residential connections to implement a water low-income rate assistance (LIRA) program. We agree with the intent of the bill. **However, SB 1255 would create fiscal uncertainties, and the proposed approach would not allow for successful implementation of the program. ACWA and the undersigned organizations urge the Assembly Committee on Appropriations to hold the bill unless it is amended as suggested in ACWA’s mockup (attached).** Following are examples of concerns.

Uncertain Funding Levels – The bill would rely on **voluntary contributions** from ratepayers who would not receive the assistance. **The funding (i.e., total amount of the contributions) for any public water agency’s SB 1255 program would be completely uncertain.**

“Voluntary” Contributions (Opt-Out) [Section 116932 (c)(d)(e)] – The bill proposes an “opt-out” approach with notice, but many ratepayers would likely not see the notice (e.g., if their water bills are on automatic payment). So many noneligible **ratepayers would be charged the “voluntary” contributions when they were not aware they could opt out.** This would set up a negative reputation for the program from the start. Customers could opt out and seek refunds, but that would create even more funding uncertainty. ACWA is suggesting an “opt-in” approach.

Funding Conundrum (Administrative Costs) [Section 116931 (c)(2)] – Beginning July 1, 2027, the bill would cap administrative costs for the program at not greater than ten percent of the voluntary contributions. This cap would not work because of the uncertain funding amount. As an example, to have the cost covered for one position to administer this program (e.g., \$70,000 salary plus \$30,000 in benefits), the agency would have to receive over \$1,000,000 in voluntary contributions each year, which is highly unlikely for many public water agencies. Agencies could not use rate revenue from noneligible ratepayers to cover the difference because that would violate Proposition 218 (the State Constitution). This provision needs to be deleted.

Communities with Many Ratepayers Just Above Eligibility – Residential ratepayers with an annual household income of no greater than 200 percent of the federal poverty guidelines would be eligible for assistance. ACWA agrees with that threshold. However, funding the proposed rate assistance program would be extremely challenging for communities where many of the noneligible ratepayers have annual household incomes that are not much above the eligibility threshold.

Application of Bill Credit – Drinking Water Not Wastewater [Section 116931 (b)(2)] – **SB 1255 should limit the bill credit to drinking water charges and not apply it to wastewater charges.** SB 1255 would provide that if wastewater charges were on the same bill as drinking water charges, the bill credit would have to be applied for the wastewater charges also. This aspect is problematic. For example, some public water agencies provide drinking water service to all of their customers and wastewater services to some of their customers, etc. There is an **equity issue** if some customers receive a credit for wastewater charges and some customers (who are billed only for drinking water on the water bill) do not receive that additional credit.

Use of Arrearage Data - Needs Assessment [Section 116772 (c)(2)(A) and (B)] – **The bill should not require the collection and use of arrearage data to estimate what funding is needed for a LIRA program for community water systems with fewer than 3,300 connections. Arrearages are not a good basis for estimating this funding need.** Arrearages for nonpayment exist for multiple reasons. Some ratepayers with high incomes may have not paid their bills, and there will be ratepayers with low incomes who have paid their water bills and do not have arrearages,

etc. ACWA suggests that the State use existing **income** information the State has and estimate the number of low-income ratepayers for these systems.

Incomplete Process - The bill was **amended in the second house on June 3 to propose a major new program** – a water LIRA program. **No Senate policy committee has heard the proposal, and the Senate Appropriations Committee has not heard the proposal.**

There can be a workable and efficient State water LIRA program in California. However, **ACWA and the undersigned organizations have serious concerns that SB 1255 cannot be successfully implemented.** ACWA and the undersigned organizations remain opposed to SB 1255 unless it is amended as suggested in the attached mockup. We urge your “NO” vote when the Assembly Committee on Appropriations hears the bill. If you have any questions, please contact ACWA Deputy Executive Director, Cindy Tuck at (916) 669-2388 or at cindy@acwa.com.

Sincerely,

Cindy Tuck
Deputy Executive Director
Association of California Water Agencies

John Bosler
General Manager/CEO
Cucamonga Valley Water District

David J. Coxey
General Manager
Bella Vista Water District

Joe Mouawad, P.E.
General Manager
Eastern Municipal Water District

Kristine McCaffrey
General Manager
Calleguas Municipal Water District

Nicholas Schneider
General Manager
Georgetown Divide Public Utility District

Michael Flood
General Manager
Casitas Municipal Water District

Brian M. Olney
General Manager
Helix Water District

Bruce Houdesheldt
Mayor
City of Roseville

Hannah Davidson
Water Resources Specialist
Hidden Valley Lake Community Services
District

Ernesto A. Avila
Board President
Contra Costa Water District

Jennifer Cusack
Director of Public and Government Affairs
Hi-Desert Water District



Shivaji Deshmukh, P.E.
General Manager
Inland Empire Utilities Agency

Anthony L. Firenzi
Director of Strategic Affairs
Placer County Water Agency

Brett Sanders
General Manager
Lakeside Water District

Jason Martin
Interim General Manager
Rancho California Water District

Ursula Bosson
Customer Service Manager
Las Virgenes Municipal Water District

James Prior
General Manager
San Gabriel County Water District

Patrick Kaspari
General Manager
McKinleyville Community Services District

Paul Helliker
General Manager
San Juan Water District

Paul E. Shoenberger, P.E.
General Manager
Mesa Water District

Charles Wilson
Executive Director
Southern California Water Coalition

Justin Scott-Coe
General Manager
Monte Vista Water District

Sean Barclay
General Manager
Tahoe City Public Utility District

David Stoldt
General Manager
Monterey Peninsula Water Management
District

Jose Martinez
General Manager
Valley County Water District

Kimberly A. Thorner
General Manager
Olivenhain Municipal Water District

Sheryl Shaw, P.E.
General Manager
Walnut Valley Water District

Attachment: Mockup: *ACWA Recommended Amendments to SB 1255 (Durazo)* (Starts on Page 6)

cc: The Honorable Maria Elena Durazo
Honorable Members, Assembly Committee on Appropriations

Jacqueline Kinney, Consultant, Assembly Committee on Appropriations
Gino Folchi, Consultant, Assembly Republican Caucus

ATTACHMENT

Association of California Water Agencies Recommended Amendments to SB 1255 (Durazo) – June 19, 2024 Version

Inserts Shown with Red Underscore and Bold
Deletions Shown with Red Strikeout and Bold
June 25, 2024

SECTION 1.

The Legislature finds and declares all of the following:

(a) Existing state law declares that it is the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

(b) In 2015, the Legislature passed Assembly Bill 401 (Chapter 662 of the Statutes of 2015) that required the State Water Resources Control Board to develop a plan, informed by the public and the State Board of Equalization, for statewide low-income rate assistance for water.

(c) In 2020, the state board released a report pursuant to Assembly Bill 401, which is entitled "Recommendations for Implementation of a Statewide Low-Income Water Rate Assistance Program," that found that it would take over \$140,000,000 annually to create a low-income water rate assistance program.

(d) However, the cost of water has continued to rise, outpacing the rate of inflation and putting too many California families at risk of water shutoffs.

(e) Many larger systems in California could provide ratepayer assistance, but are limited by Proposition 218. The Legislature should develop tools for larger water systems to provide more assistance to ratepayers without violating Proposition 218.

(f) Further, the options available to aid small water systems vary from those available to larger water systems, and include ongoing operations and maintenance assistance for some systems that serve all or nearly all low-income households.

(g) Therefore, to inform future legislation, the state board should develop regularly updated data on resources needed to support small water systems to guide the creation of a future program to fulfill the right of customers of these systems to affordable drinking water ~~and wastewater~~.

SEC. 2.

Section 116772 of the Health and Safety Code is amended to read:

116772.

(a) (1) By January 1, 2021, the board, in consultation with local health officers and other relevant stakeholders, shall use available data to make available a map of aquifers that are at high risk of containing contaminants that exceed safe drinking water standards that are used or likely to be used as a source of drinking water for a state small water system or a domestic well. The board shall update the map annually based on new and relevant data.

(2) The board shall make the map of high-risk areas, as well as the data used to make the map, publicly accessible on its internet website in a manner that complies with the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code). The board shall notify local health officers and county planning agencies of high-risk areas within their jurisdictions.

(b) (1) By January 1, 2021, a local health officer or other relevant local agency shall provide to the board all results of, and data associated with, water quality testing performed by a laboratory that has accreditation or certification pursuant to Article 3 (commencing with Section 100825) of Chapter 4 of Part 1 of Division 101 for a state small water system or domestic well that was collected after January 1, 2014, and that is in the possession of the local health officer or other relevant local agency.

(2) By January 1, 2022, and by January 1 of each year thereafter, all results of, and data associated with, water quality testing performed by a laboratory that has accreditation or certification pursuant to Article 3 (commencing with Section 100825) of Chapter 4 of Part 1 of Division 101 for a state small water system or domestic well that is submitted to a local health officer or other relevant local agency shall also be submitted directly to the board in electronic format.

(c) (1) On or before July 1, 2026, and on or before July 1 of each three years thereafter, the board, in consultation with the advisory group established pursuant to Section 116768.5 and appropriate stakeholders, shall update the needs analysis of the state's public water systems to include an assessment of the funds necessary to provide a 20-percent bill credit for low-income households served by community water systems with fewer than 3,300 service connections and for community water systems with fewer than 3,300 service connections to meet the affordability threshold established pursuant to Section 116769.

(2) To develop this assessment, the board shall do all of the following for community water systems with fewer than 3,300 connections:

(A) Obtain income information from one or more State agencies that have the income information as to which ratepayers for those systems have an annual household income that is no greater than 200 percent of the federal poverty guideline level. Collect arrearage data from water systems not regulated by the Public Utilities Commission and request data from the Public Utilities Commission on those systems they regulate.

~~(B) Estimate the number of households in need of assistance using arrearage data as well as information provided by the United States Census Bureau or other comparable data source.~~

~~(B) (C) Identify available data on water rates charged by those community water systems with fewer than 3,300 service connections.~~

~~(C) (D) Report the number of those systems for which the rates data was unavailable. Where data is unavailable for a water system, use an average of existing data to estimate the level of need for that system.~~

SEC. 3.

Chapter 6.5 (commencing with Section 116930) is added to Part 12 of Division 104 of the Health and Safety Code, to read:

CHAPTER 6.5. Water Rate Assistance Programs

116930.

For purposes of this chapter, the following definitions apply:

(a) "Affordability programs" means any of the following programs:

(1) CalWORKs.

(2) CalFresh.

(3) General assistance.

(4) Medi-Cal.

(5) Supplemental Security Income or the State Supplementary Payment Program.

(6) California Special Supplemental Nutrition Program for Women, Infants, and Children.

(7) California Alternate Rates for Energy program.

(8) Family Electric Rate Assistance program.

(b) “Available information” means any of the following:

(1) Information provided pursuant to an agreement entered into pursuant to Section 116933 for the purposes of documenting the residential ratepayer’s participation in an affordability program.

(2) A benefits award letter provided by the residential ratepayer documenting that the customer is an enrollee in, or is a recipient of, an affordability program.

~~(3) Self-certification of eligibility, under penalty of perjury, by the residential ratepayer.~~

(c) “Balancing account” means a reserved amount of sufficient funding to address fluctuations in voluntary contributions received or changes in eligible ratepayers, not to exceed 25 percent of the annual expenditures of the program.

(d) “Crisis assistance” means direct bill credits to accounts of eligible ratepayers to reduce accrued arrearages.

(e) “Eligible ratepayer” means a low-income residential ratepayer with an annual household income that is no greater than 200 percent of the federal poverty guideline level.

(f) “Program” means a water rate assistance program established pursuant to this chapter.

(g) “Qualified system” means any retail water supplier that serves over 3,300 residential connections.

(h) “Residential ratepayer” means an accountholder of a qualified system who resides in a single-family or multifamily residence and who receives a bill from a qualified system for water service.

(i) “State board” means the State Water Resources Control Board.

(j) “Voluntary contributions” means funds voluntarily remitted by ratepayers to qualified systems that are not derived from fees or assessments pursuant to Section 4 or 6 of Article XIII D of the California Constitution.

116931.

(a) On or before July 1, 2027, a qualified system, other than a system meeting the requirements of subdivision (f), shall establish a program meeting the minimum requirements of subdivision (b) and begin providing water rate assistance to eligible ratepayers in compliance with this chapter.

(b) A program offered pursuant to this chapter shall, at a minimum, include both of the following:

(1) Automatic enrollment of eligible ratepayers if available information indicates that they are qualified to receive assistance.

(2) (A) Provision of a bill credit for eligible ratepayers of no less than 20 percent of the ~~drinking total~~ water charges, ~~and, if present on the bill, wastewater charges~~, for a volume of water ~~approximately~~ similar to that identified in Section 10609.4 of the Water Code or, if the eligible ratepayer uses less, the actual volume used. In the event there is not sufficient funding, including any balancing account funds, to support a 20-percent bill credit, the program shall provide the maximum bill credit available that funding is able to support, unless the maximum bill credit available that funding is able to support is less than 10 percent, in which case the qualified system shall instead provide crisis assistance to the extent funds are available consistent with subdivision (j). The bill credit may be applied pursuant to subparagraph (B).

(B) The qualified system may select the element or elements of the ~~drinking~~ water charges, pursuant to subparagraph (C), upon which the bill credit is applied or may elect to provide a bill credit as a set percentage of the total water bill, provided that the total bill credit is equivalent in value to the bill credit required by this paragraph.

(C) Element, or elements, of the drinking water charges upon which the bill credit may be applied include, but are not limited to, the fixed, volumetric, or fixed and volumetric charges levied by the system.

(c) (1) On or before September 1, 2026, for the reasonable costs associated with the administration of this chapter and to establish ~~initial~~ program funding, a qualified system may begin collecting voluntary contributions. Reasonable costs include administrative costs associated with this chapter and for providing notice to ratepayers pursuant to this chapter.

~~(2) Beginning July 1, 2027, the reasonable costs associated with the administration of this chapter shall not exceed 10 percent of voluntary contributions collected pursuant to this section.~~

(d) In establishing a program pursuant to this section, a qualified system may establish a balancing account to manage fluctuations in voluntary contributions and the granting of bill credits to eligible ratepayers.

(e) This section does not require a qualified system to use funds other than voluntary contributions collected pursuant to Section 116932 to provide rate assistance to eligible ratepayers or to pay for associated administrative costs. A qualified system may use other funds available for this purpose that are not derived from fees or assessments pursuant to Section 4 or 6 of Article XIII D of the California Constitution.

(f) (1) Any qualified system that offers an existing water rate assistance program on or before September 1, 2026, that meets the minimum enrollment and bill credit requirements specified in subdivision (b) by July 1,

2027, shall not be required to comply with this chapter, but may collect voluntary contributions pursuant to Section 116932 to supplement or expand the existing program or to provide crisis assistance. **If an existing water rate assistance program of a qualified system no longer meets the minimum enrollment and bill credit requirements specified in subdivision (b), the qualified system shall meet the requirements pursuant to Section 116931 and Section 116932 within 2 years.**

(2) Nothing in this chapter shall prohibit a qualified system from offering assistance to residential ratepayers that does either, or both, of the following:

(A) Provides a greater bill credit benefit.

(B) Exceeds the definition of low income as specified in this chapter for ratepayer eligibility.

(3) [PLACEHOLDER FOR REFINEMENTS AND/OR POSSIBLE ADDITIONAL OPTION(S) FOR OTHER EXISTING PROGRAMS.]

(g) Any public water system that is not a qualified system may collect voluntary contributions to fund a water affordability program, but is not required to comply with this chapter.

(h) A qualified system may require verification of eligibility from a sample of enrolled eligible ratepayers on an annual basis **or less frequently** to verify the ratepayer's low-income status and eligibility for assistance. A qualified system may remove any ratepayers found to not be eligible for assistance from this program.

(i) A qualified system shall continue to have a program pursuant to this chapter as long as there is sufficient funding available pursuant to Section 116932 to provide water rate assistance or crisis assistance, pay for the qualified system's reasonable costs for administration of the program, and establish a balancing account if the qualified system chooses to do so.

(j) (1) If, after three months of accepting voluntary contributions, the qualified system can demonstrate there will not be sufficient funds to support a program at a minimum of a 10-percent discount or five dollars (\$5) per month, whichever amount is greater and adjusted for the consumer price index after July 1, 2027, and pay for the qualified system's reasonable costs for administration of the program, the system shall instead use the collected contributions to provide **ongoing** crisis assistance and pay for the qualified system's reasonable costs for administration of crisis assistance. Crisis assistance shall be offered on or before July 1, 2027. **When funding is available that exceeds the administrative costs, c**Crisis assistance shall be offered to eligible ratepayers, at a minimum, when a qualified system provides notice pursuant to Section 116908 or when the eligible **ratepayer customer** contacts the qualified system about a delinquent account. **For this purpose, a delinquent account means an account that is 90 days past due.**

(2) Crisis assistance shall only be provided to an eligible ratepayer once per year and limited to an amount determined by the qualified system, taking into account the overall past due amount and available funding. To the extent the amount of crisis assistance provided does not eliminate an eligible ratepayer's arrearages, the ratepayer **may** enter into an amortization agreement, alternative payment schedule, or plan for deferred or reduced payment, pursuant to Section 116910, to be eligible for crisis assistance.

116932.

(a) On or before September 1, 2026, a qualified system **offering a program pursuant to this chapter** shall provide an opportunity for each ratepayer of the system **who has opted in pursuant to this section** to provide a voluntary contribution as part of the ratepayer's water bill to provide funding for the qualified system's program.

(b) A qualified system shall establish a recommended voluntary contribution amount **on the bill of each for** ratepayers other than an eligible ratepayer based on available information as of July 1, 2026, at a level intended to raise sufficient funding to provide a bill credit to eligible ratepayers pursuant to paragraph (2) of subdivision (b) of Section 116931, pay for the qualified system's administrative costs to implement this chapter beginning January 1, 2025, and establish a balancing account if the qualified system chooses to do so. When setting the recommended voluntary contribution, a qualified system shall assume that **XX60** percent of ratepayers other than eligible ratepayers will **opt in to providing** the contribution. **After January 1, 2028** **On or before July 1, 2027**, a qualified system may adjust the **recommended** voluntary contribution, as necessary, considering the previous year's actual participation rate. The recommended voluntary contribution shall not exceed 5 percent of the charges for **drinking** water **and wastewater** on the water bill for any residential ratepayer.

(c) **On or before July 1, 2026**, **A bill from** a qualified system shall **identify the option to opt in to providing a label the** voluntary contribution in a way that describes the purpose of the funds. The qualified system shall notify their ratepayers of the **option to provide a** voluntary contribution and, in a visually accessible manner and using clear and unambiguous language, shall provide each ratepayer the option and method of opting **in to out of** providing the voluntary contribution **at least three months prior to beginning collection of the voluntary contribution**, and thereafter on at least an annual basis. **If a ratepayer opts in to providing the voluntary contribution, the v**Voluntary contributions shall commence on the qualified system's subsequent billing cycle **following from the ratepayer's opt in notice**. The qualified system may choose to include alternative amounts for contributions. A qualified system shall also provide this information on its internet website in English, the other languages listed in Section 1632 of the

Civil Code, and any other language spoken by at least 10 percent of the people residing in its service area.

(d) A ratepayer who opts in to providing a voluntary contribution may opt out of the voluntary contribution at any time in a manner that may be specified by the qualified system and shall be included in the notice in subdivision (c), with voluntary contributions terminating on the qualified system's subsequent normal billing cycle following the opt out and no longer appearing on the ratepayer's bill.

(e) A ratepayer who opts in to providing a voluntary contribution but subsequently opts out may only request a refund for contributions made since the ratepayer opted out~~last notice of opportunity to opt out of the program was provided or for the period of the last billing cycle prior to the date the ratepayer opts out, whichever time period is greater~~. Qualified systems may provide refunds in the form of a bill credit.

(f) A qualified system shall not sanction, take any enforcement or collection action against, impose any late charge or penalty against, or otherwise hold liable a ratepayer in any manner for exercising the option of not paying a voluntary contribution described in this section.

(g) The voluntary contributions shall be used only to provide rate assistance to eligible ratepayers, pay for associated administrative costs to implement the program, and establish a balancing account. Administrative costs of establishing the program may be reimbursed from voluntary contributions.

(h) A qualified system may contract with a third party to receive the voluntary contributions and comply with this section.

(i) Any partial payment made by a ratepayer that is insufficient to pay for charges on the bill shall be used to pay the qualified system's charges shown on the ratepayer's bill before being attributed to a voluntary contribution.

(j) No penalty or late fee may be assessed by a qualified system for the failure of a ratepayer to make timely payment of a voluntary contribution described in this section, ~~regardless of whether the ratepayer has exercised the option of not paying a voluntary contribution~~.

(k) A qualified system may use any state or federal funds that are available to support a program by offsetting or supplementing the funds collected from voluntary contributions.

116933.

(a) On or before January 1, 2026, the Public Utilities Commission shall establish a mechanism for electrical corporations and gas corporations to provide data to all qualified systems no later than April 1, 2026, and annually by April 1 thereafter, regarding ratepayers enrolled in, or eligible to be

enrolled in, the California Alternate Rates for Energy (CARE) program established pursuant to Section 739.1 of the Public Utilities Code and the Family Electric Rate Assistance (FERA) program established pursuant to Section 739.12 of the Public Utilities Code.

(b) All qualified systems may enter into agreements with local publicly owned electric utilities and local publicly owned gas utilities, including, **but not limited to,** ~~municipal utility districts and irrigation districts~~, for the purpose of regularly receiving data regarding ratepayers enrolled in, or eligible to be enrolled in, affordability programs benefiting eligible ratepayers.

(c) Data provided pursuant to subdivision (a) or (b) is subject to Section 7927.410 of the Government Code and the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code).

(d) Data provided pursuant to subdivision (a) or (b) shall not be considered a disclosure under Section 1798.83 of the Civil Code.

116934.

Beginning in 2028, the state board shall require qualified systems, in technical reports required by the state board pursuant to Section 116530, to annually report the following:

(a) The total amount of voluntary contributions collected, the administrative costs of operating the program, the number of eligible households that were provided rate assistance or crisis assistance, and the total amount of rate assistance or crisis assistance provided to eligible households.

(b) An evaluation of available relevant information regarding any arrearages that remain after application of bill assistance.

116935.

(a) The Attorney General may bring an action in state court to restrain, by temporary or permanent injunction, the use of any method, act, or practice in violation of this chapter by a qualified system, other than a system that meets the requirements of subdivision (f) of Section 116931, including nonparticipation by a qualified system pursuant to this chapter.

(b) The Attorney General shall not bring an action against a qualified system for failing to meet the requirements of subdivision (f) of Section 116931, as long as the qualified system makes a good faith effort to raise sufficient funding pursuant to Section 116932.

~~116936.~~

~~*The provisions of this chapter are severable. If any provision of this article or its application is held invalid due to a conflict with federal requirements, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.*~~

116XXX - PLACEHOLDER TO ADDRESS OTHER ISSUES SUCH AS:

(1) Confidentiality issues related to income data;

(2) Any tax implications of bill credits.

SEC. 4.

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Board of Directors
Christy Guerin, President
Matthew R. Hahn, Vice President
Neal Meyers, Treasurer
Lawrence A. Watt, Secretary
Marco San Antonio, Director



General Manager
Kimberly A. Thorner, Esq.
General Counsel
Alfred Smith, Esq.

August 1, 2024

The Honorable Buffy Wicks, Chair
Assembly Appropriations Committee
1021 O Street, Suite 8220
Sacramento, CA 95814

RE: SB 366 (Caballero)- The California Water Plan: long-term supply target- SUPPORT

Dear Chair Wicks:

On behalf of Olivenhain Municipal Water District, I am writing in support of measure SB 366 (Caballero). OMWD provides 87,000 customers in northern San Diego County with water, wastewater, recycled water, hydroelectric, and recreational services.

This bill would establish long-term water supply targets for the state to achieve and would update the requirement that state agencies develop a plan to achieve those targets. The measure would also ensure that these targets are developed in consultation with local water agencies, wastewater service providers, and other stakeholders.

While this year has been marked by flooding and historic snowpack levels, these types of wet years are not reliable, and we need to adapt to hotter, drier conditions. Action is essential to ensure we are not managing scarcity but rather working toward a future where there is enough water for all. California needs to align the state's water supply strategy and policies with a target that will result in an adequate and reliable water supply for the environment, agriculture, the economy, and all Californians. SB 366 will bring the fundamental changes that are necessary to achieve these goals.

SB 366 will ensure the following:

- Transform water management in California taking us from a perpetual state of supply vulnerability to a reliable and sufficient water supply that is adequate for all Californians.
- Create a new "North Star" water supply planning target for 2040 that the state will need to work toward along with a process to develop a target for 2050. This will complement and amplify Governor Newsom's Water Supply Strategy and extend beyond any single administration.
- Preserve the California way of life, supplying water to our homes and communities, habitat and environment, recreation and tourism, business, and economic success.



- Support economic vitality for all businesses, from restaurants to technology companies, and employers that depend on a reliable water supply.
- Fulfill the generational responsibility to develop a water system that will adapt to changes in the environment and allow the state to thrive now and for future generations.

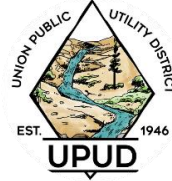
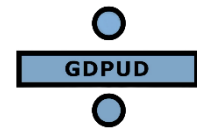
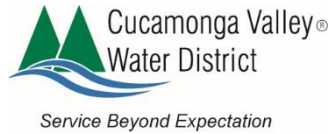
For the reasons stated above, OMWD urges the Assembly Water, Parks, and Wildlife Committee to advance SB 366 and take this important step toward securing the state's water supply future. If you or your staff should need any additional details, please do not hesitate to contact me at 760-753-6466 or kthorner@olivenhain.com.

Regards,



Kimberly A. Thorner
General Manager

cc: Author, Senator Anna Caballero
Members, Assembly Appropriations Committee
Nikita Koraddi, Principal Consultant Assembly Appropriations Committee
Assemblymember Tasha Boerner
Assemblymember Brian Maienschein
Ashley Walker, Nossaman, LLP (awalker@nossaman.com)



Senate FLOOR ALERT

AB 2257 (Wilson) – SUPPORT

We, the above coalition of public agencies, associations, environmental and labor groups, respectfully request your support and urge your “Aye” vote on AB 2257, which would improve the financial stability of public water and sewer agencies by enhancing public engagement during the ratemaking process.

Public water and sewer agencies provide essential government services for the benefit of communities, agriculture, industries, and the environment. These agencies are responsible for ensuring a consistent and reliable water supply, safeguarding the quality of drinking water, planning, constructing, and maintaining critical infrastructure, and much more. With climate change presenting unprecedented challenges, these agencies are also making generational investments in water supply infrastructure to mitigate the impacts of increasingly frequent and severe climate-related events.

The revenue necessary for public agencies to fulfill their essential government functions and adapt to a changing climate predominantly comes from service rates and assessments. While these agencies require financial stability to meet ever increasing demands, a rise in Proposition 218 litigation is making it increasingly difficult to ensure agencies can pass fair and reasonable rates to cover the costs of operations and investments.

AB 2257 would improve the ratemaking process by authorizing public agencies to adopt procedures for the submittal and consideration of public comments regarding proposed water and sewer rates and assessments.

PROMOTES INCREASED DIALOGUE AND TRANSPARENCY IN THE RATEMAKING PROCESS

Oftentimes, Proposition 218 lawsuits are filed without first having raised concerns with the public agency during the public notice-and-comment process leading up to the decision to adopt rates or assessments. This prevents public agencies from responding to, and endeavoring to resolve, the dispute and avoid litigation.

If an agency elects to adopt the procedures proposed in **AB 2257**, a person would be required to timely submit a written objection specifying the particular Proposition 218 compliance concern during the ratemaking process, in order to challenge the adopted rates or assessments in court. Public agencies would be required to consider and respond in writing to the objections. This process would help agencies develop more defensible rates and build rapport and trust with their ratepayers.

ALLOWS A PUBLIC AGENCY TO BETTER UNDERSTAND PUBLIC CONCERNS DURING THE RATEMAKING PROCESS

AB 2257 would create a greater understanding of potential concerns and the agency's responses to those concerns, providing the agency's board the opportunity to abandon its ratemaking/assessment proposal, change it (reduce it), or to better explain why it complies with Proposition 218's substantive limitations. **AB 2257** would foster better-informed administrative decisions, which benefit the objector, the public agency, and members of the public within the public agency's jurisdiction.

PROTECTS BOTH LEGISLATIVE AND ADJUDICATIVE FUNCTIONS

Litigation should not be the option of first resort to resolve disputes, particularly when a public process exists to raise and hear concerns. **AB 2257** would enhance this process by allowing the board of directors of a public agency—a legislative body—to hear the evidence, apply its reasoned discretion and expertise, and create a better administrative record to in the event of judicial review.

AMENDMENTS CLARIFY AB 2257 ONLY APPLIES TO LITIGATION RELATED TO PROPOSITION 218

Amendments to **AB 2257** have been largely technical in nature. The amendments help clarify the public noticing process, the fees that would be subject to the provisions of the bill, and specify the bill is not

intended to preclude lawsuits related to a local agency's failure to implement a fee or assessment in compliance with existing law.

We urge your “Aye” Vote on AB 2257

Association of California Water Agencies
Alta Irrigation District
Amador Water Agency
Bella Vista Water District
Brooktrails Township Community Services District
California Alliance For Jobs
California Association of Sanitation Agencies
California Municipal Utilities Association
California Stormwater Quality Association
Calleguas Municipal Water District
Camrosa Water District
City of Sacramento
City of Santa Rosa
Coastside County Water District
Contra Costa Water District
Crescenta Valley Water District
Crestline-Lake Arrowhead Water Agency
Cucamonga Valley Water District
Diablo Water District
Dublin San Ramon Services District
Eastern Municipal Water District
El Toro Water District
Environmental Defense Fund
Fallbrook Public Utility District
Florin Resource Conservation District/Elk Grove Water District
Georgetown Divide Public Utility District
Helix Water District
Hidden Valley Lake Community Services District
Irvine Ranch Water District
Las Virgenes Municipal Water District
Marin Municipal Water District

McKinleyville Community Services District
McMullin Area Groundwater Sustainability Agency
Mendocino County Russian River Flood Control & Water Conservation Improvement District
Mid-Peninsula Water District
Monte Vista Water District
Montecito Water District
Nevada Irrigation District
Olivenhain Municipal Water District
Otay Water District
Padre Dam Municipal Water District
Pajaro Valley Water Management Agency
Placer County Water Agency
Rosedale-Rio Bravo Water Storage District
San Bernardino Valley Water Conservation District
San Juan Water District
Santa Clarita Valley Water Agency
Santa Fe Irrigation District
South San Joaquin Irrigation District
Stockton East Water District
Sweetwater Authority
Tahoe City Public Utility District
Three Valleys Municipal Water District
Tri-County Water Authority
Tuolumne Utilities District
Union Public Utility District
Vallejo Flood and Wastewater District
Valley Center Municipal Water District
Walnut Valley Water District
Western Municipal Water District

Board of Directors

Christy Guerin, President
Matthew R. Hahn, Vice President
Neal Meyers, Treasurer
Lawrence A. Watt, Secretary
Marco San Antonio, Director



General Manager
Kimberly A. Thorner, Esq.
General Counsel
Alfred Smith, Esq.

August 6, 2024

The Honorable Buffy Wicks, Chair
Assembly Appropriations Committee
1021 O Street, Suite 8220
Sacramento, CA 95814

RE: SB 1330 (Archuleta)- Urban Retail Water Supplier: water use- SUPPORT

Dear Chair Wicks:

On behalf of Olivenhain Municipal Water District, I am writing in support of measure SB 1330, which would make substantial changes to the urban water use efficiency framework including moving several dates to reflect implementation delays, among other provisions. OMWD provides 87,000 customers in northern San Diego County with water, wastewater, recycled water, hydroelectric, and recreational services.

SB 606 (Herzberg, Chapter 14, Statutes of 2018) and AB 1668 (Friedman, Chapter 15, Statutes of 2018) passed by the legislature and signed by Governor Brown, established long-term water conservation framework into law. This framework requires that Department of Water Resources and State Water Resources Control Board work together to develop urban water use conservation or efficiency goals (in this case called urban water use objectives) for the roughly 400 urban suppliers that supply water to about 95 percent of Californians. The urban suppliers must meet their objective, not the individual users that they supply.

The implementation of the 2018 water conservation mandates by SWRCB has introduced regulatory complexities and financial burdens that surpass both the original legislative intentions and the recommendations by DWR. SWRCB's regulations, particularly those targeting commercial landscapes which account for less than 3 percent of the state's total water consumption, are administratively burdensome and impose minimal water savings at a high cost.

The focus of SB 1330 is to reduce the number of unique water use variances by removing a threshold of significance, in favor of randomized audits. It also moves the timeline from 2024 to 2026, allowing agencies to educate customers and implement effective monitoring programs. Data would only need to be submitted every ten years instead of annually, greatly reducing staffing demands while still providing meaningful data.



A recent report released by the Legislative Analyst's Office supports an effort to introduce legislation to provide water suppliers more time and greater flexibility to meet water conservation mandates. LAO noted that SWRCB standards for outdoor water use did not have much "wiggle room" for compliance. Specifically, LAO found that SWRCB's regulations "will create challenges for water suppliers in several key ways, in many cases without compelling justifications." LAO concluded that the performance measures suppliers must implement for commercial customers are unnecessarily complex, lack clarity in places, and will be administratively burdensome to implement.

SB 1330 delays the date SWRCB could seek a civil penalty for a violation of the water conservation regulations from January 1, 2026 to January 1, 2030. This measure will require DWR to collect and update data for outdoor residential landscapes and CII landscapes once every 10 years and post the data on its internet website. It will also require, as part of the 2026 report to DWR, that each urban supplier provide a narrative that describes the water demand management measures that the urban supplier plans to implement to achieve its objective by January 1, 2030.

Overall, SB 1330 will provide flexibility for water suppliers to comply with the water conservation mandates, which will reduce costs and provide more time for reaching the urban water use objectives established in the 2018 laws. At the same time, SB 1330 will help Californians who are facing ever-increasing water bills both at home and at work. Given California's high cost of living, increasing affordability for residents and businesses is vital.

For the reasons stated above, OMWD supports SB 1330. If you or your staff should need any additional details, please do not hesitate to contact me at 760-753-6466 or kthorner@olivenhain.com.

Regards,



Kimberly A. Thorner
General Manager

cc: Author, Senator Bob Archuleta
Members, Assembly Appropriations Committee
Nikita Koraddi, Principal Consultant, Assembly Appropriations Committee
Assemblymember Brian Maienschein
Assemblymember Tasha Boerner
Ashley Walker, Nossaman, LLP (awalker@nossaman.com)

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: AUTHORIZATION TO ATTEND UPCOMING MEETINGS /
CONFERENCES / SEMINARS

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

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

There may be public comments before the Board meeting is adjourned.

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: CLOSED SESSION

It may be necessary to go into Closed Session.

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: OPEN SESSION

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: ADJOURNMENT

We are adjourned.



The San Elijo Joint Powers Authority's water reclamation facility in Cardiff. Courtesy photo.

North County water agencies to receive \$6 million for reused water

by staff • July 11, 2024 • 161

REGION — The United States Bureau of Reclamation has recommended a \$6 million grant to a coalition of local water and wastewater agencies to develop reused water infrastructure in the region.

If approved by Congress, the [North San Diego Water Reuse Coalition](#) will use the funds to support its Regional Recycled Water Program: 2020 Project, which seeks to increase water reuse in the region through expanded recycled water infrastructure.

The project includes connecting the coalition's recycled water systems, installing new pipelines, and increasing recycled water storage capacity.

"This federal investment to strengthen our region's recycled water infrastructure is crucial to meet demand and reliability," said Rep. Scott Peters (D-San Diego). "Multi-agency projects allow us to stretch public resources and help accelerate results that will benefit the entire region."

The coalition is a group of nine water and wastewater agencies in San Diego County working beyond jurisdictional boundaries to maximize recycled water use and reduce demand for imported water.

Through the Title XVI Water Reclamation and Reuse Program, the Bureau of Reclamation provides financial and technical assistance to local water agencies for the planning, design and construction of water reclamation and reuse projects.

"It's great to see the Bipartisan Infrastructure Law making a difference," said Rep Mike Levin (D-San Juan Capistrano). "This investment will have a direct impact on the expansion of recycled water infrastructure and contribute to lessening our dependance on imported drinking water supplies. The collaborative approach taken by neighboring agencies is an exemplary way to strengthen the region's resiliency to future droughts."

Upon completion of all long-term project elements, an estimated 11 billion gallons per year of recycled water and potable reuse water will be added to northern San Diego's water supply portfolio.

"Despite the recent wet winters, California water supplies remain in a very challenging position," said Christy Guerin, board president of the Olivenhain Municipal Water District. "This financial support from the Bureau of Reclamation will allow us to continue developing recycled water infrastructure to further reduce our dependence on imported drinking water."

Upon congressional approval, this will be the third grant that the Bureau of Reclamation has awarded the coalition in the last three years. The bureau previously committed \$6.1 million in funds in August 2021, and another \$17.8 million in August 2022.

The three grant awards, totaling nearly \$30 million, will help cover costs for work performed through September 2025.

"For the Vallecitos Water District, the grant funding will be used to increase the size of the chlorine contact stage at our Meadowlark Water Reclamation Facility in Carlsbad," noted Tiffany Boyd-Hodgson, board president of the Vallecitos Water District. "We will be able to increase the capacity of Meadowlark from 5 million gallons a day to 6.5 million gallons a day."

According to Boyd-Hodgson, the additional reclaimed water supply will be passed along to Carlsbad and the Olivenhain Municipal Water District.

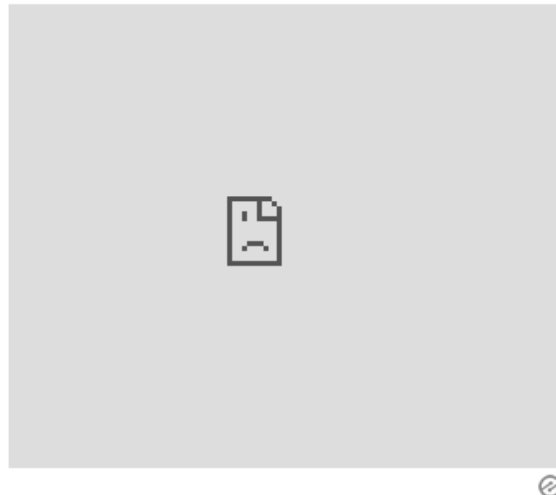
“Expanding our Meadowlark Water Reclamation Facility isn’t just about increasing capacity, it’s about enriching partnerships and empowering sustainability,” Boyd-Hodgson said. “This growth means more than just gallons – it means a deeper commitment to enhancing water reuse with our valued partners.”

Construction is already complete on many of the grant-funded facilities, including nearly nine miles of recycled water pipelines in the northern part of Carlsbad, the replacement and upgrade of 850 feet of treatment plant pipeline in Leucadia, a new pump station located in the Encinitas Ranch community, a new flow meter and control valves in Fairbanks Ranch, and more than 8,700 feet of pipeline in Encinitas and San Diego providing additional customers with recycled water.



One of three existing recycled water storage tanks in Carlsbad. The city has plans to build another tank for additional reserves. Photo by Jordan P. Ingram

The Leucadia Wastewater District is also excited about the grant, according to General Manager Paul Bushee.



“The grant will certainly enhance the district’s ability to implement water recycling projects with the overall goal of fortifying the region’s water supply,” Bushee said.

Construction is starting for several additional project components, including an upgrade to Rincon del Diablo Municipal Water District’s Beethoven and North Iris Pump Stations that will help distribute recycled water to the most northern and southern portions of Escondido.

“Rincon Water’s recycled water pump station upgrade program will improve the overall efficiency and reliability of the District’s recycled water distribution system,” said Rincon Water General Manager Clint Baze. “This will allow us to better meet the irrigation demands of existing, planned, and future developments.”

Meanwhile, Carlsbad Municipal Water District is building a new 1.5-million-gallon storage tank in the Aviara community to serve [recycled water](#) customers in the area.

“This award allows Carlsbad to keep recycled water rates more affordable and competitive with potable water rates,” said Dave Padilla, engineer and utilities assistant director for Carlsbad Municipal Water District. “We are pleased to be able to expand our system and reduce demand on potable water for irrigation needs. Ultimately, this grant award helps keep Carlsbad green, in more ways than one.”

In addition, Olivenhain Municipal Water District is constructing several new recycled water pipelines in Encinitas’ Village Park community, La Costa and 4S Ranch.

The City of Oceanside is building a 2.2-million-gallon storage tank, a supporting pump station, and installing over 6.5 miles of pipelines to provide recycled water to the Fire Mountain area.

“We are proud of our collaboration with the North San Diego County Water Reuse Coalition and grateful for this award from the Bureau of Reclamation,” said Oceanside Water Utilities Director Lindsay Leahy. “This award will support the building of a 2.2-million-gallon tank, pump station, and pipelines to increase recycled water use in Oceanside and further increase local, reliable supplies for our community.”

San Elijo Joint Powers Authority will use the funding to convert an existing 3-million-gallon reservoir to recycled water, expand its recycled water distribution pipeline system, and construct stormwater capture and reuse at the San Elijo Water Campus in Encinitas.

“We greatly appreciate this federal grant, which will be combined with local funding to build infrastructure that diversifies our water supplies, enhances system resiliency, and maximizes our stewardship of natural resources,” said San Elijo JPA Board Chair Kellie Shay Hinze, who also serves on Encinitas City Council.

In addition to federal funds, the project has previously received funding at the state level from California's Department of Water Resources.

The project received grant funding totaling nearly \$6.2 million on several occasions through the state's Integrated Regional Water Management Program – administered locally in partnership with San Diego County Water Authority, County of San Diego and City of San Diego – which supports collaborative water management to increase regional self-reliance throughout California.

Politics | Michael Smolens: San Diego faces minimal water cutbacks under state conservation plan

 [sandiegouniontribune.com/2024/07/12/san-diego-faces-minimal-water-cutbacks-under-state-conservation-plan/](https://www.sandiegouniontribune.com/2024/07/12/san-diego-faces-minimal-water-cutbacks-under-state-conservation-plan/)

Michael Smolens

July 12, 2024



Dec. 29, 2014, San Diego, CA |Aerial view of the San Vicente reservoir which is set to re-open in 2015, letting anglers and water sports enthusiasts return to the lake which was closed seven years ago for raising the height of the dam more than 100 feet. (John Gibbins / The San Diego Union-Tribune)



By [Michael Smolens](#) | The San Diego Union-Tribune

PUBLISHED: July 12, 2024 at 5:00 a.m. | UPDATED: July 12, 2024 at 5:38 a.m.

San Diego County's water world hasn't had much good news lately, with looming budget problems and whopping rate increases.

Well, here's some: The state's new mandatory water conservation plan won't require big reductions locally.

That's due mostly to decades of spending on recycling, desalination, storage, conservation and imported supplies.

Just four of the San Diego County Water Authority's 23 member agencies face any cutbacks at all — and they have many years to reach their goals.

The San Dieguito Water District faces the largest reduction of 6.9 percent. That's followed by the Olivenhain Municipal Water District (6.4 percent), Carlsbad Municipal Water District (6 percent) and the Santa Fe Irrigation District (3.6 percent).

There will be additional costs likely for all agencies because the sweeping plan includes detailed reporting and data-collection requirements. That may be more of a burden for smaller agencies than larger ones with more bureaucracy already in place, such as the city of San Diego.

Big or small, any new costs won't be welcome among the SDCWA umbrella group, which already is expected to consider raising rates on members by around 15 percent later this month. Most, if not all, of those increases may be passed on to individual customers.

The authority is facing a substantial budget shortfall resulting in large part from the investments that now apparently have spared its members from more harsh impacts of the new conservation plan that will be felt elsewhere in the state.

The problem, ironically, is partially the result of local customers significantly reducing water consumption for decades. That wasn't anticipated by the water authority, which is now awash in water that it figured on selling to member agencies to help pay off the costly investments. SDCWA is seeking to find markets to unload some of its supplies and recoup some revenue.

That situation isn't going away, but at least it won't be compounded by having to make significant cuts in water use.

"It's no surprise so many of our member agencies are already in compliance with this new plan," Dan Denham, water authority general manager, said in a statement.

"It shows how our strategic investments in developing our local water supplies continue to provide water security and benefit our region."

Under the plan approved unanimously by the five-member State Water Resources Control Board on July 3, some agencies in California will be required to cut water usage by more than 30 percent. That's a lot, but a renegotiated timeline means that the goal might not have to be reached for 16 years, which, in theory, suggests cuts could come at about 2 percent a year.

But the plan sets goals tailored to each agency. For instance, the Los Angeles Department of Water and Power also has made significant gains in conservation and would not need to achieve its first reduction of 6 percent until 2035, according to the Los Angeles Times. Other areas, such as the city of Bakersfield, would need to cut back 25 percent by 2030 to stay in compliance.

The plan is a significant departure from past mandatory, once-size-fits-all cuts during droughts. This system is more flexible, taking into account past investments, conservation practices, demographics and regional variations, such as treating hotter inland areas differently than milder coastal regions.

The cuts apply to urban water agencies and not agricultural districts, some of which also are embarking on separate conservation plans. The plan approved this month applies to the water utilities and not households, but the reductions may be felt by individual customers.

While most SDWCA members and many other agencies across the state essentially can stand pat through 2040, that didn't appear to be the case initially. The original plan called for deeper, faster reductions.

A report by the nonpartisan Legislative Analyst's Office in January criticized that plan as costly, unrealistic and "unnecessarily complex." Water agencies rebelled and after subsequent negotiations, the cuts and timelines were relaxed.

Not everyone was happy with the outcome.

"The State Water Resources Control Board has decided to kick the can of California's water future down the road at a time when we can least afford such inaction," Assemblymember Laura Friedman, D-Burbank, told CalMatters after the board vote, adding that California must invest more in water efficiency or be forced to spend billions on wastewater recycling and desalination.

Friedman authored one of the bills that required the mandatory conservation rules.

More than a third of suppliers serving about 42 percent of the state's population will not need to change their water use to meet the standards under the new plan — up from 18 percent under the previous version, according to state data cited by CalMatters.

The Pacific Institute was among environmental organizations that expressed disappointment in the conservation rollbacks, but supported the approach.

"I do think it's a good framework," Heather Cooley, director of research at the Pacific Institute, told the Times. "But I continue to think that we have far more opportunity across the state to reduce water use and to help prepare our communities for more extremes — more extreme droughts, hotter temperatures, all of the things that we're already seeing and that are going to get worse."

Much of the state plan is driven by concerns over global warming leading to increased water scarcity — despite interspersing wet years. That, along with overuse, has depleted the Colorado River, which provides water for some 40 million people in seven states and Mexico.

That's where San Diego gets much of its water. River stakeholders and the federal government already have acted to take less water from the Colorado, though a broader pact to divvy up the river is expected in a couple of years.

That may do more to shape San Diego's water outlook than the new state conservation plan.

News Nuggets: Scripps honor, 'Visit Encinitas', OMWD

 [sandiegouniontribune.com/2024/07/16/news-nuggets-scripps-honor-visit-encinitas-omwd](https://www.sandiegouniontribune.com/2024/07/16/news-nuggets-scripps-honor-visit-encinitas-omwd)

Encinitas Advocate

July 16, 2024



By Encinitas Advocate

UPDATED: July 16, 2024 at 3:23 p.m.

OMWD converts another Encinitas property to recycled water

Olivenhain Municipal Water District began serving recycled water recently to the new commercial building at 777 North El Camino Real in Encinitas. Irrigating the property with recycled instead of potable water will save more than 7,500 gallons of imported drinking water each year, according to a news release.


“Converting our commercial customers to recycled water for irrigation is of the utmost importance” said OMWD Board Secretary Larry Watt in the news release. “Our region is dependent on the Colorado River for drinking water and available supplies on the river have been slowly declining for decades. Every customer we convert to recycled water makes us more drought resilient.”

Recycled water is locally produced, disinfected wastewater that is used for irrigation, and is not only a drought-resilient supply, but also costs less than potable water. OMWD produces up to two million gallons of recycled water daily at its 4S Ranch Water Reclamation Facility and supplements this supply with recycled water purchased from neighboring water and wastewater agencies, the news release stated.

“Converting our irrigation meter to recycled water was a good decision,” said Project Manager Jason Van Engelenhoven in the news release. “We can now irrigate our property without contributing to the ongoing water supply crisis and won’t be as impacted by future drought regulations that might limit watering schedules. OMWD has been very helpful in the conversion effort and we are very grateful for their guidance.”

Originally Published: July 16, 2024 at 3:23 p.m.

XR Geomembrane crucial for utility district facility achieving zero discharge success

 geosyntheticsmagazine.com/2024/07/22/xr-geomembrane-crucial-for-utility-district-facility-achieving-zero-discharge-success

By ATA

July 22, 2024

By Felon Wilson

The Olivenhain Municipal Water District's (OMWD) 4S Water Reclamation Facility (WRF) receives 1 MGD (3785 m³/day) of municipal wastewater, treats it to tertiary standards and discharges none.

XR-5[®] lined water reuse storage impoundment.

The 4S WRF serves a population of 7,500 homes in the 4S Ranch and Rancho Cielo areas, both in San Diego County. Originally a private system, OMWD took over in 1998 and now owns and operates the facility including the collection system consisting of 15 pump stations, 65 miles (108 km) of gravity sewer and 25 miles (42 km) of force main. The WRF has an organic capacity of 2 MGD (7570 m³/day) and treats the incoming wastewater with primary screening and grit removal followed by secondary treatment via extended aeration/clarification. Tertiary treatment is accomplished with shallow-bed sand filtration. The filtrate is disinfected with UV.

All treated effluent is directly recycled through 46 miles (76 km) of purple pipelines and used for non-residential, non-greenspace vegetative applications, including homeowner associations, schools, parks, golf courses and street departments. Recycling the effluent in real time works well in the hot, dry portions of the year, but in cooler, wetter periods (winter), influent volume to the WRF exceeds recycle usage. OMWD has a commitment to zero discharge; in fact, the WRF is designed without a permitted outfall. Excess effluent is stored in a lined impoundment.

The district's initial impoundment was undersized. In addition, the original reinforced polypropylene liner was failing prematurely due to UV degradation. So, in 2016, the impoundment was enlarged and relined, extending the geomembrane beyond the perimeter access road. By extending the liner beyond the access road to the brow of the reservoir, the district greatly increased storage capacity. This fits the district's long-term needs:

The Regional Board requires that wastewater treatment plants have 84 days of wet weather (seasonal) storage per MGD based on treatment capacity. The 4S Ranch Pond is a 410 acre-ft pond which equates to capacity of 134 MG (500,000 m³). This provides enough storage for the current design flow maximum of 1.6 MGD (6050 m³/day). The relined pond helps OMWD to meet long-term growth plans.

The impoundment is located west of the WRF and across the busy 4-lane Cove Canyon Road. The plant and the impoundment are both surrounded by residential areas and are very noticeable. The proper operation of both is particularly important.

Average dimensions of the impoundment are 880 ft x 630 ft (268 m x 192 m) with varying width and length as adapted to optimize the available land. To contain the water, OMWD used over 600,000 ft² (55,000 m²) of 8138 XR-5 Geomembrane to line the basin. The XR-5 was selected after an analysis of basin lining requirements including puncture and UV resistance, strength, longevity, stability, and low thermal expansion contraction properties. The low thermal expansion contraction properties were a must-have as the operation of the storage basin would leave it often empty, and cover was not feasible or cost effective from a capital or O&M standpoint. Further, they wanted the storage facility, like the treatment facility, to be a good neighbor. At their request, Seaman Corporation, the manufacturer of the XR-5, produced a cream-colored version of the product to make the impoundment more aesthetically pleasing, while retaining the material properties.

The completed, lined basin is shown below prior to commissioning.



Completed 4S recycled water storage basin with XR-5 Geomembrane.

The winters of 2016 and 2019 were especially wet in southern California and much of the plant effluent required storage, but the design was sufficient to hold all the excess recycled water and the XR-5 contained all the water in the basin until it was ultimately recycled in the community. While other treatment challenges face all WRFs, this one has their recycled water storage under control.

The 4S Ranch Water Reclamation Facility was awarded the 2018 California Water Environment Association and local California Water Environment Association Section Small Plant of the year award.